

EAST INDIA (BUDGET).

Return to an Address of the Honourable the
House of Commons, dated 29th June, 1925; for,

“RETURN OF THE BUDGET OF THE GOVERNOR
GENERAL OF INDIA IN COUNCIL
FOR 1925-26.”

India Office,
11 July, 1925.

}

A. HIRTZEL,
Under Secretary of State for India.

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GOVERNMENT OF INDIA
FINANCE DEPARTMENT.

BUDGET FOR 1925-26.

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PART I.
RAILWAY BUDGET.

Speech of the Railway Member

introducing the

Railway Budget for 1925-26.

PROCEDURE.

The Honourable Sir Charles Innes (Member for Commerce and Railways): Sir, I rise to present a statement of the estimated expenditure and revenue of the Governor General in Council for the year 1925-26 in respect of Railways. This is an important occasion for we are inaugurating to-day the new budget procedure which the separation of our railway finance from general finance has rendered possible. Under the convention to which the House agreed last September, the Railway contribution to the general revenues of the country is in great part a known figure. That is why I am to-day introducing the Railway Budget in advance of the General Budget. I can do so without giving away any of those secrets which my Honourable Colleague on my right guards so jealously. And in the matter of procedure alone, I hope that the House will agree with me that we get solid advantages from the new procedure. In the first place, I would beg the House to observe that the budget itself is not a mere departmental compilation. The Railway Finance Committee, a Committee elected by this House and containing only one official member, has examined the budget in detail and has approved generally of it. I take this opportunity of thanking them for their labours. As the House will see from the printed proceedings of the Committee which are being circulated, we worked them very hard, and Mr. Sim, their Chairman, tells me that he derived the greatest benefit from their advice and criticism. This year I am afraid that we had to rush them a little. We could not help ourselves, for we ourselves had to work very hard in order to get the budget in its new form ready in time, but in future years I hope we may be able to spread their budget work over a longer period. Again, Sir, another advantage that we derive from the new procedure is that we are able to give the House more time to consider the Railway Budget. A separate day is being given for a general discussion of the Budget, and the House will have four days next week to consider the Railway demands for Grants. This allowance may strike the House as insufficient for a budget which deals with an expenditure amounting to some 90 crores of rupees. But at any rate, it is an improvement on the procedure last year, when six days were set aside for all the demands of the Government of India including railways. And finally, Sir, we have attempted to place the budget before the Assembly in a form which not only gives more information about our Railway finances, but which will facilitate discussion. Last year there were merely two Railway votes—one for capital and one for revenue. This year we have split the budget into 15 votes. Two of them relate to strategic lines. The other thirteen relate to commercial lines. In addition to the general budget memorandum, we are circulating separate notes on each demand, and we are also circulating separate statements regarding

each and every railway that comes into our budget. These statements give for each Railway the revised estimate for 1924-25 and the budget estimate for 1925-26. And to each statement an explanatory memorandum is attached. It discusses how the Railway has done this year, what its prospects for next year are, what its programme for development and betterment is, and what expenditure we propose from the Depreciation Fund. We hope that by putting the budget up in this form we shall enable the House to keep an intelligent watch not only on the development of the Indian Railway system as a whole, but on each Railway, and I hope also that the amount of information we are giving to the House will clear away the last vestige of that suspicion which, I think, lurked in the minds of some Honourable Members last September that the object of the separation of Railway finance was to weaken the control of the Assembly over our budget.

Before I leave the question of procedure, I should like to add two remarks. The first is this. We do not regard the form in which we are putting up the budget this year as the last word on the subject of the best way of presenting the Railway budget to the House. As I have already explained, we were working against time, and we had to devise our own form. But we are quite open to suggestions for improvement, and if any suggestions are made either in the House or by the Railway Finance Committee, they will be most carefully considered before the time of the next budget. My other remark is in the nature of an appeal. We are circulating with the budget papers a statement which shows exactly what activities of the Railway Department each vote covers. We have done that, Sir, in order to let Honourable Members who wish to bring up any particular subject for discussion know under what vote that subject can most appropriately be discussed. I hope that Honourable Members will carefully study the statement in order that our debates may proceed in an orderly and useful manner. I should just like to reinforce the appeal which was made in this House at the beginning of this week by Sir Campbell Rhodes. I hope, Sir, that when Honourable Members put down motions for reductions, they will add a few words to explain exactly what point they wish to raise. I ask them to do this in their own interests as well as in the interests of the Government. For if we know beforehand exactly what subject each motion is intended to bring up, we shall come better prepared to give the information which the Honourable Member wants.

I come now to the budget estimates. They are explained in the budget memorandum and I propose only to deal with the more important figures. My idea is indeed to make to the House more or less the sort of speech which the Chairman of a Board of Directors would make to the shareholders of a Company. (Hear, hear). For I think that it might fairly be said that this is the position at which eventually we hope to arrive.

REVISED ESTIMATE FOR 1924-25.

Revenue.

I take first the revised revenue estimate for the current year. It is still only an estimate of course, but it is the best estimate we could make in the light of the latest figures available when we prepared the budget. I will begin by giving the figures in barest outlines. We place our revised estimate of gross receipts, that is, gross traffic receipts plus our share of the profits of subsidized Companies plus miscellaneous receipts at 98.01 crores. The figures of course are for commercial lines only. Our revised estimate

of our total charges, that is, working expenses *plus* surplus profits paid to Indian States and Railway Companies *plus* interest charges *plus* miscellaneous charges, amounts to 86·77 crores. We hope therefore that the gain from commercial lines during the current year will amount to 11·25 crores.

Comments on Revised Estimate.

Before I proceed to deal with the effect of these figures upon our contribution to general revenues in the current year, which is no doubt the point upon which the House takes a very keen interest, I should like to make one or two comments on these figures. Our gross receipts, if we realise them, will be nearly 5 crores better than the gross receipts of last year and more than 2½ crores better than our budget estimate. I think these are very satisfactory figures, but I do not propose to say very much about them. For the most part, the betterment is due to causes beyond our control, namely, good crops and improving trade. Had it not been for the disastrous floods both in North and in South India, our gross receipts would have been better still. But I think that there is one point in which perhaps we might claim a little credit, and it is this: I think that I can say that by more efficient working and by getting better use of our rolling stock we have been able to carry this greatly increased traffic without undue delay and without inconvenience to trade. Our expenditure figures are more interesting. If we exclude interest charges, surplus profits due to Indian States and Railway Companies and miscellaneous charges, we expect our working expenses in the current year to be 62 crores against 59·16 crores last year. But the figure 62 crores requires some explanation. To begin with, it has been decreased by a windfall of 1½ crores. This sum represents a refund to revenue of customs duties paid on stores imported during recent years by Company Railways which according to a recent Privy Council decision they ought not to have paid. If we disregard this windfall, our working expenses this year will amount to 63·25 crores or 4 crores more than last year. But the figures are still misleading. Last year we had no depreciation fund and we charged to revenue only our actual expenditure on what we in those days called programme revenue, i.e., renewals and replacements. In the current year, we charge to revenue our gross appropriations to the Depreciation Fund, namely, 1·6 crores and not merely our estimated actual expenditure from the fund, namely, 805 lakhs. It is perfectly right that we should charge to revenue these gross appropriations, but merely for the purpose of comparing our working expenses this year with those of last, we should deduct 195 lakhs from the figures 63·25 crores I have just given the House. If we compare the figures in this way, it means that this year we have spent 61·30 crores in order to earn 98 crores. Last year we spent 59·16 crores in order to earn 93·18 crores. In other words, though we have earned nearly 5 crores more, we have spent only 214 lakhs more. It is true that the rise in exchange has helped us to the extent of some 25 lakhs, but even so, the figures are, I think, very satisfactory and reflect great credit on the Railway Board and on the Railway Administrations. The House will remember that the Inchcape Committee set before us the standard that we should aim at earning 5½ per cent. on the capital invested on our Railways. If our revised estimates for this year prove correct, we shall have earned on commercial lines on the capital invested by Government 5·46 per cent., that is, very nearly 5½ per cent. held out as our standard by the Inchcape Committee.

BUDGET FOR 1925-26.

Contribution for 1924-25.

I now come, Sir, to the contribution for 1924-25.

According to the convention agreed to by the Assembly last September, Central Revenues are entitled to receive from the Railways a contribution equal to 1 per cent. of the capital at charge in the penultimate year *plus* 1/5 of the surplus profits in that year. The Assembly also stipulated that if after payment of the contribution so fixed the amount available for transfer to Railway Reserves should exceed 3 crores $\frac{1}{2}$ of the excess over 3 crores should be paid to general revenues. I proceed now to inform the House how much we expect to contribute this year to general revenues. The House will remember that it was specially arranged that the contribution for the current year should be based not on the figures of 1922-23 (a year in which the profit from Railways was very small) but on those of 1923-24, and that what I may call the fixed contribution for 1924-25 should be repeated in 1925-26. This fixed contribution calculated at 1 per cent. of the capital at charge in 1923-24 *plus* 1/5 of the surplus profit of that year amounts to 630 lakhs odd. That represents what I may call our fixed contribution for 1924-25 and 1925-26 to general revenues. General revenues have, however, to meet the loss on strategic lines and that loss is taken for purposes of convenience as an offset against the amount due from commercial lines to general revenues. In 1923-24 this loss amounted to 121 lakhs. Therefore the net contribution payable to general revenues in 1924-25 and 1925-26 is 509 $\frac{1}{2}$ lakhs. But though for convenience sake we pay a net contribution of 509 $\frac{1}{2}$ lakhs, I would beg the House to observe that they are taking from us under the convention 630 lakhs. Now I mentioned just now that we anticipated that our gain from commercial lines during the current year would be 1,125 lakhs. But the estimated loss this year on strategic lines is 151 lakhs. The net gain therefore is 974 lakhs. From this amount we deduct the net contribution of 509 $\frac{1}{2}$ lakhs and this leaves a balance of 465 lakhs. This is the amount for disposal. The excess over 3 crores is 165 lakhs. One-third of this or 55 lakhs has to be paid to general revenues and 410 lakhs go to our Railway reserves. The general taxpayer therefore gets a net payment from Railways in the current year of 564 lakhs or more than a crore more than Sir Basil Blackett budgeted for, and we get 410 lakhs into our reserve fund. But I would again emphasise that what the general taxpayer is really taking from commercial lines is not 564 lakhs but 685 lakhs.

BUDGET ESTIMATE FOR 1925-26.

Revenue.

I pass on to the budget estimate for 1925-26, and as in the case of the revised estimate for this year, I will first give a summary of the revenue figures. We are budgeting for gross receipts of 101 crores and for a gross expenditure of 91 crores. If the estimates prove correct, there will be a gain from commercial lines of 10 crores of rupees.

Receipts.

Of course we cannot foresee what the year 1925-26 has in store for us. As I have said, Railway results are peculiarly dependent upon the monsoon and upon the state of trade, and no one can forecast whether or not next year's monsoon will be a good one or not. But for

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the moment the outlook is promising. It looks as if we might have a bumper wheat crop this year, and we may also hope to carry in the early months of 1925-26 a larger proportion of the cotton crop than usual. At any rate, this year's crop is reported to be bigger than that of last year, and so far less of it has come down to the Ports. Therefore, in the early months of next year we ought to carry more cotton than we did this year. Given, therefore, a normal monsoon and a fair state of trade, we hope that we shall top our figures of this year good though they were, and we are budgeting for gross receipts of 101 crores or three crores in excess of those of this year.

Expenditure.

As regards expenditure, I neglect for the moment such charges as interest charges and surplus profits paid to Indian States and Railway Companies and confine myself to working expenses proper. I have just explained that if we take no account of the windfall of customs duty, our working expenses this year are expected to amount to 63.25 crores. Next year we are budgeting for a figure of 65.79 crores or 2½ crores more. One reason for this excess is that we hope to make a beginning with a very important improvement, namely, the provision of automatic couplers, and we are providing 70 lakhs for that purpose. I may say that the introduction of automatic couplers should result not only in great economy but also in a diminution of accidents among our staff. We are also setting aside 50 lakhs for speeding up repairs to rolling stock, and we are allotting 50 lakhs to meet the cost of the measures we are now taking to get rid of surplus and unserviceable stores. I should also mention that 26 lakhs have been provided in the budget for the cost of extending to officers of Company Railways the Lee Commission concessions with effect from 1st April last. We have thought it prudent to make this provision in the budget, but I must make it plain that it has not yet been decided whether these benefits should be conferred on the officers of Company Railways in whole or in part or from what date. It is a question which still has to be considered by the Government of India and the Secretary of State. If allowance be made for these additions to our expenditure, it will be seen that we hope to keep the direct cost of operation, if any thing, below this year's figures in spite of the fact that we are budgeting for earnings 3 crores in excess of this year's figures. Our interest charges, owing to the new capital charges we are incurring are likely to be some 82 lakhs higher in 1925-26, and as I have said, we are budgeting in all for total charges amounting to 91 crores of rupees.

Contribution for 1925-26.

I have explained how we have calculated the contribution for 1924-25, and I will not go into the details regarding the contribution for 1925-26. It is sufficient to say that we expect our net contribution for 1925-26 to be 524 lakhs or 40 lakhs less than the contribution for the current year. The reduction is accounted for by the increase in the net receipt of the current year of 125 lakhs due to the refund to revenue of customs duty. This figure, however, is the net contribution. The gross contribution from commercial lines will amount to 645 lakhs, and we expect to pay into our Railway Reserves 328 lakhs of rupees.

Railway Reserves.

If therefore our figures prove correct, we shall have in Railway Reserves at the end of 1925-26 a sum of 738 lakhs of rupees. Now, under the terms of the convention these Railway Reserves are to be used (1) to secure the payment of the annual contribution to general revenues, (2) to provide if necessary for arrears of depreciation and for writing down and writing off capital and (3) to strengthen the financial position of Railways in order that the services rendered to the public may be improved and rates reduced. The House will no doubt want to know whether we propose to make any use of our reserves in 1925-26. The answer is no. In the first place, our anticipation that at the end of this year we shall be able to place 410 lakhs to Railway Reserves is only an anticipation. Until the actuals of the year are known, we shall not know exactly what sum we have at our disposal in the reserve fund. Still less can we say for certain whether we shall realise our hope that at the end of 1925-26 we shall be able to place another 328 lakhs to reserve. Our estimates for next year are based on a normal monsoon and a fair state of trade. If our hopes in this respect are falsified and if the monsoon is a bad one, we may be able to place nothing at all to reserves. In any case, we have to bear in mind that in 1926-27 we have to pay a contribution, based on the current year's working, of approximately 735 lakhs from commercial lines.

This means that if in that year we make no profits, the whole of our estimated reserves will be absorbed in paying the contribution for that one year. The risk of exchange again has to be borne in mind. A drop in the exchange value of the rupee to 1s. 4d. would increase our revenue charges by 1½ crores, and all things considered we are satisfied that the prudent course is to make no proposals this year for the utilisation of our reserve funds. After all, a reserve of 410 lakhs is less than 1 per cent. of our capital at charge, and it represents only a little more than 4 per cent. of our gross earnings in the current year.

Capital budget, 1924-25.

So far I have dealt only with our revenue budget. I propose now to say a few words about our capital budget. For the current year the Legislative Assembly approved last March of a capital expenditure of 80 crores during the current year. Approximately 25 crores were for rehabilitation and improvement of existing lines and 5 crores were for new construction. The actual amount which it is expected to spend during the current year is only 12.85 crores resulting in a lapse of 17.15 crores. I am prepared to admit at once that the figures are disappointing, but they are not quite so disappointing as they look. I have referred already to our windfall in the shape of a refund of customs duty. That windfall amounts in all to 280 lakhs. 125 lakhs go to revenue. 155 lakhs goes towards reduction of the total capital at charge. We anticipate also that there will be a reduction in the capital locked up in stores amounting to 4 crores. That is to say, our total capital expenditure in the current year is likely to be 18.4 crores, or much the same as last year. Even so, the figures indicate a very considerable short spending, but as the causes of this short spending have been analysed at some length in the Administration Report for last year which we published only a few weeks ago, I shall not weary the House by travelling over the ground again. I will merely say that we hope to effect a considerable improvement in this

matter. Indeed as I shall show when I come to the capital budget for 1925-26, we are counting on this improvement manifesting itself next year.

Capital budget for 1925-26.

Agents have informed us that next year they will be able to spend on works approved by the Railway Board 32 crores of rupees. We attach great importance to the earliest possible completion of approved works. The sooner they are completed, the sooner they will begin to pay us a return on our investment. But in view of what I have just said, the House will not be surprised when I say that we regard the estimate of the Agents as optimistic and that we have some doubts whether they will be able to spend the full amount asked for. Instead of cutting down the demand, however, we have shown a probable saving of over 9 crores and we are asking the House to vote 6½ crores for new construction and 16·20 crores for open line works.

Open Line Works.

Of the amount asked for by Agents 23·7 crores are required for Open Line works and rolling stock, involving, I may mention, a consequent provision of more than 11 crores from expenditure from the Depreciation Fund. The main purposes to which this money is being devoted are explained in the Budget Memorandum, but the House will, I think, be interested, if I mention just a few of them. We are providing in terms of 4-wheelers for 3,857 new goods wagons and for 822 new coaching vehicles, 755 of these latter being lower class vehicles. Apart from these additions and betterments to lower class carriages, which will cost us nearly 1½ crores, we are spending some 30 lakhs on amenities for 3rd class passengers in the shape of waiting sheds, refreshment rooms, booking facilities, water-supply arrangements and the like. Honourable Members will no doubt have read recently in the Press of the reopening of the electrified Harbour Branch of the Great Indian Peninsula Railway. That constitutes what I am sure will prove to be a landmark in Indian Railway history, for it is the first electric railway in India. We are continuing that work and we are providing 103 lakhs for the electrification of the Great Indian Peninsula suburban line and 77 lakhs for the electrification of the Bombay, Baroda and Central India suburban line into Bombay. 18 important station yards are being remodelled in order to improve our traffic service and to reduce delays to wagons in transit at a cost of nearly 3 crores. More than 3 crores are being spent in remodelling workshops, notably at Charbagh on the Oudh and Rohilkhand Railway, at Trichinopoly on the South Indian Railway, Dohad on the Bombay, Baroda and Central India Railway, and at Perambur on the Madras and Southern Mahratta Railway. 58 lakhs are being spent on doubling certain sections of the Bengal Nagpur Railway. 38 lakhs have been provided for the doubling of the Grand Chord on the East Indian Railway and 34 lakhs for quadrupling the Bandra-Borivli and Bandra-Grant Road sections of the Bombay, Baroda and Central India Railway and the Bassein bridges on the same Railway are being rebuilt.

New construction.

Eight and half crores of rupees are required for new construction. A full list of the lines which are under construction or the construction of

which we hope to begin next year will be found in Demand No. 7. There are 40 of them with an aggregate mileage of 2,138 miles, and a reference to that Demand will show that we are embarking on a programme of new construction which will eventually cost more than 44 crores of rupees. It is a large sum of money, but the financial prospects of the various projects have been carefully examined, and we believe that these lines will pay us handsomely. I am confident that the House will thoroughly approve of a bold policy of remunerative railway development. My own conviction is that the best way in which the Government can foster the expansion of Indian trade and Indian industries and thereby increase the wealth and prosperity of India is by extending her railway system. I do not think it can be denied that we are behind hand in this matter. In this great continent with its 318 million inhabitants we have only 38,000 miles of railway. Contrast England with its 50,000 miles and the U. S. A. with its 250,000 miles. If you look at a map of India, you see great gaps in which there are no railways. The Rajpur-Parvati-pur Railway—a railway I may mention in passing the construction of which is dependent on the opening of a harbour at Vizagapatam—will fill in one of these gaps. It will open up a great tract of 125,000 square miles which at present is entirely without railway communication. Incidentally it will provide the east of the Central Provinces with an outlet to the sea. The central coalfields railway will fill in another gap. Madras has always complained that she has been starved of railway development, and in the south of the Presidency we hope to take up four projects covering some 300 miles of railway, namely, the Villupuram-Trichinopoly, Virudunagar-Tenkasi, Dindigul-Pollachi and Trichinopoly-Karaikudi lines. It is the same with Burma and we have several lines either under construction or in the programme for that country. I may mention that the Chief Commissioner and Mr. Sim paid a prolonged visit to Burma last December, and discussed railway development in Burma with Sir Harcourt Butler and his Government. That is part of our policy now. The Railway Board by frequent tours tries to keep in closest possible touch with Local Governments in regard to railway matters.

New policy in regard to Branch and Feeder Railways.

What I have just said about our proposals for new construction leads on to a reference to the new policy which we have formulated, in consultation with the Central Advisory Council, in regard to Branch and Feeder Lines. The House is no doubt aware that 30 years ago when the Government of India themselves were in difficulties for money for new capital expenditure, a system was originated of financing the construction of Branch and Feeder lines through Branch Line Companies guaranteed by Government. For the encouragement of such Companies, Branch Line terms were drawn up and were kept on tap. These were the terms on which Government were prepared to give to private Companies for money required for the construction of Branch or Feeder lines. This system undoubtedly enabled lines to be built which otherwise would not have been built, but in other respect it came in for severe criticism from the Acworth Committee, which indeed thought that the aim should be rather to reduce the number of existing private Companies than to create new ones. We have recently had the whole subject under our consideration. The existing Branch Line terms are quite out of date. If they are to serve the purpose for which they were originally intended, we should have to revise them on much more liberal lines, and with the approval of the Central Advisory Council

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we do not propose to undertake that revision. We think that the more economical and better course is for us to construct ourselves remunerative new lines. I do not think that the House need fear that this policy will lead to a slowing down of new construction. In the Railway Board we have new projects under constant examination, and indeed the capital expenditure on the new projects included in Demand No. 7 is four times as great as all the capital raised in the last 30 years by Branch Line Companies. Nor do we propose to neglect projects which, though they cannot be classed as remunerative, may be required by Local Governments for administrative or other reasons. We are quite prepared to consider any such project, provided that the Local Government is prepared to guarantee it from provincial revenues.

Local Governments thoroughly approve of this policy, and we are already constructing two new lines on this basis, the Shoranur-Nilambur line in Madras and the Moulmein-Ye line in Burma. Other projects are under examination.

Compensation claims.

Before I leave the Budget proper, there are one or two special points to which I wish to draw attention. One is that of compensation claims. In 1922-23 the amount paid out in compensation claims reached the enormous figure of 121 lakhs, a figure which very naturally attracted unfavourable comment from the Incheape Committee. In 1923-24 we succeeded in reducing payments under this head to 78 lakhs. This year we hope that there will be a further fall to 67 lakhs and in 1926-27 we are providing only 47 lakhs. This substantial reduction has been effected by unremitting work on the part of the Railway Administrations and the Railway Board. Improvements in office procedure have enabled claims to be disposed of more expeditiously; watch and ward staffs have been strengthened; and generally better arrangements have been made to cope with what is a very serious evil.

Coal contracts.

The other matter to which I wish to refer specially is our coal bill. Last year by negotiations in Calcutta the Railway Board managed to secure a revision of the coal contracts which pressed so hardly upon us. We have also been devoting special attention to economy in fuel consumption, and the result is that in spite of the very much larger traffic carried in the current year than in 1923-24, we expect our total coal bill to be less by 18 lakhs than it was last year. In 1925-26, in spite again of the further increase of traffic for which we are estimating we hope for a further reduction of 19 lakhs in our expenditure on coal.

Indianisation.

Before I sit down there are one or two other matters to which, I think, the House will wish me to refer in spite of the fact that they are not directly concerned with finance. One of course is the question of Indianisation. Three statements have been included in the Budget Memorandum, giving the number of Indians, Anglo-Indians and Europeans in the gazetted ranks of Indian Railways, and similar statistics for subordinate posts carrying a pay rising to Rs. 250 per mensem and over. These statements show that in the 12 months ending October 1924 the number of Indians in superior appointments rose from 280 to 310 and the number of Indian upper subordinates from 1,821 to 1,929. On State Railways other than the

E. I. Railway, which we have only just taken over, Indians already fill about 30 per cent. of gazetted posts, and though I suppose the Railway Department has the reputation of being the most stiff-necked Department of all in this matter, I do not believe there is any department or at any rate very few, which can show equal results. But what I am concerned with is the future rather than the past. We have accepted the recommendation of the Lee Report that 75 per cent. of recruits for Superior Departments in the Railway Service should be recruited in India, and what I wish to say is that the provisional proposals of the Railway Board in regard to recruitment and training which have been formulated in order to carry the above recommendation into practical effect are now ready, and I hope to discuss them with the Central Advisory Council before the present session ends. Honourable Members are apt to complain that few Indians have risen to high posts in the Railways and none to the Railway Board. That is true. But they must remember that it is only in recent years that Indians have joined the gazetted ranks of railway offices in any number, and time must be allowed for them to find their way to the top. The question of subordinate posts is much more difficult. In one sense, of course, it is not a racial question at all. It is rather a communal question. To a very large extent the Subordinate Railway Service is already Indianised in that the posts are largely held by Anglo-Indians. Leaving this point aside, the difficulty is this. When railways were first started in India and for many years afterwards, Indians did not come forward for work of this kind, and railways got more and more into the habit of relying on the European of the country and the Anglo-Indian. It is work for which the Anglo-Indian appears to be specially fitted. Possibly he has acquired a sort of hereditary aptitude for it. At any rate, he has made good, the railway authorities are accustomed to him and like to employ him in subordinate railway appointments. Now there is a change. Indians wish also to be employed in these appointments, and they complain that they are up against vested interests and that the subordinate railway employ is, so to speak, the close preserve of the Anglo-Indian. The complaint, I think, is specially directed towards the subordinate Traffic Department and indeed it is a noticeable fact that at all important stations almost every railway official in a position of authority that one sees is a European or an Anglo-Indian. Now all I can say on this problem is this. It is impossible to make any immediate drastic change. I am not prepared to say that Anglo-Indians or Europeans who are working well should lose their jobs or their promotion in order to make way for Indians and I do not believe anybody wants me to say that. But what I do say is that the Indian should have his chance. If the Indian of the requisite education is prepared to go through the drudgery, the hard work and the irregular hours, which are a prerequisite to promotion to the better posts in the subordinate traffic service, then I say he should get the chance of doing so, and, if he proves himself fit for promotion, he then should get his promotion. That I consider is the only possible policy, and it is with this policy in view that we are starting a training school on the 1st March at Chandausi. One of the functions of this school will be to train subordinates particularly for the Transportation Department.

Stores Purchase Policy.

Another important question to which the House attaches great importance is the extent to which railway materials are obtained in India. In the report by the Railway Board on Indian Railways for 1923-24 the-

matter is discussed at length and the purchases of materials are analysed in detail under each head. From the detailed explanations there given, it will be seen that orders have been placed in India wherever possible, and that it has only been in cases where it was found impossible to obtain materials in India at a reasonable price that orders have gone abroad. In the supply of rails, for example, orders were placed in this country which were greater than the Tata Iron and Steel Company were able to comply with. In the current year two important developments in this matter have taken place. Owing to the adoption by the Assembly of the recommendations of the Tariff Board for the grant of bounties to the wagon building industry, we have been able to place orders for the supply of wagons up to the full capacity of the firms in India engaged in the industry. It has also been decided, with the concurrence of the Central Advisory Council, to obtain the services of a timber expert from the Forest Department in order to enable the railways to make full use of the supply of Indian timbers, not only for sleepers but for other purposes such as body work in coaching stock. I think we can confidently challenge any one to show that orders have gone abroad which could reasonably have been placed in India.

Passenger fares.

Another question in which the House I know takes a great interest is that of passenger fares, and I believe that there is a certain soreness that whereas some reductions have been made in upper class fares, third class fares have remained untouched. I should just like to explain the railway point of view. We apply the practical railway criterion, 'Can the traffic bear the rate?' Now I would ask the House to apply this maxim to the figures I shall put before them. The following are the relevant statistics in regard to 1st class passengers:—

Year.	Number (thousands).	Earnings (lakhs).
1921-22	1163	178
1922-23	918	139
1923-24	817	129

It will be seen that we lost not only in passengers but in earnings. That is why some railways judged it necessary to reduce 1st class fares.

Take again 2nd class passengers. Here are the figures.

Year.	Number (thousands).	Earnings (lakhs).
1921-22	6549	228
1922-23	5134	211
1923-24	4538	195

Here again we found that the rate was too high and there was a progressive decline both in passengers and earnings. That is why some railways found it necessary to reduce fares.

Now I would ask the House to contrast the figures for third class passengers:—

Year.	Number (millions).	Earnings (lakhs).
1921-22	491	2,841
1922-23	503	2,220
1923-24	513	3,191

It will be seen that there was a progressive increase both in passengers and earnings. The annual rate of increase perhaps is slower than it was before the war, and it might be argued that a reduction in fares would pay us by the increase of passengers it would bring us. But in the first place we should be taking risks. If there were no increase of passengers traffic, even a reduction of $\frac{1}{4}$ a pie per mile in 3rd class fares would cost us $4\frac{1}{2}$ crores a year. Secondly, even assuming that there were a large increase in passenger traffic, it is certain that we should not have sufficient coaching stock to carry the increased traffic. I have already said that we are providing in the budget in terms of four-wheelers for 755 new third class carriages. The provision we have made is limited by the capacity of our workshops, and we propose to consider in consultation of course with the Railway Finance Committee whether we cannot adopt other measures which will enable us to put more coaching stock on the lines. That, I think, is all I can usefully say on the subject at present; but I should like to assure the House that it is a subject which we have under constant examination.

CONCLUSION.

I am afraid that I have already wearied the House and I will bring my speech to a close. The year which is now ending has been marked by many important events. Two of these indeed are of outstanding importance, namely, the taking over the East Indian Railway and the separation of Railway finance from General finance. But the real importance of the year in my opinion lies in the evidence it affords of a real advance towards live, efficient, business management of the Indian Railways. Some one said the other day in the Central Advisory Council that there was a new spirit abroad in the Railway Board. I believe that remark to be true, and if it is true, the credit rests with two men, Mr. Hindley and Mr. Sim. But, Sir, it is not only in the Railway Board that that new spirit is abroad, and we, who are ultimately responsible to the House for the management of the Indian Railway system, know how much we are indebted, for loyal co-operation and unremitting work, to Railway Agents and Railway officers and men throughout India.

Budget

of the

Railway Revenue and Expenditure of the Government of India,

February 1925

ACCOUNTS	1923-24
REVISED ESTIMATES	1924-25
BUDGET ESTIMATES	1925-26

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1.—Statement of the Revenue of the Central

HEADS OF REVENUE.	ACCOUNTS, 1925-26.				REVISED ESTIMATE,	
	India.	England.	Exchange.	TOTAL.	India.	England.
XI.—State Railways—						
(a) Commercial lines—						
Gross receipts—						
Passenger traffic earnings.	40,35,48,000	...	...	40,35,48,000	35,55,00,000	...
Other coaching traffic earnings.	...	...	...	...	5,79,00,000	...
Goods traffic earnings .	56,73,28,000	...	...	56,73,28,000	61,02,00,000	...
Sundry earnings . . .	2,67,84,200	4,82,827	2,21,211	2,74,84,307	2,60,00,000	4,53,000
TOTAL EARNINGS . . .	99,76,61,200	4,82,827	2,21,211	99,83,65,307	1,04,96,00,000	4,83,000
Deduct—Earnings of worked lines.	6,87,50,000	...	..	6,87,50,000	7,31,00,000	...
Earnings of State Railways.	92,89,11,200	4,82,827	2,21,211	92,86,15,307	97,65,00,000	4,83,000
Suspense	-1,78,113	...	...	-1,78,113	...	..
Gross receipts of State Railways.	92,97,33,166	4,82,827	2,21,211	92,84,37,164	97,65,00,000	4,83,000
Deduct—Working expenses of State Railways.*	59,15,60,185	...	...	59,15,60,185	61,98,14,000	3,36,000
Surplus profits paid to Indian States and railway companies.	1,14,46,008	..	...	1,14,46,008	1,40,00,000	...
Net receipts	32,57,26,983	4,82,827	2,21,211	32,64,31,001	34,19,86,000	1,47,000
(b) Strategic lines—						
Gross receipts	1,71,15,149	...	...	1,71,15,149	1,85,00,000	...
Deduct—Working expenses	1,89,67,892	...	...	1,89,67,892	2,17,00,000	...
Net receipts	-18,52,743	...	...	-18,52,743	-32,00,000	...
Total net receipts, Commercial and Strategic lines.	32,38,74,230	4,82,827	2,21,211	32,45,78,258	33,87,86,000	1,47,000
Interest on Depreciation and Reserve Funds.	...	...	...	...	...	...
XII.—Subsidized Companies: Government share of surplus profits.	5,35,320	12,26,260	6,02,426	23,64,136	3,45,000	18,63,000
TOTAL RECEIPTS . . .	32,44,09,550	17,09,216	8,73,627	32,69,42,393	33,91,81,000	20,10,000

* For details see statement 1(a).

J. M. HARTLEY,
Accountant General, Railways.

BUDGET FOR 1925-26.

15

Government from railways in India and England.

1924-25.		Increase (+) Decrease (-) as compared with the Budget Estimate, 1924-25.	BUDGET ESTIMATE, 1925-26.				Increase (+) Decrease (-) as compared with the Revised Estimate, 1924-25.
Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
Bs.	Rs.	Rs.	Bs.	Bs.	Bs.	Rs.	Bs.
...	35,55,00,000	-21,01,000	36,50,00,000	...	...	36,50,00,000	+4,95,00,000
...	5,79,00,000		5,81,00,000	...	...	5,81,00,000	+2,09,000
...	61,02,00,000	+3,42,66,000	63,00,00,000	...	...	63,00,00,000	+1,98,00,000
1,79,000	2,66,62,000	-19,43,000	2,73,00,000	4,83,000	1,61,000	2,79,44,000	+12,82,000
1,79,000	1,05,02,62,000	+3,02,22,000	1,08,04,00,000	4,83,000	1,61,000	1,08,10,44,000	+3,07,82,000
...	7,31,00,000	+39,32,000	7,39,00,000	...	...	7,39,00,000	+8,00,000
1,79,000	97,71,62,000	+2,62,90,000	1,00,65,00,000	4,83,000	1,61,000	1,00,71,44,000	+2,99,82,000
...
1,79,000	97,71,62,000	+2,62,90,000	1,00,65,00,000	4,83,000	1,61,000	1,00,71,44,000	+2,99,82,000
1,25,000	62,00,75,000	-2,17,27,000	65,22,53,000	42,63,000	14,21,000	(a) 65,79,37,000	+3,78,62,000
...	1,40,00,000	+34,13,000	1,33,59,000	...	...	1,33,59,000	-15,50,000
64,000	34,21,87,000	+4,46,04,000	34,08,97,000	-37,80,000	-12,60,000	33,58,57,000	-63,30,000
...	1,85,00,000	-13,20,000	1,85,00,000	...	...	1,85,00,000	...
...	2,17,00,000	-8,02,000	2,17,25,000	...	...	2,17,25,000	+25,000
...	-32,00,000	-5,18,000	-32,25,000	...	...	-32,25,000	-35,000
54,000	33,89,87,000	+4,40,86,000	33,76,72,000	-37,80,000	-12,60,000	33,26,32,000	-63,55,000
...	...	...	32,35,000	...	...	32,35,000	+32,35,000
6,92,000	29,50,000	+3,58,000	4,57,000	19,65,000	6,65,000	30,77,000	+1,27,000
7,46,000	34,19,37,000	4,44,44,000	34,13,64,000	-18,15,000	-6,05,000	33,89,44,000	-29,93,000

(a) Of this amount 45,97,000 is non-voted.

G. G. SIM,
Financial Commissioner.

C

BUDGET FOR 1925-26.

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

	ACCOUNTS, 1923-24.				REVISED ESTIMATE.	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Administration	11,96,58,000	—	—	11,96,58,000	12,31,39,000	3,36,000
Repairs and maintenance	16,97,47,000	—	—	16,97,47,000	17,56,00,000	—
Operation	26,67,81,588	—	—	26,67,81,588	26,03,25,000	—
Depreciation	7,24,49,000	—	—	^(a) 7,24,49,000	10,00,00,000	—
Suspense	—19,22,403	—	—	—19,22,403	—24,50,000	—
TOTAL	62,67,13,185	—	—	62,67,13,185	65,66,14,000	3,36,000
<i>Deduct—Share of Worked Lines.</i>	3,51,53,000	—	—	3,51,53,000	3,70,00,000	—
Working Expenses	59,15,60,185	—	—	59,15,60,185	61,96,14,000	3,36,000

(a) The figure represents the expenditure incurred on Programme Revenue during 1923-24.

J. M. HARTLEY,

Accountant General, Railways.

BUDGET FOR 1925-26.

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Railways—Commercial Lines.

1924-25.		Increase (+) Decrease (-) as compared with Budget, 1924-25.	BUDGET ESTIMATE, 1925-26.				Increase (+) Decrease (-) as compared with Revised, 1924-25.
Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1,25,000	12,36,00,000	...	12,22,16,000	42,63,000	14,21,000	12,79,00,000 ^(b)	+ 48,00,000
...	17,56,00,000	...	18,75,00,000	...	...	18,75,00,000 ^(c)	+ 1,19,00,000
...	26,03,25,000	...	27,39,87,000	...	...	27,39,87,000	+ 1,36,62,000
...	10,00,00,000	...	10,38,00,000	...	...	10,38,00,000	+ 38,00,000
...	-24,50,000	...	15,50,000	...	...	15,50,000	+ 40,00,000
1,25,000	65,70,75,000	-2,03,05,000	68,90,53,000	42,63,000	14,21,000	69,47,37,000	+ 3,76,62,000
...	3,70,00,000	+ 14,22,000	3,68,00,000	...	...	3,68,00,000	-2,00,000
1,25,000	62,00,75,000	-2,17,27,000	65,22,53,000	42,63,000	14,21,000	65,79,37,000	+ 3,73,62,000

(b) Of this amount 48,00,000 is non-voted.

(c) " " 97,000 is non-voted.

G. G. SIM,
Financial Commissioner.

BUDGET FOR 1925-26.

2.—Statement of the expenditure on railways charged to

HEAD OF EXPENDITURE.	ACCOUNTS, 1923-24.				REVISED ESTIMATE.		
	India.	England.	Exchange.	TOTAL.	India.	England.	Exchange.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
10. State Railways:—							
Interest: commercial lines:							
on Government capital at charge.	10,19,76,623	4,34,72,394	2,00,03,722	16,54,52,739	11,39,59,000	4,39,63,000	1,63,39,000
on capital contributed by Indian States and Companies.	(b) 2,76,344	2,11,39,722	95,79,308	3,09,94,374	(b) 3,09,000	1,92,19,000	71,79,000
Interest portion of annuities.	—	3,35,75,459	1,54,06,067	(a) 4,89,81,516	—	2,11,76,000	78,65,000
Sinking Funds	—	32,72,056	15,03,283	47,75,339	—	—	—
Total interest, commercial lines.	10,22,52,967	10,14,58,631	4,64,92,370	25,02,03,668	11,42,68,000	8,43,58,000	3,13,33,000
Interest, strategic lines	1,02,37,398	—	—	1,02,37,398	1,18,58,000	—	—
TOTAL INTEREST	11,24,00,365	10,14,58,631	4,64,92,370	26,04,41,366	12,61,26,000	8,43,58,000	3,13,33,000
11. Subsidized Companies: Land and subsidy.	5,40,450	—	—	5,40,450	5,00,000	—	—
12. Miscellaneous Railway expenditure.	—6,19,508	14,77,645	6,81,095	15,39,643	—41,000	16,40,000	6,13,000
Payments to general revenues—							
Contribution*	—	—	—	—	5,09,52,104	—	—
One-third of the excess of railway surplus over three crores.	—	—	—	—	54,82,632	—	—
Total payment to general revenues.	—	—	—	—	5,64,34,736	—	—
Reserve Fund	—	—	—	—	4,09,65,264	—	—
TOTAL	11,24,10,517	10,29,36,276	4,71,74,365	26,25,21,458	22,39,66,000	8,60,07,000	3,19,46,000

* For details see Statement 2 (c).

(a) Includes annuity payments in redemption of capital.

(b) Represents interest on the state share of joint debenture stock.

J. M. HARTLEY,
Accountant General, Railways.

BUDGET FOR 1925-26.

19

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

1924-25.		BUDGET ESTIMATE, 1925-26.						
TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1924-25.	India.	England.	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Revised, 1924-25.	Distribution of total between	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Voted.	Non-voted.
17,42,51,000	-52,40,000	12,43,20,000	7,20,17,000	2,43,05,000	22,15,51,000	+4,73,00,000	...	22,15,51,000
2,66,67,000	-13,42,000	(b) 3,20,000	1,22,33,000	40,78,000	1,66,31,000	-1,00,26,000	...	1,66,31,000
2,90,41,000	-7,15,000	...	...	...	...	-2,90,41,000	...	...
...
22,90,59,000	-73,06,000	12,46,40,000	8,51,50,000	2,53,83,000	23,81,82,000	+82,23,000	...	23,81,82,000
1,18,88,000	+12,89,000	1,21,15,000	...	...	1,21,15,000	+2,57,000	...	1,21,15,000
24,16,17,000	-60,17,000	13,67,64,000	8,51,50,000	2,83,83,000	25,02,97,000	+64,80,000	...	25,02,97,000
5,00,000	-11,00,000	5,50,000	...	...	5,50,000	+50,000	5,50,000	...
22,20,000	-25,000	28,000	21,39,000	7,13,000	28,80,000	+6,60,000	18,31,000	10,49,000
5,09,52,104	+5,09,52,104	5,09,52,104	...	...	5,09,52,104	...	5,09,52,104	...
54,82,632	+54,82,632	14,21,632	...	...	14,21,632	-40,61,000	14,21,632	...
5,64,34,736	+5,64,34,736	5,23,73,736	...	...	5,23,73,736	-40,61,000	5,23,73,736	...
4,09,65,264	+4,09,65,264	3,28,43,264	...	...	3,28,43,264	-81,22,000	3,28,43,264	...
34,10,37,000	+9,02,59,000	22,25,50,000	8,72,59,000	2,90,96,000	33,89,44,000	-39,93,000	8,75,98,000	25,13,46,000

G. G. SIM,
Financial Commissioner.

BUDGET FOR 1925-26.

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2 (a).—Contribution from railway to general revenues, 1924-25 and 1925-26.

(Based on actuals, 1923-24.)

	Rs.	Rs.
1. 1 per cent. on capital of 5,40,42,52,040 at charge, commercial lines . . . . .	...	5,40,42,520
<hr/>		
2. (i) Receipts—		
Gross traffic receipts, commercial lines	83,94,37,104	
Subsidiary Companies, share of surplus profits	23,64,135	
		83,18,01,320
(ii) Charges—		
Working expenses, commercial lines	59,15,60,195	
Indian States and Railway Companies' share of surplus profits	1,14,46,009	
Interest—		
On capital at charge, commercial lines	16,54,52,739	
Interest portion of annuities	3,12,26,786	
On capital contributed by Indian States and Companies	3,09,94,374	
Land and subsidy	5,40,450	
Miscellaneous Railway expenditure	15,39,643	
Contribution at 1 per cent. on capital at charge, commercial lines	5,40,42,520	
		88,68,02,704
(iii) Surplus . . . . .	...	4,49,08,625
(iv) Contribution of one-fifth of surplus . . . . .	...	89,99,725
<hr/>		
3. (i) Total contribution from railway revenues [1 plus 2 (iv) ] . . . . .	...	6,30,42,245
Deduct—Loss on strategic lines borne by railway revenues—		
(i) Interest on capital of 26,22,57,763	1,02,37,399	
(ii) Loss in working	18,52,743	
		1,20,90,141
(ii) Net payment due from railway to general revenues in 1924-25 and 1925-26 . . . . .	...	5,09,52,104

J. M. HARTLEY,
Accountant General, Railways.

G. G. SIM,
Financial Commissioner.

BUDGET FOR 1925-26.

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

HEAD OF ACCOUNT.	ACCOUNTS, 1923-24.				REVISED ESTIMATE.		
	India.	England.	Exchange.	TOTAL.	India.	England.	Exchange.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
XLI.—Capital contributed by Railway Companies and Indian States towards outlay on State Railways.	...	-71,55,000	-31,39,684	-1,02,94,684	...	-18,92,60,000	-8,72,86,000

J. M. HARTLEY,
Accountant General, Railways.

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

1924-25.		BUDGET ESTIMATE, 1925-26.						
TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1924-25.	India.	England.	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Revised, 1924-25.	Distribution of total between	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Voted.	Non-voted.
							Rs.	Rs.
27,65,45,000	+6,20,000	...	4,12,50,000	1,58,80,000	5,71,30,000	+2,91,15,000	...	5,71,30,000

G. G. SIM,
Financial Commissioner.

BUDGET FOR 1925-26.

4.—Statement of the Capital Expenditure of the

HEAD OF EXPENDITURE.	ACCOUNTS, 1923-24.				REVISED ESTIMATE.		
	India.	England.	Exchange.	TOTAL.	India.	England.	Exchange.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Railway Capital not charged to Revenue:—							
53.—Construction of State Railways:—							
(a) Commercial Lines	...	...	...	...	...	...	...
Open Line Works—							
Rolling Stock . . . . .	...	...	...	9,47,03,904	...	...	...
Other Works . . . . .	...	...	...	11,00,76,369	...	...	...
New Lines . . . . .	...	...	...	2,77,67,745	...	...	...
Suspense . . . . .	...	...	...	-3,36,46,685	...	...	...
(b) Strategic Lines . . . . .	...	...	...	90,06,149	...	...	...
Deduct—Probable Savings . . . . .	...	...	...	...	...	...	...
TOTAL	6,43,57,530	9,89,77,646	4,46,63,296	20,79,98,472	2,67,75,000	7,50,00,000	2,67,25,000
54.—Redemption of liabilities involved in purchase of Railways

J. M. HARTLEY,

Accountant General, Railways.

BUDGET FOR 1925-26.

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Central Government in India and England on Railways.

1924-25.		BUDGET ESTIMATE, 1925-26.						
TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1924-25.	India.	England.	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Revised, 1924-25.	Distribution of total between	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Voted.	Non-voted.
							Rs.	Rs.
...
6,32,31,000	-78,07,000	...	...	...	6,36,49,000	+2,04,18,000	6,36,49,000	...
11,68,46,000	-5,18,12,000	...	...	...	17,23,75,000	+5,55,29,000	17,22,90,000	85,000
3,53,85,000	-79,75,000	...	...	...	8,44,09,000	+4,90,24,000	8,40,79,000	3,30,000
-7,31,34,000	-3,32,05,000	...	...	...	-2,15,53,000	+5,15,81,000	-2,15,53,000	...
61,72,000	+36,28,000	...	...	...	28,50,000	-33,22,000	28,20,000	30,000
2,00,00,000	+7,43,29,000	...	...	...	9,17,30,000	+7,17,30,000	9,17,30,000	...
12,85,00,000	-17,15,00,000	12,97,87,000	7,31,75,000	2,50,59,000	23,00,00,000	+10,15,00,000	22,95,55,000	4,45,000
...	...	...	2,57,50,000	85,83,000	3,43,33,000	+3,43,33,000	...	3,43,33,000

G. G. SIM,
Financial Commissioner.

BUDGET FOR 1925-26.

A.—Railway Depreciation Fund.

	Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.		Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening Balance.	2,10,00,000	Appropriation from Depreci- ation Fund.	...	...	8,35,00,000	9,50,00,000
Appropriation to Deprecia- tion Fund.	10,35,00,000	10,75,35,000	Closing Balance.	...	...	2,10,00,000	3,33,35,000
TOTAL	10,35,00,000	12,83,35,000	TOTAL	...	...	10,35,00,000	12,83,35,000

J. M. HARTLEY,

Accountant General, Railways.

G. G. SIM,

Financial Commissioner.

BUDGET FOR 1925-26.

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B—Railway Reserve Fund.

	Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.		Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	4,09,65,264	Appropriation from Re- serve Fund.	...	...	...	...
Appropriation to Reserve Fund.	4,09,65,264	3,28,43,264	Closing Balance.	...	...	4,09,65,264	7,38,08,528
Total	4,09,65,264	7,38,08,528	Total	...	...	4,09,65,264	7,38,08,528

J. M. HARTLEY,

Accountant General, Railways.

G. G. SIM,

Financial Commissioner.

Speech by the Hon'ble Mr. C. D. M. Hindley, Chief Commissioner for Railways, in presenting the Railway Budget for 1925-26 in the Council of State.

THE HONOURABLE MR. C. D. M. HINDLEY (Chief Commissioner for Railways): I rise to present a statement of the estimated revenue and expenditure of the Governor General in Council for the year 1925-26 in respect of Railways. At the conclusion of my remarks copies of the statement and other connected papers will be circulated to all Honourable Members of this House, together with copies of the speech which the Honourable Railway Member is now making in the other House.

I am deeply sensible of the honour of presenting to this Honourable House the Railway Budget, because this is the first occasion on which this Budget has been dealt with separately from the general budget, and is, therefore, an outstanding event of historical importance to the railways of India. Following the convention agreed to last September by the Legislative Assembly—a convention which we are justified in considering as the new charter of Indian Railways—the finance of the railways are now separated from the general finances of the country. Amongst the many advantages of this change is that of affording the Legislature a better opportunity of dealing with railway policy and the problems of railway administration on their own merits and not as an adjunct to the many other important problems, both political and economic, which arise out of the general budget for the year.

The presentation of the railway budget on a separate occasion and in advance of the general budget is rendered possible by the fact that under the convention the effect of the returns from railways on the general revenues is a known and ascertained fact and is based on the results of a previous year. Consequently the Railway Budget can be prepared—and for the first time in history has been so prepared—with regard to the facts of the railway business itself, and is not dependent either in its details or its scope on the proceeds of general taxation or the rate of expenditure on other Government activities. What this measure of independence will ultimately mean in affording freedom to the Railway Board and the railway administrations to deal with the business of the railways on sound commercial principles and with due forethought and consideration for the transportation needs of the country can hardly be foreseen. This much is at least certain that funds for ensuring efficiency, for introducing improvements, and for further development will solely depend on the ability of the railway property as a whole to pay its way as a commercial concern. To secure the profit which is necessary in order that railways may meet from year to year the heavy obligation contained in the convention of paying a contribution equal to 1 per cent. on the capital at charge plus $\frac{1}{5}$ th of the surplus profits, it is necessary for the Railway Board and the Agents not only to encourage traffic and to keep a watchful eye on expenditure but also to so order the improvement and development programmes that expenditure incurred is remunerative to the required degree. The obligation is, therefore, an impelling factor of a constructive nature, the effect of which runs through the whole of our activities and organisation, and the budget which is now being presented may well be looked at as an index of those activities during the current and coming years.

The memorandum which accompanies the budget gives, as clearly as possible, the main features of the finances of the railways, the revised estimates for the current year and the estimates for next year, while the numerous statements, annexures and appendices, and, in particular, the information given regarding the individual budgets of the important railway administrations gives all the details necessary for a close study of the whole situation. I may explain in passing that the form into which we have put the budget this year has been approved of by the Standing Finance Committee for Railways, and that for convenience of discussion in the Legislative Assembly the demand has been split up into 15 separate votes, each of which refers to some special activity or group of activities.

Revised Estimate, 1924-25.

I propose to deal briefly with the main figures of the estimates and will mention first the revised estimates for the current year. We now estimate our gross receipts for the year at 98·01 crores which is nearly 5 crores better than our gross receipts for last year and 2½ crores better than our budget estimate prepared last March. This excellent result may be ascribed partly to good crops and improving trade but to some extent also to improved handling capacity of our railways resulting from expenditure incurred in recent years and better methods of working. Had it not been for the floods in north and south India, the figures for gross earnings would have been better still. On the expenditure side we estimate that our total charges will be 86·77 crores or, excluding interest charges, surplus profits to Indian States and Company railways and miscellaneous charges 62 crores against 59·16 crores last year. Actually our expenditure this year would have amounted to 63·25 crores, but for a windfall of 1½ crores in the shape of customs duties paid by companies' railways which under the recent Privy Council decision must be refunded. For a proper comparison with the figure of 59·16 crores of the previous year we should, however, make a further adjustment of 195 lakhs, for in the current year we charge to Revenue the gross appropriation of 10 crores to the depreciation fund and not only the estimated actual expenditure from the fund for renewals which stands at 8·05 crores.

The correct figure for comparison is, therefore, 61·30 crores which is the cost of earning 98 crores. Last year we spent 59·16 crores in order to earn 93·18 crores, and we have, therefore, earned nearly 5 crores more by spending an additional 214 lakhs. The net gain accordingly from commercial lines arising from the gross earnings of 98 crores obtained by a total expenditure of 86·77 lakhs is 11·25 crores.

I will now deal with the disposal of this sum. Under the terms of the convention the contribution is to be equal to 1 per cent. of the capital at charge in 1923-24 plus $\frac{1}{4}$ th of the surplus profits in that year. On this basis the amount of the contribution to be paid from the net gain of the current year will be 630 lakhs odd. Against this we have to set off the loss on the working of strategic lines which under the convention is a liability of the general finances, and amounted in 1923-24 to 121 lakhs making the net payment to general revenues 509½ lakhs.

From the net gain of 11·25 lakhs during the current year has to be deducted the estimated loss on strategic lines which this year is 151 lakhs leaving 974 lakhs available, and after deducting 509½ lakhs the balance available for disposal is 465 lakhs. The convention, however, stipulates that if after the payment of the contribution the amount available for transfer to Railway reserves should exceed 3 crores, $\frac{1}{3}$ rd of the

excess over 3 crores should be paid to the general finances. The excess over 3 crores is 165 lakhs and $\frac{1}{3}$ rd of this or 55 lakhs must be added to the contribution leaving 410 lakhs to go to Railway reserves. The general revenues therefore get a net payment of 564 lakhs and the railway reserve fund 410 lakhs.

To summarise the position the estimates for the current year show that, after meeting all interest and other charges and providing funds for the loss on strategic lines, railways will be able to contribute 564 lakhs to general revenues, to accumulate 210 lakhs in the depreciation fund, and to place 410 lakhs to reserves.

Budget Estimate, 1925-26.

In the budget estimate for 1925-26 the gross receipts are placed at 101 crores or 3 crores in excess of the current year, the expenditure at 91 crores. Of the latter figure working expenses are estimated at 65.79 crores or 2 $\frac{1}{2}$ crores more than the current year, while interest charges will be 82 lakhs higher. Amongst the expenditure which contributes to this excess I may mention that we hope to make a beginning on the work preparatory to the provision of automatic couplers on all our stock, for which 70 lakhs is allotted. We are setting aside 50 lakhs for speeding up repairs to rolling stock and 50 lakhs for meeting the cost of measures we are now taking to get rid of surplus and unserviceable stores. We have also thought it prudent to provide 26 lakhs for the cost of extending to officers on Companies' Railways the Lee Commission concessions regarding which a decision has not yet been arrived at. With these figures for gross earnings and working expenditure the net contribution to general revenues for the coming year will work out to 524 lakhs, or 40 lakhs less than the contribution in the current year. This is accounted for by the unexpected increase in the net receipts of the current year by 125 lakhs due to the refund of customs duty. The gross contribution to general revenues is estimated at 645 lakhs and we expect to put into our railway reserves 328 lakhs. We are making no proposals for any appropriation from these reserves. The figures quoted are only anticipations and have yet to be realised. They in fact depend largely on next monsoon and the state of trade. Moreover, we have to bear in mind that in 1926-27 we have to meet a contribution to the general revenues based on the result of the current year's working, which is estimated at 735 lakhs. If in that year there should be a set-back in railway working and we were unlucky enough to make no profits, the whole of our reserves might be absorbed in paying the contribution for one year.

Capital expenditure, 1924-25.

The net capital outlay in 1924-25 is now estimated at Rs. 12.85 crores. But the total capital expenditure is expected to be considerably greater since the outlay is reduced to the extent of 155 lakhs by the refund of customs duty, and a reduction of 4 crores is also expected in the capital value of our stores balance. The estimated total capital expenditure is, therefore, 18.4 crores—a figure approximating to the expenditure of last year. Most of the causes for the failure to spend the sanctioned grant of 30 crores are explained in the Report on Indian Railways for the year 1923-24 and these causes continued to operate well into the current year.

Capital expenditure, 1925-26.

We hope, however, that the efforts which have already been made to increase progress on approved works will bear fruit in the coming year,

and in fact the various railway administrations estimate that they will be able to spend 32 crores in that year. For the purposes of the budget, however, in view of the heavy lapses in the capital grant of previous years, we do not feel justified in asking for the actual provision of more than 23 crores, an increase of about 30 per cent. over the current year's spending.

Of this 32 crores 8½ is for new construction and 23½ for open line improvements and additions.

Open line works.

The provision for open line works represents in concrete form the efforts which the Railway Board and the railway administrations are making towards the steady improvement of India's railways. The details of all the works which are now in progress or are to be undertaken will be found in the Budget Memorandum and in greater detail in the books which have been specially prepared for each railway. It would perhaps be difficult for Honourable Members by studying these books to get a clear conception of the magnitude of the efforts being made or of the underlying scientific principles on which the programmes are built up. I would, however, emphasise the fact that prior to the separation of finances, under the old system where expenditure year by year had to be regulated by considerations dependent on the general budget of the country, such an effort would have been impossible. Our predecessors in fact had no opportunity of laying down a definite programme of improvements and developments nor any hope of seeing such a programme steadily pursued. The success of such an effort depends on continuity of policy and the prospect of continuous supply of the necessary funds for the undisturbed completion of each portion of the programme.

This prospect has now been assured to us by the terms of the Convention under which the railway property of the State can build up a strong financial position based on adequate reserves and which accordingly gives us and the railway administrations an entirely new outlook on the whole problem before us. The reason why an assurance of the continuity of regular financial provision is essential to success is that the various parts of the programme must be so carefully co-ordinated and so dependent upon one another, that failure to complete one portion means incurring unremunerative and wasteful expenditure on another portion. Honourable Members who have had time to look into the Railway Board's Report for the year 1923-24 will perhaps have seen that we have there explained very fully the methods we have adopted for dealing with new works on open lines. The whole subject is closely connected with the more modern and scientific methods of dealing with transportation problems which are now being introduced on all railways. A correct appreciation of the costs of numerous parts of the business of handling traffic such as can only be derived from properly arranged statistics leads directly to improvements in methods and the provision of better and more capable equipment. To take a concrete example our new working statistics amongst many other advantages which they afford to operating officers and the management, show comparative costs of handling wagons in different large marshalling yards. Not only do these comparisons lead to improved and quicker working in these yards but improvements are devised in layout and subsidiary equipment which require expenditure of considerable sums. In such a case if it is possible to show that the expenditure will result in a reduction in working expenses, the expenditure is sanctioned and forms a part of the programme. But in the consideration of such a proposal it is necessary first to ensure that

the marshalling yard is itself in the right locality having regard to the flow of traffic and that the work it does is properly co-ordinated with that of other marshalling yards. And here the problem becomes a larger one involving a careful review of the capacity of the different sections leading to and from this yard and to other yards. The capacity of a section depends on the speed and weight of the trains which can be run over it, and our statistics again give us the necessary assistance in showing us the facts as they are and the facts as they should be. The strength of bridges, the strength of the permanent-way, the power and weight of locomotives in use, the gross weight and carrying capacity of the wagons all come into play and are factors which have to be co-ordinated in building up a programme of improvements. This co-ordination of the various factors is a matter which requires experience of working conditions and knowledge of the equipment besides the practical application of business methods, and it indicates the necessity for a well organised expert staff.

But such a co-ordinated programme of improvement and its consequent expenditure can only be considered as a suitable object for investing new capital if the interest on the additional capital is likely to be forthcoming from the increase in net revenue which will result, either through increased earnings or from reduced operating costs. This in fact is the criterion which we apply to all proposals for improvements, and it is in this respect again that the convention regarding the separation of finances is proving itself to be a live constructive force which will lead to improvements to railways which were altogether beyond the horizon of our predecessors.

The convention in fact not only gives us the promise of continuity in our efforts towards improvement, but gives us a criterion or index to the soundness of our proposals. If a railway administration can clearly demonstrate that such and such improvement will result in a gain to net revenues sufficient to meet the obligation rising out of the additional capital expenditure, we have no hesitation in giving our consent to the work being carried out in the certain knowledge that funds will be available. If now I give a few of the more important of the works covered by the present programme, the Council will no doubt understand that although they represent individual and concrete schemes they are part of properly co-ordinated programmes on separate railway administrations and that the programme as a whole represents a fully co-ordinated scheme of improvement which is being carried on as a continuous process and has as its objective cheapness and efficiency of transportation throughout India.

Rolling Stock.

So far as rolling stock is concerned, we are providing (in terms of four-wheelers, i.e., counting a bogie vehicle as 2 four-wheelers) 3,857 new goods wagons and 822 new coaching vehicles of which 755 are for lower class passengers.

As regards wagons, judged by former standards the number would be inadequate to the increase in traffic we expect, but I must mention that improved operating has already begun to produce results and our existing stock is now doing more work of a profitable nature than formerly. The figures for coaching stock are lower than we should like to see, but here we are limited to some extent by the capacity of our workshops. We are now re-examining this matter and we hope that it may be possible without interfering with the repairs and overhaul of existing stock which are still seriously in arrears to undertake some further building of additional stock. We are as anxious as any one else can be

to see an adequate supply of coaching stock which alone will enable us to give passengers better train services and avoid overcrowding.

Apart from the provision for additions and betterments to lower class stock which will cost nearly 1½ crores and the many other works which will carry with them improvements in the standard of travel of all classes we are making special provision of 30 lakhs for amenities for 3rd class passengers, such as waiting sheds, refreshment rooms, booking facilities, water supply, and so on.

Improving capacity of yards and lines.

Amongst many other improvements included in the programme we are spending about 3 crores on remodelling and improving 18 important station yards which will result in improved services and quicker handling of wagons and coaching stock. In many of these cases improvements are long overdue and are essential if we are to make the best use of our rolling stock and remove the primary causes of wagon shortage for public traffic. Honourable Members will, no doubt, appreciate the close connection of this class of expenditure with the amount required for additional rolling stock. In the same category we place the various schemes for doubling and improving sections of the line at present being worked to the limit of their capacity, amongst which I may mention doubling certain sections of the Bengal Nagpur Railway for which we have provided 58 lakhs, the doubling of the Grand Chord of the East Indian Railway for which the provision of 38 lakhs has been made, the quadrupling of certain sections of the Bombay, Baroda and Central India Railway near Bombay on which 34 lakhs are to be spent, the rebuilding of the Bassein Bridge on the same railway, the conversion of the Parbatipur Siliguri section to broad gauge on which nearly 40 lakhs will be spent and many other equally important schemes.

Workshops.

Closely connected also with the problem of improved services is the necessity for improving and modernising our workshop facilities. There is no more potent cause in hampering the quick movement of traffic and adequate supplies of rolling stock than insufficient accommodation and equipment for repairs to stock.

The railway administrations are attacking this problem boldly and are taking advantage of the immense advances that have been made in the last few years in workshop practice and workshop organisation. In this connection I should like to quote what the President of one of America's great railways recently said in regard to workshop equipment:

"Perhaps the point in which railroad facilities are the weakest is the machine tool equipment of the repair shops. The development of machine tools received a great impetus from the war and from the growth of a new industry. During the last 15 years we have had the Great War and the development of the automobile business. The effect has been to revolutionise machine tools and to render obsolete a large part of the machine tool equipment".

That is a saying which if it applies to America applies with even greater force to India, for we have had the added disadvantage of want of close contact with these factors and also the want of funds with which

to make improvements. I have in the course of the last 18 months visited most of our large workshops and have been greatly impressed with the signs of the beginning of the revolution in workshop methods which I have referred in the quotation. I will give two instances of what I mean. The wheels of locomotives and rolling stock require to be brought into the shops at intervals to be turned in a lathe in order to correct inequality of wear on the tread. Most of the machines of old pattern in use till recently took as long as 7 or 8 hours to deal with one pair of wheels. The modern machine can do the work in 2½ hours. The savings resulting from installing such a machine are not confined to reduction in labour costs, but also arise from the shorter time during which wheels are out of running and the consequent reduction in the number of spare stock required. As another instance, the outturn from a locomotive repair shop depends on the number of pits or places where locomotives stand during repairs and on the time taken to repair a locomotive. Formerly it was possible to deal with 4 engines per pit per year and with a 50 pit shop to overhaul 200 locomotives per year.

The time taken for repairs depends on the output of the subsidiary shops and the organisation for bringing the repaired material to the spot. If we can increase the output to 5 engines per pit per shop, we increase the turn over in the 50 pit shop from 200 to 250 per annum, which means an effective addition of 50 engines to the available stock.

When I explain that workshops are now aiming at a figure of 6 engines per pit per annum, and that in some cases we hope that this figure will be exceeded, it will be seen that heavy expenditure on improving workshop facilities is fully justified. I have given the outlines of the problem, but in the Budget Memorandum will be found more detail in regard to certain of the more important schemes, and it will suffice if I say that we are proposing to spend in the coming year a sum of about 3 crores on this very necessary improvement.

Electrification.

Perhaps one of the most important incidents during the past year has been the opening of the Harbour Branch extension in Bombay and the new electric train service on that branch. His Excellency the Governor of Bombay performed the opening ceremony on the 3rd of this month, and in his speech fully recognised the value of such a service to Bombay and the neighbourhood, and welcomed the prospect of further electric suburban services in the near future. I was glad to be able to take the opportunity as representing the Government of India to give Bombay an assurance of co-operation with the Local Government's efforts to make the development scheme a success by providing rapid transit suburban services as the development proceeds. But this incident had wider significance than the mere provision of a new route and a new service in one Presidency-town. It is the first practical example of electric railway traction in this country and holds the promise of further great developments in the handling of traffic. Already we are contemplating substituting electric traction on the main line of the Great Indian Peninsula Railway as far as Igatpuri and Poona, and if this is effected we are confident that we shall secure not only great economies, but also much better service to the public. We are also re-examining the problem of suburban traffic in Calcutta and we expect to be able to elaborate a scheme whereby that city can be relieved from some of its present traffic difficulties and be given an adequate rapid transit electric service

between the city and its suburbs. I cannot refrain from remarking that the delay in providing an adequate permanent bridge across the Hooghly in the neighbourhood of Howrah, which delay seems likely to continue for many years unless the citizens of Calcutta wake up to a sense of their responsibilities, is having a serious effect on the whole problem of handling railway traffic into and out of the city. If we are to contemplate a further prolonged delay we must attempt a complete revision of our terminal arrangements, and we are about to make a serious practical examination of this large problem with the object of securing to the public the best facilities for terminal traffic which the various routes into and out of Calcutta enable us to make. The somewhat similar problem regarding Bombay terminal facilities both for passengers and goods, arising out of the development of the city will also be made the subject of a special investigation in the near future.

Standardisation.

Amongst the many activities of the Railway Board and the railway administrations which are moving in the direction of improvement of transportation, I may mention a few of the more important. We have adopted both in regard to locomotives and rolling stock the policy of progressive standardisation as a continuous process. Standardisation is sometimes stigmatised as stagnation, and indeed unless it is accompanied by a continuous intelligent effort towards improvement this description is well deserved. Standard locomotives, standard wagons and standard coaching underframes are not new in this country, and the advantages of such standards are well understood. Complete standardisation assists in getting lower prices by facilitating pooling of orders and reduces expenditure in upkeep and in stocking of spare parts. Railways in India have to a large extent adopted standard equipment, but much remains to be done, and we were recently in danger of seeing our standards becoming out of date.

As fully explained in our report for last year we have taken steps to provide that our standards will in the future be capable of absorbing improvements based on modern experience and thus provide for progress. We have constituted permanent technical committees on standardisation for locomotives and rolling stock, and these committees after revising our standards will in future be available from time to time to deal with suggestions and the results of working experience as applied to the standard designs. During the last few weeks we have had the advantage of the able assistance of Sir Seymour Tritton, one of our Consulting Engineers, who is a recognised specialist in locomotive and rolling stock design and who has been able to work with our committees in the revisions they are now making. I am confident that in adopting this policy of progressive standardisation and arranging for it being carried into effect, we have made an advance which will prove to be of incalculable benefit to Indian railways in the future.

We have also constituted a Committee on somewhat the same lines for dealing with standards for permanent-way, points and crossings, etc., and shall shortly appoint a further committee to take up the problem of Bridge design, continuing the work which was begun by the former Bridge Committee and bringing into practical shape much of the important experimental and other information already collected by that Committee.

Automatic couplers.

Another matter of great technical importance and which has a great effect on the capacity of railways to handle increasingly heavy traffic is the provision of automatic couplers in place of the present spring buffers and screw couplings. Not only do these automatic couplers reduce the risk of accident to those engaged in shunting, but they will also enable time to be saved in marshalling and considerably reduce maintenance costs. They will also reduce the first cost of wagons and enable us to look forward to even larger capacity stock than our present screw couplings enable us to contemplate. The widening of running dimensions which is now in progress wherever new works or improvements are being undertaken makes larger stock possible and such larger stock much be provided with the more powerful draw gear which the automatic coupler device alone can provide. In this connection I may mention that the coaches now running on the new Harbour Branch service in Bombay are 12 feet wide or 2 feet wider than any other coaching stock in this country or in the world. The change to automatic couplers, however, is fraught with many difficulties, for we must so arrange matters that during the transition period there is no interruption to the free flow of wagons. To effect this we have to obtain a satisfactory transition device and experiments are now being made to this end. The operation of changing over will take about 5 years, of which 2 years will be spent in preparation that is the establishment of conversion workshops in suitable places and the collection of material. We hope to make a start in the coming year and have provided 70 lakhs in the budget for this purpose.

New Construction.

I now turn to the construction programme. We are providing 8½ crores in the coming year and the projects to which this expenditure has reference are fully described in the Budget Memorandum.

We are aiming at a systematic examination of the possibilities of development in each of the areas served by our railway systems. We are confident that the extension of the benefits of railway transportation to every part of India, where population and trade are sufficient to warrant it, is one of the greatest needs of the country, and we have already made a beginning in putting together comprehensive schemes for the construction of new railways in each large area based on the needs of the area and the possibilities of obtaining paying traffic. Our programme already includes 40 new projects with an aggregate mileage of 2,138 miles and which will eventually cost more than 40 crores of rupees. This bold programme is justified by the fact that not only have we satisfied ourselves, in many cases after personal examination by the members of the Board that the new lines are needed, but the financial prospects of each project have been very carefully examined with the aid of all the information it is possible to obtain.

I may briefly mention some of the large areas in which we have laid down the outlines of a general scheme to be gradually worked to as staff and equipment can be organised and reliable estimates prepared. In South India where for many years the controversies regarding gauge and the paucity of funds have delayed development we have settled the outstanding questions about gauge and have laid down a complete programme for the construction of new important lines and branches. I need only mention the Villupuram Trichinopoly, the Trichnopoly, Karaikudi

Manamadurai, the Virudupatti Tenkasi and the Dindigal Pollachi line amongst others.

Then as regards Burma, during my recent visit I was able to settle with the Agent and to discuss with the Local Government the outlines of the future development in the Province, and we hope that work will now proceed on a well ordered programme over a series of years. In all the parts of India I have visited I feel safe in saying that there are no areas which afford great promise of successful railway development to the advantage alike of the public and of railway finances than Burma and South India.

Another large area to be given railway facilities in the early future is the country in the Central Provinces and Bihar and Orissa lying between the East Indian and Bengal Nagpur main lines. Here the Central Indian Coalfields Railway is making rapid progress and will not only give access to new coal deposits, but will provide a stimulus to local trade and industry which is much needed.

And lastly, I may mention the proposed new line from Raipur to Vizianagaram which is closely connected with the development of the port of Vizagapatam, and will open up country at present entirely devoid of communications and will also assist in future mineral development. It is hoped that sanction will shortly be given to commence this line.

New policy in regard to Branch and Feeder Railways.

What I have just said about our proposals for new construction leads on to a reference to the new policy which we have formulated, in consultation with the Central Advisory Council, in regard to Branch and Feeder Lines. The House is no doubt aware that 30 years ago when the Government of India themselves were in difficulties for money for new capital expenditure, a system was originated of financing the construction of Branch and Feeder Lines through Branch Line Companies guaranteed by Government. For the encouragement of such Companies, Government were prepared to give certain terms to private Companies for money required for the construction of Feeder lines. This system undoubtedly enabled lines to be built which otherwise would not have been built, but in other respects it came in for severe criticism from the Acworth Committee which indeed thought that the aim should be rather to reduce the number of existing private Companies than to create new ones. We have recently had the whole subject under our consideration. The existing Branch Line terms are quite out of date. If they are to serve the purpose for which they were originally intended, we should have to revise them on much more liberal lines, and with the approval of the Central Advisory Council we do not propose to undertake the revision. We think that the more economical and better course is for us to construct ourselves remunerative new lines. I do not think that there need be any fear that this policy will lead to a slowing down of new construction. In the Railway Board we have new projects under constant examination, and the capital expenditure on the new projects included in Demand No. 7 is four times as great as all the capital raised in the last 30 years by Branch Line Companies. Nor do we propose to neglect projects which though they cannot be classed as remunerative may be required by Local Governments for administrative or other reasons. We are quite prepared to consider any such project, provided that the Local Government is prepared to guarantee it from provincial revenues. Local Governments thoroughly approve of this new policy, and we are already constructing the Shoranur-Nilambur line on the basis of a guarantee.

from the Government of Madras and another in Burma—the Moulmein-Ye line—now approaching completion, and other projects are under examination.

Training of Staff.

From the above survey of the activities of the railways both in improvement and development it will be apparent that the conduct of the railway business of the country will require in an increasing measure the services of a well trained and experienced staff possessed of technical knowledge and working ability. In fact the future success of railways in this country is bound up with the standard reached by railway staff of all grades in the performance of their duties. This is a matter which has given the Railway Board much anxious consideration, and we are now elaborating proposals for training railway staff in their current duties with a view to improving their efficiency and giving them the opportunity of rising to higher positions. This is a task which railways in other countries have not had to undertake, and although spasmodic efforts have been made in some countries to introduce improved and co-ordinated schemes of training, so far as I am aware no comprehensive scheme of training such as we are now contemplating has been put into force in any other country.

Briefly, we are aiming at having on each of the State-managed railways a school at which all subordinate staff will receive courses of practical and theoretical training in their current duties of working trains. One such school is already in existence at Asansol and is equipped with models and instructing staff for the purpose. A very large number of the staff have already received instruction there. We hope eventually to have another such school on the Great Indian Peninsula Railway and possibly one on the North-Western Railway. At the moment we are opening a school at Chandausi which will deal in the same way with the subordinate staff of the Oudh and Rohilkhand Railway and North-Western Railway. It has been equipped with up-to-date models and appliances for teaching train working and with staff for instruction in transportation and other allied problems. Work will be commenced there on the 1st March when the first batch of staff will commence their instruction.

This school at Chandausi is, however, to have wider functions than the local schools on each railway. It will be the central school for the co-ordination of the work of the other schools and will also give course of training and refresher courses for officers of State railways and to some extent of Companies railways also. In addition it will take charge of the training of young probationary Traffic Officers whose practical training on the railways will be supplemented by courses of study at this school. The importance of giving these young officers a thorough grounding in the subject of transportation to enable them to make the best use of their time while under training is fully recognised, and we look for good results from this scheme.

As I have said we attach the greatest importance to the proper training of our staff in all branches and believe that only by carefully co-ordinated schemes of this nature we can ensure that our railway work with its manifold and complex problems can be properly handled in the future. The business of transportation and all that it carries with it on the technical side is becoming more and more complex as time goes on, and it will be difficult to keep up with modern developments unless our staff are better equipped in knowledge and experience than they are at present.

Organisation and decentralisation.

Another aspect of the matter of railway management which arises out of the growing complexity of the problems of moving traffic is the necessity for improving our organisation for administrative and executive work. I will not enter into details of the changes which we have made and are making in the internal organisation on State-managed railways, but would only indicate that as with the case of the organisation of the Railway Board our object is to achieve such measure of decentralization as is compatible with the preservation of responsibility. Both the Acworth and the Inchcape Committees urged us to decentralize power and responsibility to the Agents of the railways and thus enable them to carry on their work with freedom from interference from headquarters. This policy we are steadily pursuing and have already made considerable delegation of power over and above the powers delegated previously. As far as possible all the details of management must be left to the Agents. It is only in this way that we can hope to be free to deal with the larger problems of financial and technical importance associated with the conduct of this huge business.

If we fail in our task of maintaining the railways on a solvent footing while developing and improving them to the utmost extent possible, it will be because we are forced to deal with details at headquarters. So long as we can relegate the details to the Agents we have a good chance of successfully solving the larger problems. The magnitude of the task needs no exaggeration. It is perhaps some excuse for the length of time I have taken in dealing with the budget and I must apologise to the House if I have perhaps strayed somewhat from the strictly financial character of the contents of the papers which are now to be circulated.

Schedule of demands for grants for expenditure of the Central Government on Railways for the year 1925-26 submitted for the vote of the Legislative Assembly.

Number of Demand.	Service to which demand relates.	Amount.
A.—Expenditure from Revenue.		Rs.
<i>Commercial Lines—</i>		
1	Railway Board	9,86,000
2	Inspection	1,14,000
3	Audit	6,16,000
4	Working Expenses: Administration	12,31,00,000
5	Working Expenses: Repairs and Maintenance and Operations.	42,61,47,000
6	Companies' and Indian States' share of surplus profits and net earnings	1,33,50,000
9	Appropriation to Depreciation Fund	10,73,25,000
10	Appropriation from Depreciation Fund	9,50,00,000
11	Miscellaneous	6,65,000
12	Appropriation to the Reserve Fund	3,23,43,000
13	Appropriation from the Reserve Fund . . . . .	...
14	<i>Strategic Lines</i>	1,82,00,000
B.—Expenditure charged to Capital.		
<i>Commercial Lines—</i>		
7	New Construction	6,46,70,000
8	Open Line works	16,20,65,000
15	<i>Strategic Lines</i>	23,20,000

150. NOTE.—As regards the demands refused by the Assembly, see paragraph 2 of Government of India, Finance Department, Resolution No. 3510-F., dated the 28th March 1925 (pages 191 and 192 of this volume).

Budget*

of the

Railway Revenue and Expenditure of the Government of India,

March 1925

ACCOUNTS	1923-24
REVISED ESTIMATES	1924-25
BUDGET ESTIMATES	1925-26

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* Published with Government of India, Finance Department Resolution, No. 3510-F., dated the 23rd March 1925 (pages 191 and 192 of this volume).

BUDGET FOR 1925-26.

1.—Statement of the Revenue of the Central

HEADS OF REVENUE.	ACCOUNTS, 1923-24.				REVISED ESTIMATE.	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
XI.—State Railways—						
(a) Commercial lines—						
Gross receipts—						
Passenger traffic earnings.	40,35,49,000	...	...	40,35,49,000	35,55,00,000	...
Other coaching traffic earnings.	56,73,28,000	...	...	56,73,28,000	5,79,00,000	...
Goods traffic earnings .	2,07,84,289	4,82,827	2,21,211	2,74,88,307	61,02,00,000	...
Sundry earnings .					2,60,00,000	4,83,000
TOTAL EARNINGS .	99,76,61,289	4,82,827	2,21,211	99,83,65,307	1,04,96,00,000	4,83,000
Deduct—Earnings of worked lines.	6,97,50,000	...	...	6,97,50,000	7,31,00,000	...
Earnings of State Railways.	92,99,11,289	4,82,827	2,21,211	92,96,15,307	97,65,00,000	4,83,000
Suspense	-1,78,113	...	...	-1,78,113	...	...
Gross receipts of State Railways.	92,87,33,156	4,82,827	2,21,211	92,94,37,194	97,65,00,000	4,83,000
Deduct—Working expenses of State Railways.*	59,15,60,195	...	...	59,15,60,195	61,96,14,000	3,36,000
Surplus profits paid to Indian States and railway companies.	1,14,46,008	...	...	1,14,46,008	1,49,00,000	...
Net receipts	32,87,26,963	4,82,827	2,21,211	32,64,31,001	34,19,96,000	1,47,000
(b) Strategic lines—						
Gross receipts	1,71,15,149	...	...	1,71,15,149	1,95,00,000	...
Deduct—Working expenses	1,99,67,892	...	...	1,99,67,892	2,17,00,000	...
Net receipts	-18,52,743	...	...	-18,52,743	-32,00,000	...
Total net receipts, Commercial and Strategic lines.	32,38,74,220	4,82,827	2,21,211	32,45,78,258	33,97,96,000	1,47,000
Interest on Depreciation and Reserve Funds.	...	...	...	...	...	...
XII.—Subsidized Companies: Government share of surplus profits .	5,35,320	13,26,399	6,02,428	23,64,135	3,95,000	19,63,000
TOTAL RECEIPTS .	32,44,09,540	17,09,216	8,23,637	32,69,42,393	33,91,91,000	20,10,000

* For details see statement 1(a).

J. M. HARTLEY,
Accountant General, Railways.

DELHI,
RAILWAY DEPARTMENT;
The 25th March 1925.

BUDGET FOR 1925-26.

Government from railways in India and England.

1924-25.		Increase (+) Decrease (-) as compared with the Budget Estimate, 1924-25.	BUDGET ESTIMATE, 1925-26.				Increase (+) Decrease (-) as compared with the Revised Estimate, 1924-25.
Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	35,55,00,000	-21,01,000	36,50,00,000	...	...	36,50,00,000	+95,00,000
...	5,79,00,000		5,91,00,000	...	...	5,91,00,000	+2,00,000
...	61,02,00,000	+3,42,66,000	63,00,00,000	...	...	63,00,00,000	+1,98,00,000
1,79,000	2,66,62,000	-19,43,000	2,73,00,000	4,83,000	1,61,000	2,79,44,000	+12,82,000
1,79,000	1,05,02,62,000	+3,02,22,000	1,08,04,00,000	4,83,000	1,61,000	1,08,10,44,000	+3,07,82,000
...	7,31,00,000	+39,32,000	7,39,00,000	...	...	7,39,00,000	+8,90,000
1,79,000	97,71,62,000	+2,62,90,000	1,00,65,00,000	4,83,000	1,61,000	1,00,71,44,000	+2,99,82,000
...
1,79,000	97,71,62,000	+2,62,90,000	1,00,65,00,000	4,83,000	1,61,000	1,00,71,44,000	+2,99,82,000
1,25,000	62,00,75,000	-2,17,27,000	65,32,53,000	42,63,000	14,31,000	65,79,37,000	+3,78,62,000
...	1,40,00,000	+34,13,000	1,33,50,000	..	...	1,33,50,000	-15,50,000
54,000	34,21,67,000	+4,46,04,000	34,08,97,000	-37,80,000	-12,80,000	33,58,57,000	-63,30,000
...	1,85,00,000	-13,30,000	1,85,00,000	...	...	1,85,00,000	...
...	2,17,00,000	-8,02,000	2,17,25,000	...	...	2,17,25,000	+25,000
...	-32,00,000	-5,18,000	-32,35,000	...	...	-32,35,000	-25,000
54,000	33,89,87,000	+4,40,86,000	33,76,73,000	-37,80,000	-12,80,000	33,26,32,000	-63,55,000
...	...	...	32,35,000	...	...	32,35,000	+32,35,000
6,92,000	29,50,000	+3,58,000	4,57,000	19,65,000	6,55,000	30,77,000	+1,27,000
7,46,000	34,19,37,000	4,44,44,000	34,13,64,000	-18,15,000	-6,05,000	33,99,44,000	-29,89,000

G. G. SIM,
Financial Commissioner.

BUDGET FOR 1925-26.

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

	Accounts, 1923-24.				REVISED ESTIMATE.	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Administration	11,96,58,000	..	..	11,96,58,000	12,31,39,000	3,36,000
Provision for probable supplementary grants.	..	..	..	..	..	..
Repairs and maintenance .	16,97,47,000	..	..	16,97,47,000	17,56,00,000	..
Operation	26,67,81,588	..	..	26,67,81,588	26,03,25,000	..
Provision for probable supplementary grants.	..	..	..	..	..	..
Depreciation	7,24,49,000	..	..	(a) 7,24,49,000	10,00,00,000	..
Suspense	-19,22,408	..	..	-19,22,408	-24,50,000	..
TOTAL	62,67,13,186	..	..	62,67,13,186	65,66,14,000	3,36,000
Deduct—Share of Worked Lines.	3,51,53,000	..	..	3,51,53,000	3,70,00,000	..
Working Expenses	59,15,60,186	..	..	59,15,60,186	61,96,14,000	3,36,000

(a) This figure represents the expenditure incurred on Programme Revenue during 1923-24.

J. M. HARTLEY,
Accountant General, Railways.

DELHI ;
RAILWAY DEPARTMENT ;
The 28th March 1925.

BUDGET FOR 1925-26.

Railways—Commercial Lines.

1924-25.		Increase (+) Decrease (-) as compared with Budget, 1924-25.	BUDGET ESTIMATE, 1925-26.				Increase (+) Decrease (-) as compared with Revised, 1924-25.
Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,25,000	12,36,00,000	..	11,53,16,000	42,63,000	14,21,000	12,40,00,000	+ 42,00,000
...	..	...	39,00,000	...	...	39,00,000	
...	17,56,00,000	..	18,75,00,000	...	...	18,75,00,000	+ 1,19,00,000
...	26,08,25,000	...	27,04,87,000	...	...	27,04,87,000	+ 1,26,62,000
...	...	...	35,00,000	...	...	35,00,000	
...	10,00,00,000	...	10,38,00,000	...	...	10,38,00,000	+ 38,00,000
...	-24,50,000	...	15,50,000	...	...	15,50,000	+ 40,00,000
1,25,000	65,70,75,000	-2,03,06,000	68,90,53,000	42,63,000	14,21,000	69,47,37,000	+ 3,76,62,000
...	3,70,00,000	+ 14,22,000	3,68,00,000	...	...	3,68,00,000	-2,00,000
1,25,000	62,00,75,000	-2,17,27,000	65,22,53,000	42,63,000	14,31,000	65,79,37,000	+ 3,78,62,000

G. G. SIM,
Financial Commissioner.

BUDGET FOR 1925-26.

2.—Statement of the expenditure on railways charged to

HEAD OF EXPENDITURE.	ACCOUNTS, 1923-24.				REVISED ESTIMATE.	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
10. State Railways—						
Interest: commercial lines:						
on Government capital at charge	10,19,76,623	4,34,72,304	3,00,06,723	16,54,52,739	11,39,59,000	4,39,63,000
on capital contributed by Indian States and Companies.	(b) 2,76,344	2,11,38,721	96,79,308	3,09,94,374	(b) 2,09,000	1,62,19,000
Interest portion of annuities . . . . .	...	3,35,75,469	1,54,06,067	(a) 4,89,81,516	...	2,11,76,000
Sinking Funds . . . . .	...	22,72,058	15,03,283	47,75,339	...	...
Total Interest, commercial lines	10,22,53,967	10,14,58,631	4,64,92,370	25,02,03,968	11,42,68,000	8,43,58,000
Interest, strategic lines	1,02,37,398	...	...	1,02,37,398	1,18,58,000	...
TOTAL INTEREST	11,24,90,365	10,14,58,631	4,64,92,370	26,04,41,366	12,61,26,000	8,43,58,000
11. Subsidised Companies: Land and subsidy.	5,40,450	...	...	5,40,450	5,00,000	...
12. Miscellaneous Railway expenditure	-6,19,998	14,77,645	6,81,995	15,39,643	-41,000	16,49,000
Provision for probable supplementary grant.	...	...	...	...	...	...
Deduct—Probable savings . . . . .	...	...	...	...	...	...
Payments to general revenues—						
Contribution* . . . . .	...	...	...	...	5,09,52,000	...
One-third of the excess of railway surplus over three crores.	...	...	...	...	54,83,000	...
Total payment to general revenues . . . . .	...	...	...	...	5,64,35,000	...
Reserve Fund . . . . .	...	...	...	...	4,09,65,000	...
TOTAL	11,34,10,817	10,29,36,276	4,71,74,363	26,25,31,458	22,39,95,000	8,60,07,000

* For details see Statement 2 (a).

(a) Includes annuity payments in redemption of capital.

(b) Represents interest on the state share of joint debenture stock.

DELHI:
RAILWAY DEPARTMENT,
14c 25th March 1925.

J. M. HARTLEY,
Accountant General, Railways.

BUDGET FOR 1925-26.

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

1924-25.			BUDGET ESTIMATE, 1925-26.				
Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1924-25.	India.	England.	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Revised, 1924-25.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,68,39,000	17,42,51,000	-52,46,000	12,43,29,000	7,29,17,000	2,48,05,000	22,15,51,000	+4,73,00,000
71,79,000	2,66,67,000	-13,42,000	(b) 3,20,000	1,22,33,000	40,78,000	1,66,31,000	-1,00,36,000
78,65,000	2,90,41,000	-7,15,000	...	...	...	...	-2,90,41,000
...
3,18,33,000	22,99,59,000	-73,06,000	12,46,49,000	8,51,50,000	2,83,63,000	23,81,62,000	+82,23,000
..	1,18,58,000	+12,89,000	1,21,15,000	...	..	1,21,15,000	+2,57,000
3,18,33,000	24,18,17,000	-60,17,000	13,67,64,000	8,51,50,000	2,83,63,000	25,02,97,000	+84,80,000
...	5,00,000	-11,00,000	5,50,000	...	...	5,50,000	+50,000
6,12,000	22,20,000	-25,000	-13,000	21,39,000	7,13,000	28,39,000	+6,22,000
...	...	...	40,000	...	...	40,000	
..	...	...	37,000	...	...	37,000	
...	5,09,52,000	+5,09,52,000	5,09,52,000	...	...	5,09,52,000	...
...	54,83,000	+54,83,000	14,34,000	...	...	14,34,000	-40,49,000
...	5,64,35,000	+5,64,35,000	5,23,86,000	...	...	5,23,86,000	-40,49,000
...	4,09,65,000	+4,09,65,000	3,28,69,000	...	...	3,28,69,000	-80,96,000
3,19,45,000	34,16,37,000	+9,02,58,000	22,25,59,000	8,72,89,000	2,90,96,000	33,89,44,000	-29,93,000

G. G. SIM,
Financial Commissioner.

BUDGET FOR 1925-26.

51

2 (a).—Contribution from railway to general revenues, 1924-25 and 1925-26.

(Based on actuals, 1923-24.)

	Rs.	Rs.
1. 1 per cent. on capital of 5,40,42,52,040 at charge, commercial lines		5,40,42,520
2. (i) Receipts—		
Gross traffic receipts, commercial lines	92,94,37,194	
Subsidised Companies, share of surplus profits	23,04,136	
		93,18,01,329
(ii) Charges—		
Working expenses, commercial lines	59,15,60,185	
Indian States and Railway Companies' share of surplus profits	1,14,46,008	
Interest—		
On capital at charge, commercial lines	16,54,52,739	
Interest portion of annuities	3,12,26,786	
On capital contributed by Indian States and Companies	3,09,94,374	
Land and subsidy	5,40,450	
Miscellaneous Railway expenditure	15,36,643	
Contribution at 1 per cent. on capital at charge, commercial lines	5,40,42,520	
		88,68,02,704
(iii) Surplus	---	4,40,96,625
(iv) Contribution of one-fifth of surplus	---	89,99,725
3. (i) Total contribution from railway revenues [1 plus 2 (iv)]		
		6,30,42,245
Deduct—Loss on strategic lines borne by railway revenues—		
(i) Interest on capital of 26,22,57,763	1,02,37,398	
(ii) Loss in working	18,52,743	
		1,20,90,141
(ii) Net payment due from railway to general revenues in 1924-25 and 1925-26	---	5,09,52,104

J. M. HARTLEY,

G. G. SIM,

Accountant General, Railways. Financial Commissioner.

DELHI,

RAILWAY DEPARTMENT,
The 28th March 1925.

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

HEADS OF ACCOUNT.	ACCOUNTS, 1923-24.				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.	..	71,55,000	81,30,664	1,03,94,664	..	18,97,80,000

DELHI,
RAILWAY DEPARTMENT,
The 28th March 1925.

J. M. HARTLEY,
Accountant General, Railways.

BUDGET FOR 1925-26.

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

1924-25.			BUDGET ESTIMATE, 1925-26.				
Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1924-25.	India.	England.	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Revised, 1924-25.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
-6,72,86,000	-27,65,45,000	+6,20,000	..	-8,47,50,000	-1,37,13,000	-4,84,63,000	+22,80,63,000

G. G. SIM,
Financial Commissioner.

BUDGET FOR 1925-26.

4.—Statement of the Capital Expenditure of the

HEAD OF EXPENDITURE.	ACCOUNTS, 1923-24.				REVISED ESTIMATE.	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Railway Capital not charged to Revenue:—						
53.—Construction of State Railways:—						
(a) Commercial Lines						
Open Line Works—						
Rolling Stock . . . . .	...	...	...	9,47,93,994	...	...
Other Works . . . . .	...	...	...	11,00,76,269	...	...
New Lines . . . . .	...	...	...	2,77,67,745	...	...
Suspense . . . . .	...	...	...	—3,36,45,685	...	...
(b) Strategic Lines . . . . .	...	...	...	90,06,149	...	...
Provision for probable supplementary grants . . . . .	...	...	...	...	...	...
Deduct—Probable Savings . . . . .	...	...	...	...	...	...
TOTAL	6,43,57,530	9,89,77,646	4,46,63,306	20,79,98,472	2,87,76,000	7,50,00,000
54.—Redemption of Liabilities involved in purchase of Railways . . . . .	...	...	...	...	...	...

DELHI,
RAILWAY DEPARTMENT,
The 28th March 1925.

J. M. HARTLEY,
Accountant General, Railways.

BUDGET FOR 1925-26.

Central Government in India and England on Railways.

1924-25.			BUDGET ESTIMATE, 1925-26.				
Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1924-25.	India.	England.	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Revised, 1924-25.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	6,32,31,000	-78,07,000	...	...	...	8,28,49,000	+1,94,18,000
...	11,66,46,000	-5,16,12,000	...	...	...	17,23,75,000	+5,55,39,000
...	3,53,65,000	-79,76,000	...	...	...	8,44,09,000	+4,90,24,000
...	-7,31,34,000	-3,32,05,000	...	...	...	-2,15,53,000	+5,15,51,000
...	61,72,000	+36,38,000	...	...	...	28,50,000	-33,22,000
...	...	...	...	...	...	10,00,000	+10,00,000
...	2,00,00,000	+7,43,29,000	...	...	...	9,17,30,000	+7,17,30,000
2,87,25,000	12,86,00,000	-17,15,00,000	12,97,87,000	7,51,75,000	2,50,68,000	23,00,00,000	+10,15,00,000
...	...	...	...	2,57,50,000	85,83,000	3,43,33,000	+3,43,33,000

X

G. G. SIM,
Financial Commissioner.

BUDGET FOR 1925-26.

A.—Railway Depreciation Fund.

	Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.		Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	---	---	---	2,10,00,000	Appropriation from Depre- ciation Fund.	---	---	8,25,00,000	9,50,00,000
Appropriation to Depreci- ation Fund.	---	---	10,35,00,000	10,73,25,000	Closing Balance.	---	---	2,10,00,000	3,33,25,000
TOTAL	---	---	10,35,00,000	13,83,25,000	TOTAL	---	---	10,35,00,000	13,83,25,000

J. M. HARTLEY,

Accountant General, Railways.

G. G. SIM,

Financial Commissioner.

DELHI,

RAILWAY DEPARTMENT;

The 28th March 1925.

BUDGET FOR 1925-26.

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B.—Railway Reserve Fund.

	Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.		Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	4,09,65,000	Appropriation from Re- serve Fund.	...	...	...	...
Appropriation to Reserve Fund.	4,09,65,000	3,28,69,000	Closing Balance.	...	...	4,09,65,000	7,38,34,000
TOTAL	4,09,65,000	7,38,34,000	TOTAL	...	...	4,09,65,000	7,38,34,000

J. M. HARTLEY,

Accountant General, Railways.

G. G. SIM,

Financial Commissioner.

DELHI,
RAILWAY DEPARTMENT;
The 28th March 1925

Explanatory Memorandum of the Railway Budget for 1925-26.

1. The object of the memorandum is to explain the main features of the Railway Budget as embodied in the several demands for expenditure on Capital and Revenue account, including the amounts that pass into and from the Railway Depreciation and the Railway Reserve funds. In pursuance of the terms of the resolution regarding the separation of Railway Finance passed by the Legislative Assembly on the 20th September 1924, the form of the Budget, the number of demands for grants, and the form of the subsidiary statements, were discussed with and approved by the Standing Finance Committee for Railways. The estimates of both receipts and expenditure and the demands for grants for the next year were also fully discussed by the same committee. The proceedings of the Committee have been circulated to members of the Assembly.

2. Details of the estimates for each railway are given in the form of a self-contained book in which an explanatory memorandum is given briefly dealing with the more important features of the estimates. This memorandum deals with the Revised and Budget estimates for the railways as a whole.

3. *Capital (Head of account—"53—Construction of State Railways").*—In March last the Legislative Assembly approved of a capital expenditure of 30 crores on Railways during 1924-25, of which approximately 25 crores were for the rehabilitation and improvement of existing lines and approximately 5 crores for construction of new lines. The amount expected to be spent during the year is only 12·85 crores resulting in a lapse of 17·15 crores. The total capital expenditure, however, is really much greater than would appear from these figures. The decision of the Privy Council that customs duty prior to the amendment of the Sea Customs Act was not payable in respect of railway materials imported by company-worked railways has resulted in a refund of 280 lakhs of which 155 lakhs goes towards reduction of the total capital at charge. It is also anticipated that there will be a reduction of the capital locked up in stores balances of about 4 crores. The estimated total capital expenditure for the current year is, therefore, 18·4 crores, that is, the expenditure approximates to the expenditure of last year. The Report by the Railway Board on Indian Railways for 1923-24 sets forth reasons why the scale of expenditure has not yet reached the figure of 30 crores per annum agreed to by the Legislature. The reasons therein given, *viz.*, the necessity for overhauling all projects with a view to financial justification and the necessity for co-ordinating all the different schemes on individual lines, continued into the current year, while the difficulties experienced in connection with the fixed budget procedure were only eliminated when the Assembly agreed to the reparation of the railway from the general finances in September. On new lines the principal lapses occurred on the Villupuram Trichinopoly Railway where against a provision of 80 lakhs an expenditure of only 2½ lakhs is anticipated. The estimates for this project required modification in important aspects and sanction to the commencement of the work was withheld until the scheme had been thoroughly re-examined. For similar reasons large lapses have also occurred on the Budget provision on the Virudunagar Tenkasi and the Shoranur Nilambar Railways. It was possible, however, to make greater progress with the Itarsi Nagpur Railway than had been anticipated, where 31 lakhs more has been spent than the budget provision.

BUDGET FOR 1925-26.

The same reasons as those given for the lapse in the capital expenditure also apply to the lapse in expenditure from the depreciation fund.

4. The programme for capital expenditure for the year 1925-26 provides for the amounts which it is anticipated will be spent on works approved of by the Railway Board. The Agents anticipate that on these approved works they will be able to spend 32.07 crores. While it is proposed to authorise them to spend up to this amount, the Railway Board consider that the estimates made by Agents are too optimistic in view of the experience of recent years, and are of opinion that as far as can be foreseen at present not more than 23 crores is likely to be spent.

5. Of the gross sum of 32.07 crores, 23.53 crores are allotted for open line facilities and rolling stock with the consequent provision of 11.32 crores for expenditure from the Depreciation Fund. For the construction of new lines and lines already in progress the allotment proposed is 8.54 crores.

6. The details of the total capital expenditure on State Railways worked by the State and Companies in each of the three years from 1923-24 to 1925-26, are as follows:—

Items.	Actual, 1923-24.	1924-25.		Budget, 1925-26.
		Budget.	Revised.	
(a) England	₹9,897,765	11,568,400	7,500,000	10,829,100
	Rs. 9,89,77,645	11,56,84,000	7,50,00,000	10,82,91,000
(b) India	Rs. 6,13,57,530	13,42,44,000	2,67,77,000	17,63,42,000
	Rs. 16,33,35,176	24,99,28,000	10,17,75,000	29,46,33,000
(c) Exchange	Rs. 4,46,63,206	5,00,72,000	2,67,25,000	3,60,97,000
	Rs. 20,79,98,472	30,00,00,000	12,85,00,000	32,07,30,000

7. The following table compares the allotments made for open lines and lines under construction in 1925-26 with those of previous year:—

(Figures in thousands of rupees.)

Items.		Actuals, 1923-24.	Revised, 1924-25.	Budget, 1925-26.
(1) Open lines (including rolling stock)	Commercial Lines	17,12.24	8,69.43	23,31.71
	Strategic Lines	17.94	19.54	18.50
(2) Lines under construction—				
(a) Started in previous years	Commercial Lines	1,07.31	3,16.68	6,24.00
	Strategic Lines	72.12	42.18	10.00
(b) Started in current year		1,70.37	7.17	2,20.09
Total		20,79.98	12,85.00	32,07.30

8. The details of the Budget grant for 1925-26 are shown below—

(Figures in thousands of rupees.)

RAILWAYS.	OPEN LINES.			CONSTRUCTION OF	
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.
State Railways worked by the State—					
1. Aden . . . . .	...	—5	—5	...	...
2. Central Indian Coal Fields . . . . .	...	...	...	1,96,09	...
3. Eastern Bengal	29,30	54,00	83,30	...	...
4. Jodhpur Hyderabad (British Section) . . . . .	...	3,58	3,58	...	...
5. North Western	63,29	54,46	1,17,75	...	...
Narawal Amritsar connection . . . . .	...	...	...	...	20,00
6. Strategic Lines . . . . .	...	18,50	18,50	...	...
Khyber . . . . .	...	...	...	10,00	...
7. East Indian (including Oudh and Rohilkhand).	2,52,55	3,35,08	5,87,63	...	...
Chandrapura Gomoh . . . . .	...	...	...	4,65	..
Calcutta Chord . . . . .	...	...	...	...	17,00
Rikhikesh Road—Rikhikesh . . . . .	...	...	...	8,62	...
8. Great Indian Peninsula	1,13,90	1,77,99	2,91,89	...	...
Agra Delhi Chord . . . . .	...	1,13	1,13	...	...
Cawnpore Banda . . . . .	...	34	34	...	...
Bhopal State . . . . .	...	13	13	...	...
Bombay Harbour Branch . . . . .	...	...	...	95	...
Majri Rajur . . . . .	...	...	...	1,50	...
Total State Railways worked by the State	4,59,04	6,45,16	11,04,20	2,22,41	37,00
State Railways worked by Companies—					
9. Assam Bengal	8,42	16,35	24,77	...	...
Sibsagar Road Khawang . . . . .	...	...	...	10,31	...
Furkating Badulipara Jorhat . . . . .	...	...	...	...	15,61
Jbaria Jbanjsail Bagmara Jaligiri . . . . .	...	...	...	...	16,00
Karinganj Longai Valley . . . . .	...	...	...	...	16,50
Carried over	8,42	16,35	24,77	10,31	48,11

(Figures in thousands of rupees.)

RAILWAYS.	OPEN LINES.			CONSTRUCTION OF	
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines
Brought forward	8,42	16,55	24,77	10,31	48,11
State Railways worked by Companies— <i>contd.</i>					
10. Bengal Nagpur	1,05,35	2,71,97	3,37,32	...	...
Bokaro Ramgarh Extension	...	...	...	1,70	...
South Karanpura Coal Fields	...	...	...	4,98	...
Vizagapatam Harbour	...	...	...	—43,10	...
Raipur Parvatipur	...	...	...	1,34,00	...
Amda Janda	...	...	...	5,88	...
Talchir Coal Fields	...	...	...	18,39	...
Hesla Chandil	...	...	...	90,60	...
Argada Branch	...	...	...	1,84	...
Guttitangar Branch	...	...	...	5,21	...
Tumsur Road Tirodi	...	...	...	...	20,66
Ghordeva Coal Fields	...	...	...	...	27,82
11. Bengal and North Western (Tirhut)	8,66	6,34	15,00	...	...
12. Bezwada Extension	...	50	50	...	...
13. Bombay, Baroda and Central India	1,18,29	2,49,49	3,67,78	...	...
Dholka Dhanduka	...	...	...	1,50	...
14. Burma (Main Line)	17,74	26,86	44,60	...	...
Burma Extensions	7,97	6,50	14,17	...	...
Southern Shan States	...	25	25	...	...
Bauktaw Mingladon	...	...	...	6,00	...
Pyinmana Taungdwingyi	...	...	...	5,05	...
Moulmein-Ye	...	...	...	5,75	...
Alon-Ye-U	...	...	...	5,38	...
Pegu Kayau	...	...	...	12,70	...
Hcho Tayaw	...	...	...	...	11,60
Mandalay Madaya	...	...	...	...	11,00
Carried over	2,06,43	8,81,56	8,04,39	2,65,59	1,19,09

(Figures in thousands of rupees.)

RAILWAYS.	OPEN LINES.			CONSTRUCTION OF	
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.
Brought forward	2,66,43	8,81,56	8,04,39	2,65,59	1,19,09
State Railways* worked by Companies— <i>conold.</i>					
<i>Burma— contd.</i>					
Taungdwingyi-Kyauk Padaung	...	...	...	...	21,00
Taungdwingyi-Magwe	...	...	...	...	4,00
Myingyan-Natogyi Paleik	...	...	...	...	11,00
Ye-Sinbyubyin	...	...	...	...	21,00
15. Great Indian Peninsula	87,96	59,33	97,29	...	...
16. Madras and Southern Mahratta	40,50	1,41,50	1,82,00	...	...
Dhone Kurnool	...	5	5	...	...
Guntur Tenali	...	10	10	...	...
17. Rohilkund and Kumzon (Lucknow-Bareilly Section).	...	—14	—14	...	...
18. South Indian	20,96	1,39,06	1,60,02	...	...
Tinnevely Quilon (British Section)	34	3,85	3,69	...	...
,, (Indian State Section)	1,23	26	1,49	...	...
Coonoor Ootacamund	3	9	12	...	...
Villupuram Trichinopoly	...	...	...	80,00	...
Virudunagar Tenkasi	...	...	...	38,00	...
Shoranur Nilambar	...	...	...	28,00	...
Dindigul Pollachi	...	...	...	...	4,00
Trichinopoly Karaikudi	...	...	...	...	3,00
Total State Railways worked by Companies.	3,67,45	8,81,56	12,49,11	4,11,59	1,82,09
Total State Railways	8,26,49	15,26,72	23,52,21	6,84,00	2,20,09
				22,07,30	
Deduct—Probable savings	2,23,21	5,0,0	7,23,21	1,45,73	43,36
Add—Provision for probable supplementary grants.				9,17,20	10,00
Net	6,13,28	10,16,72	16,40,00	4,88,27	1,71,73
				23,04,00	

9 The distribution of the 23.53 crores over the open line Capital programme is as follows:—

	Crores.
1. Open line facilities	17.43
2. Rolling Stock	8.26
3. Reduction in stores balances	1.50
4. Suspense	—66

10. *Open line facilities.*—The following gives the distribution of the proposed gross allotment of 17.43 crores among the various classes of open line works:—

	Crores.
(a) Doubling and quadrupling	1.39
(b) Improved rails and sleepers . . . . .	.90
(c) Strengthening of bridges . . . . .	.92
(d) Remodelling of station yards	2.73
(e) Staff quarters	1.22
(f) Workshops and stores and station buildings	3.10
(g) Plant and Machinery	2.50
(h) Electrification of lines	1.80
(i) Sidings, diversions, links, etc. . . . .	.72
(j) Other miscellaneous works	2.15
Total	17.43

11. (a) *Doubling and Quadrupling.*—Some of the more important works are on the Bengal-Nagpur Railway, where, in order to improve the capacity of the line for carrying coal, limestone and other traffic it is proposed to spend 58 lakhs on doubling the Golkeria-Manharpur, Manharpur-Kansbahal, Kharagpur-Tatanagar, Gomharia-Sini, Kandra Sini, Korkai Bridge-Tatanagar and Roopnarain Bridge Sections. A sum of 38 lakhs is provided for work on the Grand chord doubling of the East Indian Railway which will improve the capacity of the main route for carrying coal to the north of India, 34 lakhs for quadrupling the Bandra Borivili and Bandra-Grant Road sections of the Bombay, Baroda and Central India Railway required for the improvement of suburban services and 9 lakhs for doubling the Pyu-Kyumgon section of the Burma Railways, where increased traffic makes early improvement necessary.

(b) *Improved rails and sleepers and (c) Strengthening of bridges.*—The various allotments under these heads are required for improving the existing track and bridges which are on sections where the standard is below that required for modern loads in accordance with the co-ordinated schemes of track improvement on the various railways. The rebuilding of Bassem Bridge and strengthening of Viramgam section of the Bombay, Baroda and Central India Railway for which 17 and 8½ lakhs respectively have been provided, deserve individual mention.

(d) *Remodelling of station yards.*—The remodelling of and rearrangement of marshalling yards in many cases is long overdue and the provision of better marshalling facilities is one of the most urgent necessities for improved traffic services and to reduce delays to wagons in transit. The introduction of a revised system of statistics for showing the work done in marshalling yards has indicated that much time and money is lost in attempts to deal with marshalling problems with inadequate facilities and

shunting arrangements of old design and constructed for much lighter traf-
Improved and larger yards is one of the most important requirements in
obtaining better user out of rolling stock and improving the speed at which
the traffic is handled. The more important projects for which allotments
are made are—

	Lakhs.
Mazgaon (Great Indian Peninsula Railway)	16
Nagpur (Great Indian Peninsula Railway)	7
Poona (Great Indian Peninsula Railway)	11
Victoria Terminus (Great Indian Peninsula Railway)	10
Karachi (North Western Railway)	8
Rawalpindi (North Western Railway)	8
Wazirabad (North Western Railway)	4
Hteedan, Ahlone and Rangoon (Burma Railways)	4
Ghorpuri (Madras and Southern Mahratta Railway)	7
Tondiyarpettai (Madras and Southern Mahratta Railway)	12½
Jalapat (Madras and Southern Mahratta Railway)	8
Guntakal (Madras and Southern Mahratta Railway)	4
Anara (Bengal Nagpur Railway)	4
Tatanagar (Bengal Nagpur Railway)	3½
Mohuda (Bengal Nagpur Railway)	4
Godhra (Bombay, Baroda and Central India Railway)	3½
Ahmedabad (Bombay, Baroda and Central India Railway)	13
Trichinopoly (South Indian Railway)	10
Lucknow (Oudh and Rohilkhand Railway)	19½
Parbatipur (Eastern Bengal Railway)	7

(e) *Staff quarters.*—Ordinarily railway administrations have to provide quarters in places where the staff cannot obtain accommodation, and as was explained on previous occasions better housing for railway employes is an urgent necessity in many places. The larger schemes on which expenditure is expected next year are on the Bengal Nagpur, Bombay, Baroda and Central India, East Indian, Great Indian Peninsula, North-Western and Madras and Southern Mahratta Railways.

(f) *Workshops and stores buildings and (g) Plant and machinery.*—The programme includes provision of 2.12 crores for remodelling workshops, being the approximate amount which it is anticipated will be spent during the year upon schemes, the aggregate cost of which amounts to 12.73 crores. The necessity for this heavy expenditure has arisen owing to the increase in the amount of rolling stock required to handle the increasing traffic having outgrown the capacity of the existing shops. There has, in consequence, been a substantial increase in the percentage of rolling stock under or awaiting repairs. It is necessary that the workshops should be remodelled in order that this percentage should be reduced and more work obtained from the rolling stock, and also that the shops should be capable of dealing with the additional rolling stock which will be required for the anticipated increase in traffic in future years. The advances which have been made in recent years in workshop practice and the modern development of improved machinery whereby work is speeded up and costs reduced, have made it possible by incurring suitable expenditure on workshop improvement to reduce the time during which rolling stock is under repair, to reduce the cost of repairs and to enable arrears of repairs to be

overtaken. This again implies that more duty can be obtained from existing rolling stock.

The more important of the projects of workshop improvement are:—

(1) *Charbagh Shops (Locomotive) (Oudh and Rohilkhand Railway).*—In 1923-24, the percentage of locomotives on the Oudh and Rohilkhand Railway, under or awaiting repairs was 17·7 per cent., and overdue repairs was 22·2 per cent. The original scheme for remodelling these shops was intended to deal with the requirements of the Oudh and Rohilkhand Railway alone, but in view of the proposed amalgamation of the East Indian Railway with the Oudh and Rohilkhand Railway, the scheme has been revised in order that the requirements for both the systems might be dealt with on a more economical and systematic basis. Considerable extensions to the locomotive works at Jamalpur were under consideration by the East Indian Railway and it was decided to remodel the workshops at Charbagh so as to deal with the repair of locomotives for the combined system north and west of Moghalserai, to reduce appreciably the proposed manufacturing unit at Charbagh concentrating that work at Jamalpur, and to hold in abeyance the remodelling scheme for Jamalpur carrying out only such work as is urgently required. It is anticipated that when the shops at Charbagh are remodelled they will be able to deal with the requirements of both systems north and west of Moghalserai, will defer the expenditure, otherwise necessary, on the Jamalpur shops, will decrease the percentage of locomotives under or awaiting or overdue repairs on the system and also reduce the time they are under repairs. The remodelling scheme at Charbagh provides for the anticipated requirements 15 years ahead. The best output in the present shops is 4·23 locomotives per pit per annum. With improved facilities and better layout it will increase to 5 locomotives per pit and possibly more. This improved outturn by increasing the number of effective stock available will have the effect of deferring the purchase of new stock which would otherwise be necessary.

(2) *Trichinopoly Shops (South Indian Railway).*—The broad gauge rolling stock of the South Indian Railway is at present repaired at Podanur and the metre gauge stock at Negapatam. The workshops at Podanur are very much out of date, the site is cramped and improvements have been postponed pending the transfer of the work to Trichinopoly. The new workshops at Trichinopoly, on which considerable progress has already been made will enable both the broad gauge and metre gauge stock to be much more efficiently and expeditiously repaired. The absence of adequate workshop accommodation has in fact been an important factor in retarding improvements in accommodation and train services on this railway. In 1923-24 the percentage of rolling stock under or awaiting repairs on the South Indian Railway was as high as 23·8 per cent. for locomotives and 22·6 for goods vehicles, while the percentage of overdue repairs was as high as 26·9 for coaching vehicle on the broad gauge and 36·3 on the metre gauge.

Under this scheme apart from a very considerable reduction in the percentage of rolling stock awaiting or overdue repairs it is anticipated that the increased facilities will result in an annual saving of 9 lakhs on account of the labour which it is at present necessary to employ. A further saving of Rs. 45,000 is also expected on account of expenditure at present incurred in transporting labour to and from the existing shops at Negapatam which will be saved when the new shops are brought into use.

The reduction in the percentages of stock under or awaiting or overdue repairs will automatically increase the earning capacity of the stock, and

reduce the amount of additional stock required to meet demands on account of additional traffic. The existing workshops at Negapatam and Podanur which are antiquated in design, and most uneconomical in operation are wholly inadequate to meet the present demands.

(3) *Dohad Shops (Bombay, Baroda and Central India Railway).*—In 1923-24 the percentage of rolling stock on the Bombay, Baroda and Central India Railway under or awaiting repairs was 21·7 for locomotives while the percentage of locomotives overdue repairs was 15·7, and of coaching vehicles 48·2. The position in November 1924 showed the percentage under or awaiting repairs, as locomotives 21·3 per cent., passenger carriages 17·4 per cent., other coaching vehicles 19·4 per cent., goods vehicles 4·9 per cent. For the same period the number overdue repairs was locomotives 21·7, passenger carriages 15·3, other coaching vehicles 26·2 and goods vehicles 3·9. The position as regards locomotives is thus steadily getting worse and the provision of better workshop facilities has become an urgent necessity.

The existing shops at Parel are badly congested, cannot be expanded, and are of antiquated design and uneconomical in output costs, and it is essential that the work in connection with the new shops should be expedited not only in order to get additional work out of the existing stock but also to provide for the repairs of additional stock to meet increased requirements. The scheme proposed at Dohad for the relief of the workshops at Parel includes the provision of workshops for wagon repairs but so far sanction has been given for the commencement of the locomotive repair unit only, but it is anticipated that in the immediate future it will be necessary to approve also of that part of the scheme which provides for facilities for repairs of other classes of rolling stock.

(4) *Perambur workshops (Madras and Southern Mahratta Railway).*—The necessity for adequate facilities in these shops has been felt for many years. The percentage of locomotives under repair in 1923-24 was as high as 25·2, while the percentage of the coaching vehicles overdue repairs was as high as 33 and conditions have been steadily getting worse. The existing shops are very cramped and the layout is unsuitable. These and other disadvantages make it impossible to conduct work in the shops efficiently and economically. With a view to improving the position, a scheme has been prepared for their complete remodelling. The estimated cost of the scheme is 277 lakhs. It is anticipated that a greater outturn will be possible by the provision of modern facilities. The requirements for additional rolling stock will be reduced with a corresponding reduction in depreciation, repairs and renewals. The capitalised value of these savings is estimated to amount to nearly 3 crores. This scheme includes a provision for the construction of a new stores building and yard, which will make it possible to reduce by 5 per cent. the stores held in stock. It is also anticipated that with the provision of modern types of machinery in the new power house, the cost of current per unit will be reduced by half an anna. There can be no doubt, therefore, that the whole scheme will be almost immediately remunerative.

(h) *Electrification of lines.*—The main items under this head are the electrification of the Great Indian Peninsula Railway and the Bombay, Baroda and Central India suburban lines. A provision of 93 and 77 lakhs respectively has been made for these schemes in the next year. A small provision has also been made for a commencement of the work of electrification of the main line to Igatpuri and Poona.

(i) and (j) Sidings, diversions and other miscellaneous works.—The provisions under these heads consist of expenditure on watering arrangements, acquisition and improvement of collieries, electric installations at important stations and overbridges.

12. Amenities for 3rd class passengers.—Much of the proposed expenditure is of a nature which enables improvements to be made in train services and the conditions of travel for third class passengers. But, in addition, provision is being made to the extent of Rs. 174 lakhs for amenities specially for lower class passengers. The details of this provision are as follows:—

	Crores.
(1) Arrangements for water supply to passengers	9.03
(2) Waiting sheds, waiting rooms and waiting halls	9.92
(3) Indian refreshment rooms	3.31
(4) Booking facilities	2.81
(5) Latrines and sanitary arrangements	1.48
(6) Raised platforms	4.30
(7) Additions and betterments to lower class carriages	113.17
TOTAL	174.00

13. Rolling Stock.—Provision is made in the budget for an expenditure of 6.23 crores for additional stock, 2.03 crores for improvement of the existing stock, and 3.56 crores for renewals and replacements of worn out stock chargeable to the depreciation fund. The specific allotments set apart for various items are shown below:—

	Additions.	Betterments.	Total.
1. Locomotive engines and boilers	1.14	.41	1.55
2. Coaching vehicles	2.09	.78	2.87
3. Goods wagons	3.00	.84	3.84
TOTAL	6.23	2.03	8.26

The allotments referred to above include the balance of expenditure remaining to be incurred during 1925-26 on estimates for rolling stock sanctioned in previous years and that portion of the expenditure which will be incurred during 1925-26 on estimates for rolling stock which will be sanctioned against the programme of construction approved for 1925-26.

The programme authorised by the Railway Board at the time of the preparation of the budget for 1925-26 provides for the construction of the following new units of stock, all of which however will not necessarily be completed and available for use before the 31st March 1926.

	Additions.	Renewals.	Total.
(1) Locomotive engine	70	47	117
(2) Coaching vehicles (in terms of four wheelers)—			
(a) Upper class	67	121	188
(b) Lower class	755	449	1,204
(3) Goods wagons (in terms of four wheelers)	3,857	2,413	6,270

The number of additional locomotives included in the programme for 1925-26, viz., 70, is the net addition to the total authorised stock of all railways. So far as State Railways are concerned, requirements for additional locomotive stock for some railways are being met by the transfer of 62 locomotives from other railways where it has been found by experience, with improved methods of working, that locomotives are in excess. The total number of locomotives to be obtained for State Railways is 17 which includes the new standard type engines which are to be tried out in actual working conditions.

As regards coaching stock the Railway Board at present have the whole question of the requirements on State Railways under careful examination. The number of additions proposed is limited to some extent by the capacity of the workshops and there is a danger that if further stock is ordered there might be some deterioration in the present position regarding repairs and overhaul of existing stock. It is necessary, however, to speed up the addition to stock in order to provide sufficient accommodation for the traffic offering and anticipated in the early future, and it is hoped that some rearrangement of workshop facilities will be possible by which a more substantial increase can be arranged for than that indicated above. The Railway Board attach the greatest importance to a special effort being made in this direction so that the present shortage of coaching stock for all purposes may be eliminated as soon as possible.

The following statement shows the details of the new units of coaching and goods stock in terms of four-wheeler units included in the programme authorised by the Railway Board at the time of preparation of the Budget:—

Railways.	Upper class coaching vehicles.	Lower class coaching vehicles.	Goods wagons.
North Western . . . . .	...	290	369
East Indian and Oudh and Rohilkhand	37	213	1,250
Eastern Bengal	6	30	...
Great Indian Peninsula	12	84	485
Bengal Nagpur	6	20	400
Burma . . . . .	...	...	108
Bombay, Baroda and Central India	2	40	600
Madras and Southern Mahratta . . . . .	...	22	35
South Indian . . . . .	...	...	100
Tirhoot	4	56	470
Lucknow Bareilly . . . . .	...	...	40
TOTAL	67	755	3,857

New lines.

14. A complete statement of all the projects for new lines whether under construction or to be commenced during the budget year is given in the demands for grants for new construction and a brief description of the more important projects has also been given in the individual books for each railway. Fuller particulars regarding new projects are given in paragraph 16.

15. The total new mileage of the new lines detailed in the demand amounts to 2,132 miles. It is anticipated that 48·14 miles of line will be opened in the current financial year and 347·58 miles in 1925-26. The additions to the several main lines are as follows:—

(1) Bengal-Nagpur	577
(2) Burma	535
(3) South Indian	353
(4) Assam Bengal	150
(5) Great Indian Peninsula	119
(6) North-Western	43
(7) Bombay, Baroda and Central India	39
(8) East Indian and Oudh and Robilkhand	28
(9) Central Indian Coal Fields	288
	2,132

16. The following are particulars of the more important new construction projects.

(1) *Raipur-Parvatipur Railway.*—This railway, 260 miles in length will traverse the largest remaining area of India still devoid of railway communication, and with the Parvatipur Vizianagram line, which was opened to traffic in 1909, will link up the Central Provinces with the port of Vizagapatam. Its prospects and those of the port of Vizagapatam are interdependent, since the additional traffic which the railway will bring to the seaport could not be handled by the sea-port with its existing facilities, while any considerable development of the port would be unnecessary unless the railway is constructed. It is proposed therefore to undertake simultaneously the construction of the railway from railway funds and the development of the harbour from funds provided by the Central Government.

The financial prospects of the line are as follows:—

Capital cost	536 lakhs.
Gross earnings	65½ "
Working expenses	34 "
Net earnings	31½ "
Return on capital	5·83 per cent.

These prospects are not of course likely to mature until three years or so after the line has been opened, when traffic has had time to develop. Manganese and, to a lesser extent, cotton are expected to form the bulk of the traffic in the earlier years before the country through which the line will pass has been opened up. Consequently much of the export traffic which will pass over the new line will be traffic diverted from Calcutta,

and to a lesser extent Bombay; and at first sight it would appear that this should not be treated as new traffic for the purposes of the Parvatipur line. But in view of the congestion which obtains between Bilaspur and Rourkela, and will be accentuated as traffic develops, it would be necessary in the near future to double this section at an approximate cost of 265½ lakhs unless some method of diverting a portion of the traffic can be found; rather than have to double the Bilaspur Rourkela section, the Railway Board consider it more profitable to find another outlet for some of the traffic; and in the Raipur Parvatipur connection means are at hand which will both serve this purpose and at the same time help to develop a large tract of promising new country. The new connection and a simultaneous development of the port of Vizagapatam will also form a most important connecting link between the Central Provinces, Northern India, and the sea.

The estimates of gross earnings may be exceeded as soon as the area served by the line develops. The railway will pass through a country the mineral possibilities of which are as yet an unknown factor, and will serve a port whose natural advantages indicate the possibility of a considerable import trade. The figure of 65½ lakhs takes no account of the future growth of trade in this area, but some idea of the probable development of traffic over this railway can be formed by a comparison with the Bilaspur Chakardharpur section of the Bengal Nagpur Railway. This section was built through similar country and its earnings have steadily developed. It is now one of the most paying portions of the whole railway.

(2) *Tumsur Road Tirodi Railway.*—This is a proposal for the conversion to broad gauge of a portion of the existing 2 feet gauge tramway between Tumsur Road and Tirodi in order to cope more adequately with the manganese traffic in sight and that which is likely to offer in future when more up-to-date methods for extracting the ore are installed.

The original estimate of the cost of the project, *viz.*, 30½ lakhs has been sanctioned by the Secretary of State but this sanction has not been implemented in view of the request of the Central Provinces Government for an alteration in the alignment. A fresh survey has been ordered. It will probably increase the length of the converted line from 27 to 31 miles, and its capital cost by 9½ lakhs. The resulting return on the capital outlay will be reduced from about 10 per cent. to 8 per cent. It is proposed to charge rates on this branch 50 per cent. higher than those ruling on the main Bengal Nagpur Railway system, of which it will be a part.

(3) *Ghordewa Coalfield Railway.*—Prospecting operations carried out in the Lafa Coalfield near Ghordewa village in the Chattisgarh Division indicate the existence of a valuable coalfield. The coal is reported to be of first-class quality for locomotive purposes and the mining conditions are favourable. A survey for a broad gauge railway connection with this area from the vicinity of Bilaspur on the Bengal Nagpur Railway to Ghordewa, a length of about 35 miles, has been recently carried out and the estimates are under preparation.

(4) *Calcutta Chord Railway.*—The congested state of the downward coal traffic into Calcutta has necessitated the examination of providing better railway communication between the coalfields and the docks. After a careful examination of the prospects of affording those facilities by improving the capacity of the existing routes, the Agent, East Indian Railway, has proposed that the best solution is to build a new chord from Dankuni on the Howrah-Burdwan Chord connecting with the Eastern

Bengal Railway at a point near Dum Dum and crossing the River Hooghly by a bridge at Bally. This scheme will afford direct access and the shortest possible route to the docks. It will help the development of the trade of Calcutta, and ultimately when the electrification of the suburban services has been completed, will stimulate greatly the passenger traffic in and out of Calcutta. The Agent's proposals are under examination.

The project submitted by the Agent is estimated to cost 254½ lakhs, which includes provision for the quadrupling of the section of the East Indian Railway between Ondal and Khana and to yield a return which will fully justify it as a remunerative proposition.

(5) *Furkating-Badulipara-Jorhat Railway*.—The construction of this branch has been strongly advocated by the Assam Government as well as by the planting community. Under existing conditions, with the exception of the small amount of traffic which passes over the Jorhat Provincial Railway, the traffic is transported to and from three ghats on the Brahmaputra River and is carried by the River Steamer Company. The roads in the area are mainly unmetalled and for the greater part of the year cartage is carried on with the greatest difficulty. The provision of rail communication will therefore afford great relief and will also help to develop the trade of the country.

The line will pass through an area where tea is extensively grown and it is anticipated that tea for export will be drawn to Chittagong. Large imports may also be expected. These considerations, together with that of the development which should ordinarily follow in a densely populated area, show that the line should be both financially successful in itself, and should also help the prosperity of the main line by interchanging with it a considerable tonnage of long lead and paying traffic.

The capital cost of the line is estimated at Rs. 27,36,832. The earnings of the branch line, and of the main line from interchanged traffic are estimated to give a return of over 7 per cent. The Secretary of State's sanction to the construction of the line as part of the Assam Bengal Railway undertaking has been applied for.

(6) *Karimganj-Longai Valley Railway*.—This line will provide means of easy communication with the Longai and Chargola Valleys in Assam where tea, paddy, etc., are extensively grown. There are several roads in this area but they are unfit for vehicular traffic and become impassable during the monsoon. The principal waterways which provide means of communication at present are reported to be rapidly deteriorating.

The line is estimated to cost 30½ lakhs. The gross earnings of the branch and the main line from interchanged traffic are estimated to yield a return of about 5 per cent. which is likely to increase to 7 per cent. in 10 years after opening. It will form a part of the Assam Bengal Railway undertaking.

(7) *Dindigul-pollachi Railway*.—This is a metre gauge line, about 75 miles in length, and its cost is estimated at 71.71 lakhs. The earnings of the line exclusive of those from traffic diverted from other routes and from new traffic accruing to the parent line from its construction, are estimated to yield a return of about 6½ per cent. on opening and of about 8 per cent. 10 years later. The Secretary of State's sanction to the construction of the line as an integral part of the South Indian Railway system has been applied for.

(8) *Trichinopoly-Pudukottai-Karaikudi Railway.*—The importance of the Trichinopoly-Pudukottai-Karaikudi Railway lies in the fact that it will form a link in the proposed north and south through connection between Villupuram and Tuticorin and, as such, will help in relieving the congestion on the main line of the South Indian Railway.

It will be a metre gauge line about 60 miles in length. The Railway Board is at present in correspondence with the Agent, South Indian Railway, with regard to details of its estimates of cost and earnings but on the approximate information which is available it is estimated that the line will probably cost 74 lakhs, will yield a return of nearly 6 per cent. from its own traffic and will bring to the existing main line additional earnings of about 2½ lakhs. It will form part of the South Indian Railway undertaking.

(9) *Heho-Tayaw Railway.*—This metre gauge railway will form an extension of the Southern Shan States Railway. It will be 9½ miles in length and is estimated to cost 19½ lakhs. Sanction of the Secretary of State to its construction has been applied for.

The object of the Southern Shan States Railway is to tap the Inle and Bilu Chaung Valleys, and it cannot completely fulfil its functions unless it is extended to the Inle Valley, since the situation at Heho, at present the terminus, at a height of some 850 feet above the Inle Lake, precludes the possibility of the development of any large trade from the country surrounding the lake on account of the cost of carting bulky goods from the Valley to the railhead. The local traffic of the line considered by itself is unlikely to be remunerative. But the line will, however, induce a large amount of additional traffic in the form of potatoes, wheat and paddy on the existing Southern Shan States Railway and the Burma Railways main line which, taken into consideration with the local traffic, will make the project a remunerative proposition. It is estimated that the net earnings from both kinds of traffic will yield within 2, 5 and 10 years of opening a dividend of 3½, 5½ and approximately 6½ per cent. respectively.

(10) *Taungdwingyi-Kyaukpadaung Railway.*—This line will form an extension of the Pyinmana-Taungdwingyi Railway which is at present under completion. It will be 71 miles in length and will serve an area rich in paddy, practically all of which will be booked through to Rangoon as soon as railway communication is provided. Other crops are sesamum, groundnuts, maize and to a lesser extent "pet" and tamarind. There will also be a certain amount of traffic in live stock. The line is estimated to cost 73½ lakhs and to yield a return of about 8 per cent. Its early construction has been recommended to the Secretary of State and will be undertaken as soon as the Pyinmana-Taungdwingyi section is completed.

(11) *Taungdwingyi-Magwe Railway.*—This is a project required for administrative reasons by the Local Government for connecting Magwe on the east bank of the River Irrawaddy with Natmauk—a station on the proposed Taungdwingyi-Kyaukpadaung extension. It will also be on the direct line for a connection between Burma and India should it eventually be decided to adopt an alignment for the through route *viâ* Akyab and Southern Arakan. The survey of this branch will shortly be undertaken. *Primâ facie* considerations seem to indicate that it will divert some of the traffic from the Pyinmana-Kyaukpadaung line to the river, that it will

traverse a less productive area than the Kyaukpadaung extension and consequently that a guarantee against loss in working will be required from the Local Government.

(12) *Ye-Sinbyubyin Railway*.—This railway which will be an extension of the Moulmein-Ye Railway is at present under survey. It will traverse a country very similar to that between Moulmein and Ye. and will be the next stage on the extension to the port of Mergui.

17. *Depreciation Fund*.—Consequent on the separation of the railway from general finances a depreciation fund has been set up to provide for the cost of renewals, so far as chargeable to revenue, of all the important wasting assets. The amount to be paid into the fund has been determined by arranging that the original cost of such assets shall be paid into the fund over a series of years represented by the normal useful life of each class of assets. The amount to be paid into the fund in the year 1924-25 is 10 crores, and in 1925-26, 10.38 crores, or including the provision for the strategic lines 10.35 crores and 10.73 crores respectively, the increase in the year 1925-26 being due to additional assets placed upon the lines during the current year. The contribution to the depreciation fund is a final charge against the revenue of the year in which the contribution is made. The amount that is paid out of the fund in any one year is determined by the amount spent on renewals and replacements in connection with the rehabilitation programme, and owing to the delay in speeding up the programme which has been referred to in paragraph 3, it is anticipated that the payments out of the fund will be only Rs. 8,05,00,000 in the current year and Rs. 9,25,00,000 in the budget for next year, or including the provision for strategic lines Rs. 8,25,00,000 and Rs. 9,50,00,000 respectively.

Revenue Receipts and Charges—Commercial Lines

18. The figures in the following table bring out the estimated results of the working of commercial lines in the current year and in 1925-26:—

[Figures in thousands of rupees.]

	1923-24.	1924-25.	1925-26.
Gross traffic receipts	92,87,33	97,65,00	1,00,65,00
Share of subsidized Companies' profits	23,64	29,50	30,77
Interest on fund balances . . . . .	...	...	32,35
Miscellaneous receipts	7,04	• 6,62	6,44
TOTAL RECEIPTS	93,18,01	98,01,12	1,01,34,56
Working expenses	59,15,60	62,00,75	65,79,37
Surplus profits paid to Indian States and Railway Companies	1,14,43	1,40,00	1,33,50
Interest charges	22,76,74	22,90,59	23,81,82
Miscellaneous charges	20,80	27,20	34,50
TOTAL CHARGES	83,27,60	86,76,54	91,28,99
Gain from commercial lines	9,90,41	11,24,53	10,05,57

These figures show the results under the arrangements approved of by the Assembly in connection with the separation of railway from general finances under which the provision for the repayment of capital through annuities and sinking funds is no longer included in the revenue charges.

19. *Receipts, 1924-25.*—The budget estimate of gross traffic receipts in India for 1924-25 was put at Rs. 95,01,80,000 or Rs. 2,14,47,000 in excess of the receipts for 1923-24. It was based on the assumption of normal conditions of trade and moderate expansion in railway traffic. The revised estimate for the year is put at Rs. 97,65,00,000 or Rs. 2,63,20,000 more than the budget figure. A substantial increase in wheat traffic on the North Western Railway, in jute traffic on the Eastern Bengal Railway and coal traffic on the East Indian Railway mainly contributes towards the better results realised. Receipts from passenger traffic are expected to be Rs. 98,51,000 greater than in 1923-24. The total receipts of the year would have been larger but for the breaches on some lines owing to the floods. The loss on this account is roughly estimated at 44 lakhs.

Budget, 1925-26.—The gross receipts in India are estimated at Rs. 1,00,65,00,000. In spite of the abnormal increase anticipated in the current year, provision is made for an increase of 3 crores over and above the revised estimate of the current year. This optimistic forecast appears to be justified by the prospects of the grain and cotton crops.

20. *Working Expenses, 1924-25.*—The following table compares the figures of the revised estimate of 1924-25 with the Budget Estimate of that year:—

	Admini- stration.	Repairs and mainten- ance.	Operation.	Depre- ciation.	Suspense.	Total.	Deduct worked lines.	Net working expenses.
Commercial Lines—	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Budget, 1924-25 . . .	12,11,37	17,43,52	27,95,41	10,22,98	52	67,73,80	3,55,78	64,18,02
Revised, 1924-25 . . .	12,36,00	17,58,00	26,03,25	10,00,00	-24,50	65,70,75	3,70,00	62,00,75
Revised Estimate more (+) less (-) than the Budget.	+24,63	+12,48	-1,92,16	-22,98	-25,02	-2,03,05	+14,22	-2,17,27

Administration.—The anticipated increase of approximately 24½ lakhs in the cost of administration is due to a provision of about 4 lakhs for the Lee Commission proposals; to the reorganisation and strengthening of the watch and ward establishments of certain railways, to expenditure on the technical school at Jamalpur; and to payments of gratuities to the staff of the East Indian Railway retiring from the service on the termination of the contract.

Repairs and maintenance.—There is an excess of about 12½ lakhs under this head. The sum of approximately 30 lakhs additional expenditure was required for the repairs of flood damages on the East Indian, the Burma and the South Indian Railways. Apart from this exceptional item, the actual expenditure fell short of the budget provision by approximately 17½ lakhs due to inability on the part of the railway authorities to carry out their full programme under this head.

Operation.—The decrease of about 2 crores is mainly accounted for by the refund of Rs. 1,25,00,000 of customs duty on stores imported in previous years, under a recent decision of the Privy Council, while there was a saving of about 18½ lakhs on account of the lower price of coal.

Compensation claims.—As stated in paragraph 39 of the Railway Board's Report on Indian Railways for 1923-24 steps have continued to be taken on different railway administrations to improve the preventive measures mentioned last year in the explanatory memorandum on the budget. As a result of the action previously taken, the amounts paid in compensation claims fell from 121 lakhs in 1922-23 to 78½ lakhs in 1923-24. It is hoped that in the current year there will be a further fall to 67 lakhs, and the budget estimate for 1925-26 provides for a total payment of 47 lakhs only. Very considerable improvement has been made on all the railways that previously showed heavy payments under this head, but the position on the East Indian Railway is still unsatisfactory, and close attention to this matter is being paid both by the Agent and the Railway Board.

21. *Working Expenses, 1925-26.*—The following table compares the figures of the Budget Estimate, 1925-26, with the Revised Estimate for the current year:

	Admin- stration.	Repairs and mainten- ance.	Operation	Depre- ciation.	Suspense.	Total.	Deduct worked lines.	Net working expenses.
Commercial Lines—	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Revised, 1924-25 . . .	12,86,00	17,56,00	26,03,25	10,00,00	- 24,10	65,70,75	3,70,00	62,00,75
Budget, 1925-26 . . .	12,79,00	18,75,00	27,39,87	10,38,00	+ 15,50	69,47,37	3,68,00	65,79,37
Provision for probable supplementary grants	39,00	...	35,00	...	...	
Budget more (+) less (-) than Revised.	+ 48,00	+ 1,19,00	+ 1,36,62	+ 38,00	+ 40,00	+ 3,76,62	- 2,00	+ 3,78,62

Administration.—The provision of 39 lakhs for probable supplementary grants is intended to cover payments that may arise if the Lee Commission's proposals are extended to the employes of company worked lines and if the London Board establishment charges cannot be kept with the amount provided on this account in the budget. The balance of the increase represents charges on account of the development of traffic. The estimate takes full account of the economies to be effected under this head on the North Western and East Indian *cum* Oudh and Rohilkhand Railway administrations as a result of the introduction of the Divisional organisation and the amalgamation of the East Indian and Oudh and Rohilkhand Railways.

Repairs and maintenance.—The increase of 119 lakhs under this head is due to a special provision of 70 lakhs for the expenditure anticipated next year in connection with the introduction of automatic couplers, and the remainder is due to additional provision for repairs of stock. The total cost of the scheme for the introduction of the automatic couplers is put at approximately 6 crores of rupees and it is expected that the cost of

conversion will be more than saved by a reduction in the cost of maintenance and repairs. The advantages to be derived from the adoption of this type of coupler are expected to be considerable as, not only will the possibility of accidents in coupling vehicles be reduced, but the time taken should be less and flange resistance, tare weight of vehicles, and consequently fuel consumption, will be decreased. At the same time the necessity of a stronger form of draw and buffing gear to cope with the increasing weight of goods trains will be met, while there should be substantial savings in upkeep and maintenance owing to the fewer number of parts. It is expected that the work will take five years to complete, and that it will be necessary to make arrangements for a transition device, regarding which railway administrations have recently been experimenting.

As stated in connection with the revised estimate, the expenditure on repairs of rolling stock is considerably behind hand, and it is hoped that in the budget year more substantial progress will be made.

Operation.—The increase of 136 lakhs under this head is almost entirely nominal as the figures in the revised estimate include a credit of 125 lakhs to be refunded on account of customs duty. The remainder of the increase under this head is due to the increase in traffic anticipated. In spite of an increase in the amount of coal to be consumed, the coal bill, it is anticipated, will show a reduction of 19 lakhs owing to the reduction in the price of coal. The provision of 35 lakhs for probable supplementary grant is explained in paragraph 28.

22. *Surplus Profits paid to Companies and the net earnings of the Indian State Railways.*—The increase of 34.13 lakhs in the revised estimate is based on the actuals, as the amounts paid during a year depend on the actual net earnings of the previous year. It takes into account a little over 8 lakhs to be paid to some Companies' railways as a result of the refund of customs duty on imported stores. The Budget estimate provides for a lower payment chiefly because the management of the East Indian Railway Company has been taken over by the State.

23. *Interest charges.*—The revised estimate anticipates a lapse of 60.17 lakhs on the budget estimate due partly to lower capital expenditure in the current year and partly to a rise in the rate of exchange. The provision for next year is higher than the probable expenditure of this year by 84.80 lakhs due chiefly to the increase in the capital at charge.

24. *Subsidized Companies—Government share of surplus profits.*—The receipts shown under this head represent the Government share of surplus profits on the Rohilkhand and Kumaon and the Southern Punjab Railways and certain Indian Branch Line Companies. The repayments of advances of interest by the Tinnevely-Quilon Railway (Indian State Section) as well as the credits from the sale of land of the subsidized companies are also carried to this head.

The increase of 3.50 lakhs in the revised estimate for 1924-25 is principally due to an increased share of surplus profits from the Southern Punjab Railway.

The Budget estimate for 1925-26 provides for an increase of 1.27 lakhs over the revised estimate mainly due to the increase anticipated in the Government share of surplus profits of the Southern Punjab Railway and the Indian Branch Line companies in the Punjab.

25. *Subsidized Companies' Land and Subsidy and Miscellaneous Railway Expenditure.*—These consist of the cost of land required by certain railway companies entitled under the terms of their contracts to free supply of land and of miscellaneous items, such as cost of controlling establishments, including the Railway Board. The detailed estimate for the Railway Board includes a provision for probable supplementary grant for Rs. 40,000 to meet the cost of the appointment of Director of Finance and allows for a probable savings of Rs. 37,000 to be secured if possible, by affecting economies and retrenchment in expenditure. A share of the cost of control is charged to the working expenses of each of the Railway Companies and the recoveries thus made are adjusted by deduction from the miscellaneous expenditure. The figures relating to this head compare as under:—

[Figures in thousands of rupees.]

Items.	1923-24.	1924-25.		1925-26.
	Actuals.	Budget.	Revised.	Budget.
1. Subsidized Companies—Land and Subsidy	5,40	16,00	5,00	5,50
2. Miscellaneous Railway Expenditure	15,40	22,45	22,20	28,39
Provision for probable supplementary grants . . . . .	...	...	...	40
<i>Deduct</i> —Probable Savings . . . . .	...	...	...	37
TOTAL	20,80	38,45	27,20	33,92

26. *Land and Subsidy.*—The Revised estimate shows a decrease of Rs. 11,00,000 on the budget grant. This is mainly due to the postponement of works on certain railways and delays in land acquisition proceedings. The Budget estimate for 1925-26 practically contemplates the same expenditure as in the current year.

27. *Financial results.*—Under the convention passed by the Assembly regarding the separation of the finances, the general revenues are entitled to receive from the Railways a contribution equal to 1 per cent. on the capital at charge in the penultimate year *plus* one-fifth of surplus profits in such penultimate year and one-third of the amount available for transfer to railway reserves in excess of 3 crores. It was, however, specially arranged that the amount to be paid in the current year so far as regards the one per cent. on the capital at charge and one-fifth of surplus profits, should be based upon the actuals of the year 1923-24, and that the same figure should be repeated in the budget for 1925-26. The amount to be paid on account of the one per cent. contribution on the capital at charge in 1923-24 is Rs. 5,40,42,520 while the one-fifth of the surplus profits on account of the year 1923-24 amounts to Rs. 89,99,725, so that the total contribution amounts to Rs. 6,30,42,245. To this figure has to be added one-third of the amount in excess of 3 crores available for transfer to railway reserves after allowing for the loss on strategic lines; so that the net figure of the contribution to general revenues is put at Rs. 5,64,34,736 in 1924-25 and Rs. 5,23,86,403 in 1925-26. The actual payment, so far as commercial lines are concerned in these particular years, is, however, the above

figures for the one per cent. and the one-fifth surplus profits plus Rs. 54,82,632, the one-third excess over 3 crores in 1924-25 and Rs. 14,34,299 on the same account in 1925-26 or Rs. 6,85,24,877 in 1924-25 and Rs. 6,44,76,544 in 1925-26. These figures show the actual contributions which, under the convention, have to be made in the current and the budget years; they do not show the contribution on account of the anticipated net receipts in the current and budget years which will have to be made in 1926-27 and 1927-28.

The anticipated net profits of the current year are Rs. 11,24,58,000, of which sum Rs. 1,25,00,000 being a refund of customs duty paid in previous years do not relate to the transactions of the current year. This brings down the real profits of the year to 10 crores as compared with an estimated profit in 1925-26 of Rs. 10,05,95,000. The payment of the one per cent. and one-fifth of surplus profits will absorb Rs. 6,86,76,000 out of the profits of 1924-25 and Rs. 6,85,71,000 out of the profits of 1925-26. The balance of the profit of these two years is thus Rs. 3,12,82,000 and Rs. 3,20,24,000, which is approximately 3 per cent. of the gross earnings.

General matters.

28. *Stores balances.*—The question of the reduction of the stores balances has been exhaustively dealt with in paragraphs 41 to 44 of the Report by the Railway Board on Indian Railways for 1923-24. At the commencement of the current financial year, the total value of the stores held by all railway administrations amounted to 21.58 crores, and by the end of the year it is hoped that the balance will be reduced by 4 crores to 17½ crores.

This reduction of 4 crores includes Rs. 62 lakhs for writing down the value of stores to their market value.

During the next year a further reduction of about 1½ crores in the stores balances is expected and the estimates of capital expenditure have been framed on this assumption. This reduction allows for a debit to revenue of approximately 80 lakhs for writing down prices, of which about 50 lakhs may be regarded as above the normal. Out of the 80 lakhs reduction assumed Rs. 35 lakhs has not been definitely provided for in the Budget appropriation under the Revenue head "operation" but has been shown as a provision for probable supplementary grant.

Although much has been accomplished in the recent past, the Railway Board are convinced that more remains to be done to reduce the actual stocks held by railways of general stores and second hand and unserviceable stores. It has been decided, therefore, to place a selected senior officer on special duty to overhaul in detail the stocks held, *vide* paragraph 32 (ii) (b).

A summary of stores transactions of railways during 1925-26 is given in Annexure D in the form in which these transactions are shown in the books for each railway. The detailed figures of receipts and issues are based on the programme of expenditure of 32.07 crores proposed by Agents. As stated in paragraph 4 it is anticipated that the actual expenditure of the year will be about 23 crores only. The effect on the stores transactions of the anticipated lapse of 9.17 crores on the Agent's estimate is that both the receipts and issues of stores will be lower by about the same amount in each case than the Agent's estimate; the estimated closing balance will not be affected by reason of such lapse.

29. *Transportation School at Chandausi.*—Considerable progress has been made during the past year in the provision of facilities for training the staff of all classes, attention having been concentrated on equipping the new Transportation School at Chandausi. Certain existing buildings have been adapted for the purpose, and a large number of models and other equipment have been designed and made in railway workshops. The school is now ready to commence work, and it is hoped that the first batch of officers and subordinates will begin their courses on 1st March. The school is to be the central institution for the training of State Railway staff in transportation duties. It will deal directly with the subordinate staff of the Oudh and Rohilkhand Railway and North Western Railway in the same way as the Asansol School deals with the East Indian Railway Staff, and a school will eventually be started on the Great Indian Peninsula Railway for the staff of that railway. The school at Chandausi will also, however, provide instruction courses for officers and for the 'probationary Traffic Officers of all State Railways. It will be the co-ordinating centre for all training schemes and is expected to be of great assistance in improving the efficiency of transportation staff and also in providing for the systematic training of new recruits.

The location of the school at Chandausi is in the nature of an experiment as the existence of a suitable site and some disused buildings made it possible to make a start there. If and when the functions of the school develop to the extent which the importance of the subject demands, it may be necessary to move to a more suitable locality. In the meantime, however, the commencement of courses next month has been arranged for, and progress is thus assured.

30. *Indianisation.*—Two statements are attached (Annexures A and B) similar to those published with last year's memorandum shewing the position as regards the employment of Indians in the gazetted ranks and the upper subordinate grades on 1st November 1924 compared with the position on 1st November 1923. It will be seen that in the 12 months ending with October 1924, the number of Indians in superior appointments rose from 280 to 310 and of upper subordinates from 1821 to 1929.

A further statement (Annexure C) has been prepared to shew clearly the progress which has been made in this matter in the past few years with additional figures to shew how the position has changed since 1913-14. It will be seen that on the State-managed railways the percentage of Indians in the superior staff has increased from 20.78 in 1920-21 to 24.79 per cent. in 1924, and that while the total number of officers on all class I Railways has increased from 1712 to 1831, *i.e.*, by 119, the number of Europeans has increased from 1409 to 1443, *i.e.*, by 34 and of Indians and Anglo-Indians from 303 to 388, *i.e.*, by 85.

31(a). *Railway Board's Establishment.*—During the current year three additional appointments were added to superior establishment. one appointment was added to the Statistical Branch to provide for the increased work in that Branch, and two were created for the Finance and Budget Branch. These two appointments became necessary as a result of the separation of the railway finances from the general finances. One of these two appointments replaced the appointment of Joint Secretary to the Railway Board under the old organisation.

In the year 1925-26 the only change proposed is the provision for the post, which will probably be created, of a Director of Finance.

At the beginning of the current financial year two Indians were employed on the superior establishment of the Railway Board; at the present moment there are seven Indians, including one statutory native of India.

(b) *Office Establishment.*—A reorganisation of the office establishment which could not, for various reasons, be undertaken earlier was carried out with effect from the 1st November 1924. The main feature of the reorganisation was to provide permanent posts for a number of employes who had been kept on regularly from year to year on a temporary basis in leave and other vacancies.

32. *Special investigations.*—(i) During the current year the Railway Board have made special investigations into various important matters affecting railway administration. Amongst the more important were the following:—

(a) *Examination of the Stores Balances of the East Indian and Great Indian Peninsula Railways prior to their being taken under state management.*—A senior Stores Officer who was assisted by an accounts officer, was placed on special duty on each of these railways to make a systematic examination of the stores held by them. The work has been in progress in consultation with the Agents and the Stores Officers of the Companies concerned, and agreement has been reached regarding valuations and balances.

(b) *Workshop facilities on the Great Indian Peninsula and Bombay, Baroda and Central India Railways.*—In view of certain proposals for extensions and remodelling of workshops and the provision of additional workshops an examination was made by two State Railway Officers—a Mechanical Engineer and a Civil Engineer—in order to ascertain to what extent the workshop facilities of the Great Indian Peninsula and Bombay, Baroda and Central India Railways could be co-ordinated and used to the best advantage of the two railways. Their report furnished a useful scheme for future development of workshops on the two railways.

(c) *Standardization of locomotives and rolling stock.*—The policy of progressive standardization having been adopted as explained in the Report by the Railway Board on Indian Railways for 1923-24, technical committees have been appointed to deal with the standardization of locomotives and rolling stock.

- (i) The Locomotive Standards Committee appointed in the previous year continued its work during the current year and is intended to be a permanent body called together when necessary to deal with improvements and alterations to standard types. The Committee's report on new standard engines was received and referred to all railways and the Consulting Engineers for opinions. Recently the committee reassembled and discussed their proposals with one of the Consulting Engineers who was in India. The next step is to have complete drawings prepared, after which sample locomotives of each type will be obtained for working trials before the designs are finally adopted.
- (ii) A Carriage and Wagon Standards Committee has been appointed and is now engaged in revising the standards for coaching underframes, steel wagons and other types of rolling stock. This committee is also intended to be a permanent body and

will in future advise the Railway Board on modifications to be made in standard designs in order to ensure progress and uniformity.

(d) *Bridge and Track Committees.*—It is intended to have permanent technical committees to deal with all questions of bridge design and track standards:—

- (i) The Track Committee has been appointed and is at present engaged in preparing standard drawings for points and crossings and other more general questions referring to standard practice in regard to permanent-way.
- (ii) The Bridge Committee will shortly be appointed and certain important questions regarding the design and strength of bridges will be dealt with by them. Their work will be co-ordinated with that of the Track Committee and also that of the Locomotive Standards Committee.

(e) *Extended use of timber other than teak for carriage building.*—An experienced carriage and wagon department officer was placed on special duty to investigate the possibilities of utilising timbers produced in India other than teak for carriage building. He also enquired into the feasibility of treatment and artificial seasoning, utilising the information available at the Dehra Dun Forest Research Institute. His report has just been received and contains some valuable suggestions.

(ii) (a) During the coming year it is intended to appoint special officers to deal with certain important traffic problems in connection with terminal traffic both goods and passengers in Bombay and Calcutta. In each city it is necessary to take a comprehensive view of the traffic requirements of the future, and these enquiries must be taken in hand at once.

(b) In connection with the problem of reducing stores balances, a special stores officer has been appointed and will commence an investigation at once of the stores balances on State Railways with a view to the transfer and disposal of surplus and unserviceable stocks. His services will also be made available to Company-managed Railways in the same connection.

C. D. M. HINDLEY,
Chief Commissioner for Railways.

G. G. SIM,
Financial Commissioner, Railways.

DELHI:

Dated the 26th March 1925.

ANNEXURE A.

**STATEMENT OF OFFICERS OF GAZETTED RANK ON STATE-
WORKED RAILWAYS AND OF CORRESPONDING RANK ON
COMPANY-WORKED RAILWAYS ON 1st NOVEMBER 1923 AND
1924.**

Statement of Officers of Gazetted rank on State-worked Railways and of

N. B.—The 1923 figures are revised figures and the North-Western Railway

Item.	Assam Bengal Railway.		Bengal Nagpur Railway.		Bengal and North-Western Railway.		Bombay, Baroda and Central India Railway.		Burma Railways.		Eastern Bengal Railway.	
	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.
1	2	3	4	5	6	7	8	9	10	11	12	13
Agency Department—												
Europeans	2	2	5	4	2	2	6	7	3	3	2	3
Anglo-Indians . . . . .	...	...	1	1	...	...	...	...	1	1	1	...
Muslims . . . . .	...	...	...	...	...	...	...	...	...	...	...	...
Non-Muslims . . . . .	...	...	1	1	...	...	...	...	...	...	...	...
Total	2	2	7	6	2	2	6	7	4	4	3	3
2. Engineering Department—												
Europeans	20	20	60	68	20	20	46	53	35	33	32	26
Anglo-Indians . . . . .	...	...	9	9	...	...	1	1	3	3	3	3
Muslims	1	1	3	3	...	...	1	...	...	...	1	...
Non-Muslims	1	1	8	11	...	...	7	8	1	1	10	17
Total	22	22	80	90	20	20	55	62	39	37	52	46
3. Traffic Department—												
Europeans	11	10	33	35	15	15	36	36	21	23	27	25
Anglo-Indians	1	1	2	2	...	...	2	2	2	2	...	...
Muslims . . . . .	...	...	2	2	1	1	...	...	...	...	2	2
Non-Muslims	1	1	9	9	2	2	7	7	2	3	9	10
Total	13	12	46	46	18	18	45	45	25	27	38	37
4. Locomotive and Carriage and Wagon Department—												
Europeans	8	8	28	27	9	10	27	30	17	17	19	19
Anglo-Indians . . . . .	...	...	...	1	...	...	1	1	...	...	...	...
Muslims . . . . .	...	...	...	...	...	...	...	...	...	...	...	...
Non-Muslims	1	1	...	...	...	...	...	...	...	...	2	2
Total	9	9	28	28	9	10	28	31	17	17	21†	21†

* Includes Transportation and

† Includes Electrical

URE A.

corresponding rank on Company-worked Railways on 1st November 1923 and 1924.

figures have been regrouped due to the divisional system of organisation.

East Indian Railway.		Great Indian Peninsula Railway.		Madras and Southern Mahratta Railway.		North-Western Railway.		Oudh and Rohilkhand Railway.		Bobilkund and Kumaon Railway.		South Indian Railway.		Total.	
1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.
14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
8	7	7	5	5	4	7	43	2	2	2	1	2	3	53	86
...	1	...	...	...	...	...	4	...	...	...	...	1	...	4	7
...	...	...	...	...	...	3	4	...	1	...	...	...	...	5	5
2	3	...	...	1	2	9	...	...	...	...	...	1	1	8	16
10	11	7	5	6	6	10	60	2	3	2	1	4	4	65	114
50	48	70	64	41	43	66	57	15	16	6	5	32	39	403	402
1	1	1	1	1	1	7	3	1	1	...	...	...	...	27	22
1	1	4	3	...	...	39	...	...	...	...	...	1	1	121	9
10	13	6	9	4	4	30	30	11	9	...	...	6	7	109	109
62	63	81	77	46	46	112	90	27	26	6	5	39	47	641	632
45	45	58	60	22	24	46	34	14	15	2	2	21	18	351	341
9	7	6	4	2	2	1	...	1	2	...	...	...	1	26	33
2	3	...	...	1	1	15	6	7	8	...	...	...	...	23	23
12	12	4	6	4	5	6	6	1	...	...	...	2	3	85	64
69	67	70*	70*	39	32	62	46	23	25	2	2	23	22	462	451
36	36	25	30	21	23	59	31	12	12	4	2	14	15	281	259
1	1	...	...	...	...	...	1	...	...	...	...	...	...	2	4
...	...	...	...	...	...	...	...	...	...	...	...	...	...	6	...
3	6	...	...	...	...	...	2	...	...	...	...	...	...	...	11
42	43	25	30	21	23	59	34	12	12	4	2	14	15	289	274

Commercial Departments.
Department.

Item.	Assam Bengal Railway.		Bengal Nagpur Railway.		Bengal and North-Western Railway.		Bombay, Baroda and Central India Railway.		Burma Railways.		Eastern Bengal Railway.	
	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.
1	2	3	4	5	6	7	8	9	10	11	12	13
5. Stores Department—												
Europeans	1	1	5	7	1	1	7	7	2	2	5	4
Anglo-Indians . . . . .	...	...	...	...	...	...	...	...	1	1	1	1
Muslims . . . . .	...	...	...	...	...	...	...	...	...	...	...	...
Non-Muslims . . . . .	...	...	1	1	...	...	...	...	1	1	1	1
Total	1	1	6	8	1	1	7	7	4	4	7	6
6. Other Departments—												
Europeans	11	11	27	25	6	6	23	22	12	12	5	4
Anglo-Indians	1	1	...	...	...	...	3	3	...	...	2	1
Muslims . . . . .	...	...	...	...	...	...	...	...	...	...	...	1
Non-Muslims	2	3	3	4	1	1	4	7	1	1	6	5
Total	14	15	30	29	7	7	30	32	13	13	13	11
7. Total (All Departments)—												
Europeans	53	53	159	166	53	54	146	155	90	89	90	81
Anglo-Indians	2	2	12	13	...	...	7	7	7	7	7	5
Muslims	1	1	5	5	1	1	1	...	...	...	3	3
Non-Muslims	5	6	22	26	3	3	19	22	5	6	33	35
Total	61	61	197	200	57	59	171	184	102	102	133	124
8. Percentage of Total—												
Indians	9.64	11.46	13.71	14.83	7.02	6.89	11.11	11.95	4.90	5.88	27.07	30.63
Anglo-Indians and Indians	13.11	14.75	19.80	20.67	7.02	6.89	16.20	15.76	11.76	12.75	32.33	34.33
Muslims	1.64	1.64	2.54	2.39	1.75	1.73	0.59	...	...	...	2.26	2.42
Non-Muslims	8.20	9.81	11.17	13.44	6.26	5.17	10.53	11.95	4.90	5.98	2.81	28.23

URE A.—contd.

East Indian Railway.		Great Indian Peninsula Railway.		Madras and Southern Mahratta Railway.		North-Western Railway.		Oudh and Rohilkhand Railway.		Bobilkund and Kumaon Railway.		South Indian Railway.		Total.	
1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.
14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
4	5	8	10	5	6	10	11	4	4	...	...	3	3	55	61
1	...	...	...	...	...	1	...	...	...	...	...	2	2	6	4
...	...	...	...	...	...	2	...	...	...	...	...	...	...	7	...
...	...	...	...	1	...	2	2	1	1	...	...	...	...	...	6
5	5	8	10	6	6	13	13	5	5	...	...	5	5	68	71
54	52	28	28	21	20	9	9	3	1	3	4	10	10	212	204
3	4	1	...	1	1	7	7	...	...	...	...	1	1	19	18
1	1	...	...	...	...	9	1	1	2	...	...	...	...	53	5
5	5	7	7	6	6	13	13	4	5	2	2	2	3	62	62
63	62	36	35	28	27	25	30	6	8	5	6	13	14	284	289
199	193	106	107	115	119	197	185	50	50	17	14	82	88	1,445	1,443
15	14	8	5	4	4	16	15	2	3	...	...	4	4	84	78
4	5	4	3	1	1	68	11	8	11	...	...	1	1	280	42
32	38	19	23	16	17	62	62	17	15	2	2	11	14	269	269
250	250	227	227	136	141	281	273	77	79	19	16	98	107	1,809	1,831
14'40	17'30	10'13	11'01	12'50	12'77	24'20	26'74	32'47	32'91	10'52	12'50	12'24	14'02	15'48	16'33
20'40	22'30	13'66	13'21	15'44	15'60	29'89	32'23	35'06	36'71	10'52	12'50	16'33	17'75	20'13	21'19
1'00	2'00	1'76	1'32	0'74	0'71	24'30	4'03	10'39	13'23	...	...	1'02	0'94	2'29	2'29
12'30	15'20	6'37	9'09	11'76	12'06	22'71	22'08	18'99	10'52	13'50	11'23	13'08	15'48	14'64	14'64

II.--Statement of higher paid subordinate staff employed on State-worked

(a) Subordinates drawing Rs. 250 per mensem and over or on

Item.	Assam Bengal Railway.		Bengal Nagpur Railway.		Bengal and North-Western Railway.		Bombay, Baroda and Central India Railway.		Burma Railways.		Eastern Bengal Railway.	
	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.
1	2	3	4	5	6	7	8	9	10	11	12	13
1. Agency Department--												
Europeans . . . . .	...	...	2	2	..	...	1	1	...	...	4	4
Anglo-Indians	1	1	...	...	1	1	1	1	6	5	2	2
Muslims † . . . . .	..	...	...	...	...	...	3	2	...	...	...	...
Non-Muslims	4	4	4	3	1	1	5	8	3	3	2	2
Total	5	5	6	5	2	2	10	12	9	8	9	8
2. Engineering Department--												
Europeans	6	5	13	13	7	7	16	15	4	2	13	13
Anglo-Indians	6	7	59	59	15	16	15	14	27	29	28	23
Muslims	3	3	14	16	...	...	12	10	2	2	2	3
Non-Muslims	5	7	97	96	4	4	104	109	41	42	36	36
Total	20	22	163	164	26	27	147	146	74	74	60	75
3. Traffic Department--												
Europeans	6	6	31	35	9	9	52	57	5	3	51	49
Anglo-Indians	11	11	78	71	7	7	18	21	27	28	27	42
Muslims . . . . .	...	...	1	2	1	1	6	5	...	...	...	1
Non-Muslims	2	2	14	11	3	1	119	117	17	19	21	21
Total	19	19	124	119	20	18	195	200	59	60	100	113
4. Locomotive and Carriage and Wagon Departments--												
Europeans	10	9	265	273	13	13	214	218	28	29	79	70
Anglo-Indians	10	10	214	223	10	20	244	238	77	81	59	62
Muslims	1	1	...	1	1	1	1	1	1	1	...	1
Non-Muslims	3	3	13	12	...	..	43	50	6	4	15	15
Total	24	23	492	509	33	34	502	507	112	114	(2)151	(2)148

Note.--(1) Includes transportation and Commercial Departments.

(2) Includes Electrical

URE B.

Railways and on Company-worked Railways on 1st November 1923 and 1924.

*scales of pay rising to Rs. 250 per mensem and over.

East Indian Railway.		Great Indian Peninsula Railway.		Madras and Southern Mahratta Railway.		North-Western Railway.		Oudh and Rohilkhand Railway.		Rohilkhand and Kameson Railway.		South Indian Railway.		Total.	
1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.
14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29
1	1	3	4	...	...	2	14	1	1	...	...	...	...	14	27
...	...	1	...	1	1	...	4	1	...	...	...	1	1	15	16
...	...	...	...	...	...	4	13	...	...	...	...	...	...	...	15
6	6	5	6	8	2	26	8	2	8	1	1	3	3	47	70
7	9	9	10	4	3	6	57	4	4	1	1	4	4	76	128
65	60	47	54	12	14	41	53	14	12	2	2	6	9	246	259
93	114	31	31	24	27	42	33	20	21	2	2	12	21	374	396
6	7	11	12	...	...	174	53	...	...	1	1	...	1	...	108
73	60	48	54	13	13	95	18	21	...	...	...	2	13	666	570
237	261	137	151	48	54	257	234	52	54	5	5	20	44	1,286	1,333
174	164	370	331	9	9	133	132	34	30	1	1	13	12	688	638
154	167	342	315	15	16	66	53	23	24	5	5	7	7	800	767
6	5	...	2	...	...	40	5	5	6	...	...	1	1	...	28
26	31	96	79	1	1	39	19	26	...	...	...	13	11	393	357
362	357	(1) 608	(1) 726	25	26	239	229	61	66	6	6	34	31	2,081	1,990
531	517	115	109	58	56	240	210	35	36	3	3	43	39	1,632	1,593
357	396	68	70	80	112	141	151	49	57	4	4	118	114	1,439	1,538
1	2	4	3	3	3	63	36	1	3	...	...	...	...	...	51
17	19	29	37	...	3	63	63	3	3	3	4	15	17	241	249
906	934	216	218	140	174	464	460	67	99	10	11	175	170	3,312	3,421

Great Indian Peninsula Railway Department.

Item,	Assam Bengal Railway.		Bengal Nagpur Railway.		Bengal and North-Western Railway.		Bombay, Baroda and Central India Railway.		Purma Railways.		Eastern Bengal Railway.	
	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.
1	2	3	4	5	6	7	8	9	10	11	12	13
5. Stores Department—												
Europeans . . . . .	...	...	6	6	...	...	1	1	...	...	2	2
Anglo-Indians	1	1	4	4	1	1	3	3	...	...	5	5
Muslims . . . . .	...	...	...	...	...	...	...	1	...	...	...	...
Non-Muslims . . . . .	...	...	6	6	...	...	8	7	3	3	4	5
Total	1	1	16	16	1	1	12	12	3	3	11	12
6. Other Departments—												
Europeans	2	3	45	46	2	5	10	11	2	2	1	1
Anglo-Indians	4	4	51	59	8	9	27	29	7	7	21	22
Muslims . . . . .	...	...	1	1	...	...	5	5	5	5	...	...
Non-Muslims	5	6	46	47	5	6	90	78	29	29	37	32
Total	11	13	143	152	15	20	122	123	43	43	59	55
7. Total (All Departments)—												
Europeans	24	23	362	375	31	34	204	303	30	35	149	139
Anglo-Indians	33	34	406	415	51	54	308	306	164	159	151	156
Muslims	4	4	16	20	2	2	27	24	8	8	8	5
Non-Muslims	19	22	180	175	13	12	359	389	99	100	116	111
Total	80	83	964	985	97	102	998	1,002	300	302	419	411
8. Percentage of Total—												
Indians	28.75	31.33	30.33	19.79	15.46	13.72	30.06	39.22	35.67	35.76	28.40	28.22
Anglo-Indians and Indians	70.00	73.20	62.45	64.92	68.04	66.67	70.24	69.76	67.00	68.41	64.44	66.19
Muslims	5.00	4.82	1.66	2.03	2.06	1.96	2.73	2.40	2.67	2.65	0.72	1.22
Non-Muslims	23.75	26.61	18.67	17.76	13.40	11.76	36.33	36.83	33.00	33.11	27.68	27.01

BUDGET FOR 1925-26.

URE B.—contd.

East Indian Railway.		Great Indian Peninsula Railway.		Madras and Southern Mahratta Railway.		North-Western Railway.		Oudh and Rohilkhand Railway.		Rohilkund and Kumaon Railway.		South Indian Railway.		Total.	
1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.	1923.	1924.
14	15	16	17	18	19	20	21	23	24	24	25	26	27	28	29
13	14	6	6	2	2	8	7	2	..	..	..	..	..	40	38
6	5	1	1	..	2	6	5	4	5	..	..	2	2	33	34
..	..	..	..	..	..	27	7	1	2	..	..	..	..	67	10
5	4	5	5	2	2	..	20	5	7	..	..	1	1	..	60
24	23	12	12	4	6	41	39	12	14	..	..	2	2	140	142
75	60	16	18	3	4	3	2	2	2	1	1	1	1	163	176
45	42	16	14	12	13	9	12	5	5	1	..	4	5	210	220
2	2	..	..	..	..	50	9	..	..	..	..	..	..	407	22
51	50	43	42	10	9	..	52	18	17	1	2	19	19	..	389
173	174	75	74	25	26	63	75	25	24	3	3	24	25	790	807
659	636	557	522	64	67	427	418	89	81	7	7	62	61	2,963	2,921
655	714	459	431	132	171	264	258	102	112	12	11	144	150	2,671	2,671
15	16	15	16	2	2	378	123	7	11	1	1	1	2	1,821	234
180	192	226	222	28	29	..	315	64	77	5	7	53	64	..	1,695
1,709	1,758	1,257	1,191	246	289	1,069	1,114	261	281	25	26	260	277	7,675	7,821
11'41	11'63	19'17	19'99	12'19	10'73	35'30	39'32	27'20	31'32	24'00	30'76	20'76	23'62	23'73	24'66
49'74	52'45	55'69	56'17	65'85	69'90	60'06	62'46	66'28	71'17	72'00	73'07	76'15	77'96	61'13	62'65
0'88	0'21	1'19	1'34	0'81	0'69	35'36	11'04	2'68	3'91	4'00	3'85	0'38	0'72	23'73	2'99
10'53	10'32	17'98	18'64	11'38	10'03	..	28'28	24'52	27'40	20'00	26'91	20'38	23'10	..	21'67

Comparative statement of superior staff employed

Railways.	EUROPEANS.					ANGLO-INDIANS.				
	1920-21.	1921-22.	1st November 1922.	1st November 1923.	1st November 1924.	1920-21.	1921-22.	1st November 1922.	1st November 1923.	1st November 1924.
Eastern Bengal	88	86	83	90	81	11	14	8	7	5
East Indian	184	193	194	199	193	14	13	20	15	14
North Western	190	179	184	167	185	11	12	13	16	15
Oudh and Rohilkhand	52	49	50	50	50	5	6	4	2	3
Total	504	507	511	536	509	41	45	44	40	37
Assam Bengal	53	51	51	53	52	2	2	2	2	2
Bengal Nagpur	154	169	143	158	166	7	9	6	12	12
Bengal and North Western	53	57	53	53	54	...	1	2	...	...
Bombay, Baroda and Central India	142	147	145	145	155	8	8	6	7	7
Burma	89	85	89	90	89	1	1	5	7	7
Great Indian Peninsula	203	205	201	196	167	8	9	10	8	5
Madras and Southern Mahratta	115	119	115	115	110	2	1	4	4	4
Rohilkund and Kumaon	22	20	16	17	14	1	1	1	...	...
South Indian	74	77	83	82	88	3	3	4	4	4
Total	905	930	898	909	934	32	35	40	44	41
GRAND TOTAL	1,409	1,437	1,407	1,445	1,443	73	80	84	84	78

In 1913-14.

Railway.	Total.	Indian.	Percentage Indians of total.
Eastern Bengal	134	19	14.18
North Western	228	21	9.21
Oudh and Rohilkhand	75	10	13.33
Total	437	50	11.44

URE C.

on State-owned Class I Railways.

INDIANS.					TOTAL.					PERCENTAGE INDIANS OF TOTAL.				
1920-21.	1921-22.	1st November 1922.	1st November 1923.	1st November 1924.	1920-21.	1921-22.	1st November 1922.	1st November 1923.	1st November 1924.	1920-21.	1921-22.	1st November 1922.	1st November 1923.	1st November 1924.
81	28	33	36	38	130	128	124	133	124	23.8	21.87	26.61	27.07	30.65
84	35	36	36	43	232	241	250	250	250	14.7	14.52	14.40	14.40	17.20
58	51	63	68	73	249	242	259	281	273	23.3	21.07	24.32	24.20	26.74
20	24	27	25	26	77	79	61	77	79	25.97	30.38	33.33	32.47	32.01
143	138	159	165	190	688	690	714	741	726	20.78	20.00	22.27	22.27	24.79
5	5	5	6	7	60	58	58	61	61	8.33	8.62	8.62	9.84	11.48
21	29	29	27	31	182	207	178	197	209	11.54	14.01	16.29	13.71	14.83
3	4	5	4	4	55	62	60	57	58	3.64	6.45	8.33	7.02	6.89
19	21	19	19	22	169	176	170	171	184	11.24	11.93	11.18	11.11	11.95
3	3	5	5	6	92	89	99	102	102	2.17	3.37	5.05	4.90	5.88
16	18	22	23	25	227	232	233	227	227	7.05	7.76	9.44	10.13	11.01
12	14	16	17	18	129	134	135	136	141	9.30	10.45	11.85	12.50	12.77
3	3	1	2	2	25	24	18	19	16	8.00	12.50	5.59	10.53	12.50
8	10	13	12	15	85	90	100	98	107	9.41	11.11	13.00	12.24	14.02
87	107	115	115	130	1,024	1,072	1,051	1,068	1,105	8.50	9.98	10.94	10.77	11.76
230	245	274	290	310	1,712	1,762	1,765	1,809	1,831	13.43	13.90	15.62	15.46	16.93

ANNEXURE D.

Statement showing the anticipated stores transactions of State-owned Railways during 1925-26.

(Figures in thousands of rupees.)

DEBITS.		CREDITS.	
Opening Balance	17,50,00	ISSUES.	
RECEIPTS.		<i>I.—To Capital Works—</i>	
<i>I.—England—</i>		Structural Engineering Works	5,65,75
Value of English Stores at 2s. to the rupee—		Locomotive Works—Plant	89,25
Capital Stores	6,66,90	Colliery Works	1,23,00
Stores for renewals and replacements	2,16,81	Total	7,78,00
Ordinary Revenue Stores	1,73,93	<i>II.—To Capital Manufacture Expenses—</i>	
Home Charges	19,16	Locomotive Workshops	8,03,70
Total England	10,76,80	Carriage and Wagon Workshops	9,34,41
<i>II.—India—</i>		Electrical Workshops, collieries and other manufac- tures	1,81,89
(1) Exchange	3,59,00	Total	19,20,00
(2) Indian charges on English Stores	1,07,48	<i>III.—To Revenue Works and works of renewals and replacements—</i>	
(3) Fuel	6,90,96	Renewal and replacement	5,92,83
(4) Timber	1,11,85	Revenue Works	10,88,54
(5) Permanent-way materials	4,49,17	Total	18,81,37
(6) General Stores	7,65,60	<i>IV.—Sales and Transfers</i>	
(7) Miscellaneous Departmental Materials	1,48,00	TOTAL ISSUES DURING THE YEAR	45,60,21
(8) Receipt from Manufacture into Stores	3,76,53	Deduct—Gain by exchange	1,56,57
(9) Materials and Stores returned from Works	1,61,54	TOTAL NET CREDITS DURING THE YEAR	44,03,64
(10) Other Debits	6,71	Anticipated Balance at close of the year	16,00,00
Total India	31,76,84	GRAND TOTAL	60,03,64
TOTAL RECEIPTS	42,53,64	Reduction in stores balances (17,50,00—16,00,00)	1,50,00
GRAND TOTAL	60,03,64		

APPENDIX I.

Capital at charge on State Railways at end of 1922-23, capital expenditure during 1923-24 and estimated capital expenditure in 1924-25 and 1925-26.

Railways.	To end of 1922-23.	Accounts, 1923-24.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.	To end of 1925-26.	REMARKS.
Open Lines.						
State Railways worked by State—						
Aden	14,04,837	98,878	—7,000	—5,000	14,91,715	
Eastern Bengal.	42,78,23,752	67,29,140	38,60,000	83,30,000	44,67,42,901	
East Indian including (South Bihar)	84,12,40,066	2,86,58,978	2,26,80,000	5,87,63,000	1,37,30,28,973	
Oudh and Rohilkhand	30,93,74,675	91,79,253	31,33,000			
Great Indian Peninsula . . . . .	...	...	...	3,89,18,000	3,89,18,000	
Agra Delhi Chord . . . . .	...	...	...	1,13,000	1,13,000	
Bhopal State . . . . .	...	...	...	13,000	13,000	
Cawnpore Banda . . . . .	...	...	...	24,000	24,000	
Jodhpur Hyderabad	48,86,077	3,18,920	2,11,000	3,58,000	57,23,997	
North Western	80,61,25,413	1,69,24,462	73,82,000	1,17,75,000	84,23,06,896	
Strategic Lines	26,93,12,423	17,93,635	19,54,300	19,50,000	27,49,10,057	
Stores transactions	1,49,71,271	66,68,005	19,56,000	...	2,35,95,276	
Abandoned projects	32,56,316	...	...	...	32,86,316	
Total State Railways worked by State	2,77,83,74,829	7,03,71,300	4,11,69,000	12,01,49,000	3,01,00,64,129	
State Railways worked by Companies—						
Assam Bengal	18,41,86,524	23,10,507	13,93,000	24,77,000	19,08,87,031	
Pengal Nagpur	55,73,11,141	2,57,22,543	2,16,29,000	3,37,32,000	63,82,94,684	
Bengal and North Western (Tirhut).	8,52,78,159	21,95,581	15,00,000	15,00,000	9,04,73,740	
Berwada Extension	13,95,989	77,012	2,41,000	50,000	17,84,001	
Bombay, Baroda and Central India	61,55,82,614	1,59,08,332	1,93,10,000	3,67,78,000	68,75,78,846	
Burma (Main Line)	21,78,56,566	67,09,817	34,99,000	44,60,000	23,59,14,804	
Burma Extensions			18,28,421	1,45,000		14,17,000
Southern Shan States	1,68,15,279	2,43,457	30,000	25,000	1,71,13,736	
Great Indian Peninsula	92,20,65,224	88,00,541	77,24,000	...	93,85,89,765	
Agra Delhi Chord	1,50,77,364	6,605	1,60,000	...	1,52,43,969	
Baran Kotah	49,59,057	42,559	1,10,000	...	51,11,616	
Bhopal State	45,37,148	44,430	—3,83,000	...	41,93,578	
Cawnpore Banda	62,09,700	96,461	67,000	...	83,93,161	
Madras and Southern Mahratta	48,62,89,675	62,22,192	68,51,000	1,82,00,000	51,75,83,867	
Dhone Kurnool	10,18,342	...	...	8,000	10,23,342	
Guntur Tenali . . . . .	...	140	...	10,000	10,140	
Bobilkund and Kumaon (Lucknow Bareilly)	1,63,54,024	—1,89,125	—1,00,000	—14,000	1,59,70,899	

APPENDIX I—*contd.*

Railways.	To end of 1922-23.	Accounts, 1923-24.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.	To end of 1925-26.	REMARKS.
Open Lines—<i>contd.</i>						
State Railways worked by Companies—<i>contd.</i>						
South Indian	22,16,71,688	80,01,732	48,78,000	1,60,02,000	25,05,54,420	
Tinnevely Quilon (British Section)	44,07,126	46,566	3,68,000	3,69,000	51,90,892	
Tinnevely (Indian State Section)	1,33,57,260	2,06,928	2,17,000	1,49,000	1,30,30,188	
Coonoor Ootacamund	49,29,326	1,10,238	71,000	12,000	51,22,564	
Total State Railways worked by Companies	3,38,10,97,106	7,84,06,937	6,77,28,000	11,51,72,000	3,64,24,04,043	
Total Open Lines	6,15,94,71,935	14,87,78,237	10,88,97,000	23,53,21,000	6,65,24,68,172	
Lines under construction.						
State Railways worked by State—						
Central Indian Coal Fields . . . . .	...	...	35,00,000	1,96,60,000	2,31,60,000	
North Western— Narawal Amritsar Connection . . . . .	...	...	...	20,00,000	20,00,000	
Strategic Lines— Khyber Railway Construction	1,30,39,191	72,12,514	42,18,000	10,00,000	2,63,59,705	
Oudh and Rohilkhand— Bikhikesh Road Rikhikesh . . . . .	...	...	4,00,000	8,62,000	12,62,000	
East Indian— Chandrapura Gomoh . . . . .	...	1,01,344	10,25,000	4,65,000	15,91,344	
Calcutta Chord . . . . .	...	...	...	17,00,000	17,00,000	
Great Indian Peninsula— Bombay Harbour Branch . . . . .	...	...	...	95,000	95,000	
Majri Rajur . . . . .	...	...	...	1,50,000	1,50,000	
Total State Railways worked by State	1,30,39,191	73,13,859	91,43,000	2,59,41,000	5,63,37,049	
State Railways worked by Companies—						
Assam Bengal—						
Sibsagar Road Khawang . . . . .	...	...	8,75,000	10,31,000	10,36,000	
Forkating Badulipara Jorhat . . . . .	...	...	...	15,61,000	15,61,000	
Jharis Jhanjail Begmara . . . . .	...	...	...	16,00,000	16,00,000	
Karimganj Longai Valley . . . . .	...	...	...	16,50,000	16,50,000	
Bengal Nagpur—						
Vizagapatam Harbour	20,24,008	11,44,780	11,41,000	—43,10,000	—232	
Balpur Parvatipur . . . . .	...	12,155	...	1,34,00,000	1,34,12,155	
Tamsur Road Tirodi . . . . .	...	...	...	20,66,000	20,66,000	
Amda Jamsa	98,33,731	23,31,572	20,73,000	8,98,000	1,48,16,368	
Talchir Coal Fields	3,91,223	17,68,373	47,22,000	18,30,000	87,20,597	
Heala Chandil	2,48,980	10,07,404	45,22,000	90,00,000	1,47,78,474	
Argala Branch	2,95,000	1,54,000	4,79,000	

BUDGET FOR 1925-26.

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APPENDIX I—*concl'd.*

Railways.	To end of 1922-23.	Accounts. 1923-24.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.	To end of 1925-26.	REMARKS.
Lines under construction—<i>cont'd.</i>						
State Railways worked by Companies— <i>cont'd.</i>						
Bengal Nagpur— <i>cont'd.</i> Guttitangar Branch	---	---	22,000	5,21,000	5,43,000	
Ghordeva Coal Fields	---	---	---	27,82,000	27,82,000	
Bokaro Ramgarh Extension :— Bengal Nagpur Railway share	13,42,888	8,46,814	3,76,000	1,70,000	27,35,702	
East Indian Railway share	13,12,423	4,41,067	5,24,000	---	22,87,400	
South Karanpura Coal Fields :— Bengal Nagpur Railway share	5,79,287	7,42,885	9,23,000	4,98,000	27,43,172	
East Indian Railway share	3,25,273	6,26,775	8,59,000	---	18,11,048	
Bombay, Boroda and Central India :— Dholka Dhanduka	21,03,306	6,63,891	5,50,000	1,50,000	34,67,196	
Burma— Rauktaw Mingladon	---	4,149	4,00,000	6,00,000	10,04,149	
Pyinnana Taungwingyi	---	59,02,872	16,97,000	5,05,000	81,44,872	
Moulmein-Ye	---	79,56,560	26,97,000	5,75,000	1,12,28,560	
Alon-Ye-U	---	25,46,850	4,42,000	5,38,000	36,26,850	
Pegu-Kayan	---	5,06,350	16,91,000	12,70,000	34,67,350	
Haho Tayaw	---	---	---	11,50,000	11,50,000	
Mandalay, Madaya	---	---	---	11,00,000	11,00,000	
Taungwingyi Kyauk Padaung	---	---	---	21,00,000	21,00,000	
Taungwingyi Magwe	---	---	---	4,00,000	4,00,000	
Myingyan Natogyi Paleik	---	---	---	11,00,000	11,00,000	
Ye-Sinbyubryn	---	---	---	21,00,000	21,00,000	
Great Indian Peninsula :— Itarsi Nagpur	3,06,45,681	5,90,229	36,46,000	---	3,51,81,910	
Bombay Harbour Branch	69,37,770	7,87,632	5,56,000	---	82,81,402	
Majri Rajur	712,98,943	9,24,903	3,98,000	---	26,21,845	
South Indian— Villupuram Trichinopoly	---	3,925	2,41,000	80,00,000	82,44,925	
Viradungar Tenkasi	---	---	4,00,000	38,00,000	42,00,000	
Shoranur Nilambar	---	15,309	14,00,000	28,00,000	42,15,309	
Dindigul Pollachi	---	---	---	4,00,000	4,00,000	
Trichinopoly Karaikudi	---	---	---	3,00,000	3,00,000	
Total State Railways worked by Companies	5,73,33,510	2,68,24,587	3,04,60,000	5,94,68,000	17,60,96,097	
Total Lines under Construction	7,12,72,701	3,61,38,445	3,96,03,000	8,54,00,000	23,24,23,146	
Total Open Lines and Construc- tion	6,23,07,44,636	18,49,16,683	14,85,00,000	32,07,30,000	6,88,49,91,318	
<i>Deduct</i> —Probable savings	---	---	2,00,00,000	9,17,30,000	11,17,30,000	
<i>Add</i> —Provision for probable supple- mentary grant	---	---	---	10,00,000	10,00,000	
Net	6,23,07,44,636	18,49,16,683	12,85,00,000	23,00,00,000	6,77,41,61,318	

APPENDIX II.

Gross receipts, working expenses, and net receipts of State Railways for five years ending 1923-24, with Revised Estimates for 1924-25 and Budget Estimates for 1925-26.

(Omitting 000, except in Accounts.)

STATE RAILWAYS.	ACCOUNTS.					Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
	1919-20.	1920-21.	1921-22.	1922-23.	1923-24.		
	M.	M.	M.	M.	M.	M.	M.
Open mileage at beginning of year	26,106	26,589	26,799	26,961	27,182	27,225	27,334
Gross Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
INDIA.							
STATE RAILWAYS WORKED BY THE STATE.							
Eastern Bengal	4,45,45,073	4,61,08,642	4,42,06,639	5,24,50,582	5,34,77,428	6,00,00	6,00,00
North Western—							
Commercial Lines	12,32,80,625	12,97,73,559	11,34,00,666	12,05,24,443	13,46,96,285	14,80,00	14,95,00
Strategic			1,64,24,789	1,55,26,295	1,71,15,140	1,85,00	1,85,00
East Indian	13,25,76,404	13,84,16,068	13,38,87,673	15,55,59,040	16,23,67,080	16,92,00	20,75,00
Oudh and Rohilkhand	3,14,64,244	3,26,48,785	3,31,34,469	3,84,92,842	3,63,06,369	3,51,00	
STATE RAILWAYS WORKED BY COMPANIES.							
Assam Bengal	1,04,29,975	1,02,65,216	85,15,384	1,20,56,460	1,28,90,228	1,40,00	1,45,00
Bengal Nagpur	6,59,31,392	6,39,37,399	6,67,91,163	7,70,71,210	7,70,93,523	8,20,04	8,59,04
Bombay, Baroda and Central India	9,67,12,806	9,94,16,277	10,25,31,934	11,75,10,333	11,95,42,139	12,30,00	12,80,00
Burma	2,97,14,049	3,26,29,019	3,51,73,283	4,06,98,058	4,11,37,616	4,15,00	4,40,00
Burma Railway Extensions	27,14,727						
Southern Shan States	5,29,400						
Great Indian Peninsula including Indian Midland	12,60,42,370	12,79,35,857	12,61,70,645	14,11,38,133	13,84,75,324	15,25,00	16,10,00
Agra-Delhi Chord	46,08,873	50,30,667	47,07,855	50,84,396	45,92,319		
Rhopal	11,00,906	12,76,267	12,06,662	12,97,300	13,43,631		
Baran-Kotah	1,88,936	1,62,889	1,77,242	2,11,061	12,20,483		
Cawnpore-Panda	3,73,187	3,89,234	4,50,307	4,78,260	4,73,115		
Medra and Southern Mahratta Railway.	5,73,05,956	6,22,45,540	6,55,08,869	7,28,13,554	7,37,33,896			7,70,58	7,04,40
Mysore State lines	41,26,445						
Dhone-Kurnool	1,76,829	1,82,083	1,95,177	1,89,230	2,21,215		
South Indian	4,01,48,113	4,27,06,373	4,59,62,936	5,10,28,796	5,27,06,168	5,20,00	5,40,00
Tinnevely-Quilon	18,44,613						
Other Railways	1,61,44,623	1,66,51,233	1,63,11,384	2,10,74,316	2,01,60,376	2,19,00	2,24,00
Total Central	79,01,40,546	80,97,75,233	81,69,27,377	93,22,14,218	94,66,52,243	99,56,62	1,02,56,44
India	79,01,40,546	80,92,80,163	81,64,42,260	93,17,30,956	94,60,69,516	99,59,00	1,02,50,00
England	7,29,105	4,58,070	4,85,127	4,83,362	4,82,627	4,83	4,83
Exchange	—	—	—	—	—	1,79	1,61

BUDGET FOR 1925-26.

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APPENDIX II—contd.

STATE RAILWAYS.	ACCOUNTS.					Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
	1919-20.	1920-21.	1921-22.	1922-23.	1923-24.		
	Rs.	Es.	Rs.	Rs.	Rs.	Rs.	Rs.
Working Expenses.							
INDIA.							
STATE RAILWAYS WORKED BY THE STATE.							
Eastern Bengal	3,02,66,464	2,98,24,284	3,76,49,787	4,40,77,284	3,95,78,311	4,27,23	4,40,71
North Western—							
Commercial lines	8,04,38,819	10,09,84,480	10,38,44,038	10,06,98,361	9,11,31,786	9,45,58	10,27,00
Strategic lines			2,46,08,721	2,22,33,938	1,89,67,892	2,17,00	2,17,25
East Indian	5,88,77,044	7,40,71,007	8,57,40,108	10,01,22,354	9,98,39,944	9,63,71	12,63,58.
Odish and Rohilkhand	1,82,62,800	1,84,62,004	2,58,18,184	2,61,64,731	2,37,50,107	2,66,96	
STATE RAILWAYS WORKED BY COMPANIES.							
Assam Bengal	84,18,871	83,01,024	84,38,775	92,27,437	91,00,837	1,03,83	1,07,63
Bengal Nagpur	3,68,42,829	4,38,60,570	5,33,17,921	4,43,17,322	5,11,27,579	5,98,07	6,39,63
Bombay, Baroda and Central India	5,33,70,406	6,75,12,138	7,99,28,942	8,24,16,577	7,14,56,582	7,36,53	7,75,58
Burma Railways	1,62,64,108	2,21,87,533	2,47,26,298	2,43,96,464	2,52,25,907	2,68,17	2,80,39
Burma Railway Extensions	17,16,303						
Southern Shan States	5,22,640						
Great Indian Peninsula including Indian Midland	7,66,59,628	9,67,79,411	11,80,71,791	10,58,31,167	9,15,57,559	10,19,08	11,28,97
Agra-Delhi Chord	29,41,579	38,72,250	43,05,257	39,08,140	30,83,340		
Bhopal	6,90,091	9,82,380	11,03,748	9,71,658	9,02,130		
Baran-Kotah	84,468	1,02,889	1,16,928	1,14,479	1,18,738		
Cawnpore-Banda	2,54,308	3,19,083	4,34,314	3,82,129	3,41,312		
Madras and Southern Mahratta Railway	3,17,82,724	4,17,61,942	4,59,12,876	4,73,98,926	4,32,89,648			4,55,83	4,82,42
Mysore State lines	22,76,326						
Dhone Kurnool	1,07,174					1,29,317	1,39,434			1,26,580	1,31,570
South Indian	2,18,16,709	2,56,95,051	3,34,02,156	3,59,08,882	3,04,74,778	3,05,56	3,22,34
Tinnevely Quilon	11,08,963						
Other Railways	78,41,617	92,32,104	96,19,025	1,14,19,688	1,04,55,157	1,10,21	1,11,14
Total Central	45,45,55,961	54,54,37,464	65,66,78,003	65,96,16,125	61,05,28,077	64,17,75	(a) 67,96,63
India	45,45,55,961	54,51,37,464	65,66,78,003	65,96,16,125	61,05,28,077	64,13,14	67,39,78
England	—	—	—	—	—	3,36	42,63
Exchange	—	—	—	—	—	1,25	14,21

(a) Includes 74 lakhs for probable supplementary grant.

BUDGET FOR 1925-26.

APPENDIX II—concl'd.

STATE RAILWAYS.	ACCOUNTS.					Revised Estimate, 1924-25.	Fulget Estimate, 1925-26.
	1919-20.	1920-21.	1921-22.	1922-23.	1923-24.		
Net Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
INDIA.							
STATE RAILWAYS WORKED BY THE STATE.							
Eastern Bengal	1,42,73,618	1,62,84,358	11,881	83,73,208	1,39,04,117	1,72,77	1,50,29
North-Western—							
Commercial lines	4,28,41,806	2,87,89,079	1,01,46,628	2,88,26,032	4,35,64,400	5,34,42	4,68,00
Strategic lines			-81,83,932	-67,07,641	-18,52,743	-32,00	-32,25
East Indian	7,36,69,260	6,43,45,061	4,81,47,565	5,54,36,686	6,25,27,236	7,29,29	8,11,44
Oudh and Rohilkhand	1,32,01,444	1,31,86,781	73,16,285	1,23,28,111	1,25,56,262	84,04	
STATE RAILWAYS WORKED BY COMPANIES.							
Assam Bengal	20,02,104	19,64,195	76,609	28,29,023	37,89,391	36,17	37,37
Bengal Nagpur	2,70,88,663	2,00,76,829	1,34,73,242	3,27,53,888	2,59,65,944	2,21,97	2,19,41
Bombay, Baroda and Central India	4,33,42,400	3,19,04,239	2,26,02,992	3,51,02,756	4,80,85,657	4,03,47	5,04,42
Burma Railways	1,34,40,941	1,04,41,468	1,04,46,985	1,63,01,594	1,59,11,709	1,46,83	1,50,61
Burma Railway Extensions	9,03,324						
Southern Shan States	-240						
Great Indian Peninsula including Indian Midland							
Agra-Delhi Chord	17,57,204	11,58,417	4,02,508	12,76,256	15,08,079	5,05,92	4,50,03
Bhopal	4,10,815	2,93,887	1,03,214	3,25,642	4,41,501		
Baran-Kotah	94,468	---	60,314	97,482	1,01,744		
Cawnpore-Banda	1,18,878	70,171	15,993	96,140	1,31,803		
Madras and Southern Mahratta Railway	2,56,13,232	2,04,83,508	1,95,95,003	2,54,14,628	3,04,44,238			3,23,70	3,11,98
Mysore State lines	18,60,119						
Dhone-Kurnool	69,655	52,760	45,743	62,650	69,645		
South Indian	1,83,31,404	1,70,11,327	1,25,60,780	1,51,10,014	2,22,31,300	2,14,44	2,17,66
Tinnevely-Qullon	7,40,650						
Other Railways	82,03,006	74,19,129	86,92,359	86,54,618	97,05,219	1,08,79	1,12,96
Total Central	33,56,84,664	26,46,37,769	16,02,49,374	27,25,98,003	33,60,24,266	35,38,67	34,50,82
India	33,63,13,789	26,46,37,769	16,02,49,374	27,25,98,003	33,60,24,266	35,36,66	35,10,22
England	7,29,106	---	---	---	---	1,47	-37,80
Exchange	---	---	---	---	---	54	-17,00

PART II.
GENERAL BUDGET.

Speech of the Finance Member

introducing the

Budget for 1925-26.

INTRODUCTORY.

Improvements in Financial Machinery.

Sir, The change introduced last year, in accordance with which the Financial Statement is made in the afternoon of the last day of February instead of on the first day of March, has one disadvantage not unforeseen when the change was made, in that both this year and next the last working day of February falls on a Saturday, and Members of this House have to be called upon at a late hour on a Saturday afternoon after a hard week's work to listen to what must necessarily be a lengthy and detailed analysis of the financial position of India. But the new procedure was, I know, appreciated by all concerned, particularly by the commercial community, and no apology is needed for its adoption again this year.

2. A still more important change in our procedure has taken effect for the first time this year. The last few days have brought home to all of us the reality of the separation of Railway Finance from General Finance, a subject with which I dealt at some length in my Budget speech a year ago and on which a final agreement was happily reached last September. I cannot pass over in silence this most important reform in the Government of India's financial machinery. Of its ultimate advantages from the point of view of Railway administration, from the standpoint of the commercial and general public, and from that of the Government of India and of this House in dealing with the finances of the Central Government, I have no doubt whatever. Before many years are out, this country will, I feel sure, see its benefits in the practical form of more efficient and cheaper transportation with all that is therein involved for the economic development of a country with the immense potentialities which India possesses. Meanwhile, we are happily relieved of the difficulties and doubts which confronted us in dealing with our General Budget when it incorporated the gross receipts and the working expenses of the Railways and the difference between good and bad trade and a good and bad monsoon meant a difference of several crores of rupees in our Budget figures. The taxpayer is now assured of a regular and growing contribution in relief of taxation from his investments in Railways and the task of maintaining a continuous financial policy and of distinguishing between a temporary and permanent surplus or deficit in our accounts is immensely facilitated.

3. I may, however, be pardoned if I comment on one uncomfortable disability which this change imposes this year on the Finance Member, who has to send his Budget speech out in print to all parts of India almost a week before it is delivered with the disquieting knowledge that many subjects relevant to the General Budget will have been under active discussion

in this Legislature and in the country during the course of that week without his being able to modify one word in his speech in the light of such discussion. My previous predilection in favour of the change of the date of the Railway Budget from March to September is greatly fortified by this experience.

4. It will be convenient if I pass from this subject to the kindred subject of the introduction of a system of commercial accounting in the Posts and Telegraphs Department. In the Financial Statement for the year 1925-26 which I am about to lay before the

Commercialisation of accounts of Posts and Telegraphs Department.

House, the figures for the Posts and Telegraphs Department will for the first time be set out in a completely commercialised form. I do not think many people beyond those immediately concerned with the commercialisation of the accounts realise what a very difficult business it has been, and we are greatly indebted to the Accountant General, Posts and Telegraphs, and to the other officers concerned for their unstinted labours. The recasting of accounts into a new form must always involve a certain amount of confusion and possibility of error on first introduction, and many knotty problems of classification arise. It was not until January of this year that various important decisions of principle were finally reached, and both as regards the form of the account itself and the actual method of distributing the charges final orders have still to be issued in certain cases. The statements and estimates prepared represent, therefore, on several points decisions which must be regarded as provisional.

5. It is, however, possible for me to indicate with some completeness what the change of system involves. The Indian Postal and Telegraph Department exists primarily for the purpose of providing the Indian public with easy and rapid means of intercommunication, and in payment for the services rendered in that capacity it obtains revenue from the sale of stamps, money order commission, etc. But in addition to these services, the Department, which is ubiquitous throughout the continent of India and Burma, is naturally called upon to act as the agent of the Government in carrying out other essential services not directly connected with its primary activities. For example, the Department manages the Post Office Savings Bank, issues and discharges Post Office Cash Certificates, collects Customs duty on dutiable articles coming into India by post, manages the Postal Life Insurance Fund, and is the custodian of postal and telegraphic stores held in reserve for purposes of mobilisation of the Army. Hitherto the accounts of the Indian Postal and Telegraph Department have been kept mainly on a cash basis and until 1924-25 no credit was taken in its Budget for the value of services of the kind mentioned. In 1925-26 about 24½ lakhs will be credited to the Department in respect of these services as a deduction from gross working expenses. On the other hand, under the cash system the working expenses included no provision for interest on capital (with certain small exceptions) or for depreciation, and the charge for pensions which was transferred to the Department from the general superannuation vote only a year ago included simply the estimated outgoings of the year which are considerably less than the annual liability. Under the new system the Department will carry a sum of 50 lakhs for pension liability as against a sum of less than 40 lakhs representing the estimated outgoings for pensions in 1925-26. It is further proposed to call upon the Department to find 32 lakhs by way of provision for depreciation of assets. From the net receipts the Department will also pay interest on the block capital value of its assets, the amount required being provisionally taken at 66 lakhs. All

these items represent charges which should legitimately be borne by any commercial concern. The block capital value has been provisionally based on the total outlay on capital account as shown in the Finance and Revenue Accounts, after allowing for depreciation. The whole question is now being investigated with a view to discovering to what extent the older assets of the Department may have disappeared without any corresponding adjustment having been made in the accounts, and any mistakes discovered will have to be rectified. In addition to paying interest on the depreciated block account, the Department is also legitimately liable to make good any arrear depreciation within a certain number of years. Ordinarily this charge should be met from its revenues, but as the present position is uncertain, we have provisionally allowed the Department to borrow from general revenues for this purpose and pay interest on the sum so borrowed. The pensionary liability which I have mentioned has also had to be taken at an arbitrary figure pending its calculation on an actuarial basis.

6. In order to enable comparisons to be drawn between the results of two years' figures for the Posts and Telegraphs Department, the estimates for the year 1924-25 have been recast in the form in which they would have appeared if the scheme of commercialisation had been given effect to this year. For the year 1925-26, if I may be allowed to anticipate a little the figures for the new Budget, the gross Budget estimate of revenue of the Indian Postal and Telegraph Department is 10.41 crores; the gross expenditure amounts to 9.76 crores; the net receipts are thus 65 lakhs. Out of these net receipts provision has to be made for interest on capital to the amount of 66 lakhs. The final profit and loss account of the Department on this basis shows a loss of Rs. 60,000 for 1925-26. If the figures for 1924-25 were recast on the same basis, the gross receipts would amount to 10.07 crores; the working expenses to 9.44 crores; the net receipts to 63 lakhs; and after making allowance for interest and other charges, the net outturn would show a loss of a little less than 3 lakhs. I do not wish to lay any particular emphasis on these figures or to draw any particular inference from them at this stage. Minor modifications will be necessary when the outstanding questions have been finally settled and the actual results of the year's working may show some diminution of expenses or some increase of revenue which will turn the small loss into a small profit, but the margin is in any case narrow. It is satisfactory to know, however, that the Department is not, as at one time I feared, working at a considerable loss, and with the improvement of trade which now seems to be taking place, I am not without hope that a year hence a better showing will be made. An attempt has been made in the detailed statement explaining the Demands for Grants for this Department to allocate the receipts and expenditure among the main branches of its activity, *viz.*, Post Office, Telegraphs and Telephones. I should, however, warn the House against the danger of accepting this as an exact measure of the results of working of the different branches and basing any conclusions thereon. The activities of the Department are so closely intermingled that any allocation is bound to be arbitrary. Moreover an increase in the receipts of one branch has inevitable reactions on the receipts of other branches. For instance, an increase in telephone receipts may be accompanied by a reduction in postal receipts or, in the case of long distance telephones, in telegraph receipts. The estimated figures of profit and loss for 1925-26 as calculated by the Accountant General, Posts and Telegraphs, are as follows: the Post Office is expected in 1925-26 to work at a

net profit of about 29 lakhs and the Telegraphs and Telephones at a net loss of 26 lakhs and 4 lakhs each, these figures being to a large extent accounted for by the amount of interest payable on their capital outlay by the Post Office, Telegraphs and Telephones, *viz.*, 8,48½ and 9½ lakhs respectively.

7. Before passing on to my actual Budget, I wish to refer briefly to Changes in Demands for Grants. some changes that have been made in the Demands for Grants which, I believe, the House will appreciate. The Public Accounts Committee have this year devoted much attention to the form of these grants and we have, wherever possible, accepted and given effect to their views. We have, for instance, adopted their suggestion of rearranging our territorial grants on a more logical basis and of removing from the High Commissioner's grant large items such as the expenditure on Currency stores. We have indeed gone further in this direction than they recommended. We have, for a different reason, decided to remove all stores from the High Commissioner's grant and to include them in the various departmental grants. The House will remember that one of the objects of the Act which was passed last year making Government stores liable to Customs duty was to encourage purchase of stores in India as far as possible. It is essential for that purpose that the Customs duty shall be actually taken into account by the spending Departments in considering the comparative cost of goods imported from abroad and goods bought in India. This is, however, impossible if the cost of the stores is included in one grant and the Customs duty in another, for a transfer of funds from one grant to another is not possible without a fresh vote of the Assembly. The effect of the inclusion of the cost of stores, along with Customs duty, in the departmental grant will be to make the comparison real and enable the spending Department to utilise the total provided for purchases in India. The Demands for Grants have also been altered in another direction to which, I know, both the House and the Public Accounts Committee attach much importance. The total number has been increased considerably. Apart from the large increase in the number of grants connected with Railways which we have been discussing this week, we have adopted the suggestion which you, Sir, made last year that there should be a separate grant for each Department of the Government of India instead of one grant for "General Administration". This one grant has now been replaced by thirteen, giving greater facilities, which I have no doubt will be fully utilised, for criticism and review of the administrative activities of the Government.

ACCOUNTS OF THE YEAR 1923-24.

8. In dealing with the Posts and Telegraphs Department I have been led to anticipate a little the normal order of the Financial Statement. It is now time to turn to the ascertained results of the year 1923-24. The actual figures more than justify my statement a year ago that, although the revised Budget seemed to point to a small deficit of 38 lakhs on ordinary account, it would not be surprising to find that the final figures showed an actual surplus. Owing to the unavoidable uncertainties of a period when drastic retrenchments were being carried out in accordance with the recommendations of the Retrenchment Committee, whose report was received only a few days before the original Budget was presented, both the original and the revised Budgets for 1923-24 were peculiarly difficult to frame. The Revised estimates for 1923-24 showed a total

revenue of 131·96 crores, and a total expenditure of 129·90 crores, leading to a surplus of 2·06 crores including the extraordinary receipt from profits from the control of enemy ships. The actual figures for the year show the revenue at a total of 133·17 crores, and the expenditure at 130·78 crores, leaving a realised surplus of 2·39 crores.

9. These figures cannot, however, be compared without further explanation with the revised figures presented a year ago. The net Military expenditure given in the Revised estimates as 59·74 crores is reduced, now that the actual figures are finally ascertained, to 56·23 crores. About 66 lakhs of this saving of 3·51 crores are due to a reduction in the expenditure in England on payments for surplus officers, purchase of stores, etc. The rest of the saving occurred in India and may be regarded as the cumulative reward of our persistent efforts to secure all-round retrenchment—a result for which we are very greatly indebted to the constant watchfulness of His Excellency the Commander-in-Chief assisted by the Financial Adviser, Military Finance. To His Excellency the Commander-in-Chief's unfailing co-operation and assistance in the task of reducing the expenditure of the Army I wish to pay a very special tribute of thanks. It is a task which is always an ungrateful one and particularly so when undertaken by a Commander-in-Chief.

10. Our true expenditure for the year 1923-24 for Military services is, however, understated at 56·23 crores, since in addition to the cash expenditure, allowance has to be made for the fact that over 3 crores of surplus stores were utilised by the Army during the year in question and not replaced. This considerable reduction of accumulated stores is a very valuable economy and is in accordance with the recommendations of the Retrenchment Committee, but it is necessarily a non-recurrent saving and for purposes of comparison in future years the net military expenditure for 1923-24 may be taken at approximately 59½ crores, of which 56·23 crores were in cash and the remainder was in kind. The House will, of course, appreciate that the year 1923-24, the first year in which the Retrenchment Committee's cuts were brought into force, was in many respects abnormal, and, as I have said, estimating was unusually difficult. The error on this occasion was very emphatically on the right side, but a careful examination is being made into the whole machinery of the preparation of our Military estimates with a view to the prevention of over-budgetting. The estimates for 1925-26, which I shall be presenting shortly, have been very carefully pruned for this purpose.

11. But in spite of this reduction of 3½ crores in Military expenditure as compared with the Revised estimate and of larger receipts from Salt duty in March 1924 than anticipated, the actual surplus shown in the accounts does not differ widely from the figures presented by me a year ago, because we have made two changes in accounting which, while not affecting our Ways and Means position in any way, reduce the apparent amount of the surplus, with great advantage to our financial position in future years. The first of these changes is the adjustment against the revenues of 1923-24 of the whole of the discount charges, amounting to 82 lakhs, on the 1923 loan, which we had originally proposed to spread over a period of years. The second and the more important change is that we have transferred from the Suspense account and charged against the revenue of the year certain items, aggregating 3·41 crores, consisting of loans and advances to the Persian Government incurred both before and during the Great War. This expenditure was shared by us with the British Government and the practice of the British Treasury is to treat

such outgoings at once as expenditure against the revenue of the year instead of keeping them in suspense as has been done in India. From a book-keeping point of view it is unsatisfactory to keep large amounts in suspense for an indefinite period without bringing them finally to account. The Public Accounts Committee has recently drawn attention to this defect in our system with special reference to these particular transactions. We are endeavouring to avoid suspense entries in our accounts in future so far as possible. Meanwhile we have taken advantage of the opportunity offered in 1923-24 to write-off all these items against revenue. The fact that this book adjustment has been made does not, of course, in any way affect the liability of the Persian Government with whom negotiations are proceeding for recovery of the debt. A comparative table is being bound up and circulated with the Budget speech, as was done last year, showing the actual outturn for each of the last ten years. The final result of the year 1923-24 is, as I have already said, a realised surplus of 2.39 crores.

REVIEW OF THE YEAR 1924-25.

12. Our hopes of a steady revival in trade, which were disappointed in 1922-23 and 1923-24, have at last been fulfilled in 1924-25. The characteristic feature of the year has been the movement of a greater bulk of commodities both for export and for home consumption. The first ten months of 1924-25 show once again a considerable expansion in the exports of grain and pulse. The price of tea has been advancing and our exports for the year constitute a record. The cotton trade had been adjusting itself to smaller margins, but an encouraging feature of the year is the steady expansion in the export of Indian-made piece-goods, especially noticeable under the head of grey piece-goods. In the last months of 1924 some of our chief exportable commodities, notably, jute, tea and wheat, rose markedly in price. Cotton, on the other hand, was falling in price and has been slow in coming to the market. The hopeful prospects entertained by the cotton industry have not as yet fully materialised, but with a large crop in sight and indications of a steady internal demand, there are legitimate grounds for hoping that the delay in their realisation is only temporary.

13. The total value of the exports of Indian merchandise for the first ten months of the financial year was 297½ crores, which is over 60 crores in excess of the figures of 1922-23 and 24 crores in excess of those of 1923-24. Imports have advanced similarly, and the balance of trade in merchandise in India's favour up to the end of January 1925 was exactly the same as at the end of January 1924, namely, 103½ crores. After allowing for a total import of bullion during the first ten months in question of 61½ crores, there remains a net balance of 42 crores in favour of India, as against 63½ crores a year ago.

Revenue.

14. The welcome recovery in trade is clearly visible in the figures of gross Customs receipts. We budgeted for a gross revenue under this head of 46.02 crores and a net revenue of 45.02 crores. The present figures indicate that the gross receipts will be 48.74 crores—an increase of 2.72 crores. There is a falling off in receipts under the heads tobacco, matches, and machinery, but nearly every other head shows an increase, specially the revenue from

import duties on cotton piece-goods and sugar, and that from cotton excise duty now estimated to yield 2.10 crores in 1924-25. Metals other than iron and steel, and export duties, also show noticeable increases. The protective duties imposed last June are expected to bring in about 2.25 crores, of which about 1.10 crores may be regarded as additional revenue.

15. This real improvement in Customs revenue is, however, obscured by the necessity of making a much larger provision for refunds than was estimated to be required. Ordinary refunds are put at 18 lakhs more than the estimate, mainly as the result of an increase in the transit traffic to Afghanistan. But it is under the head of extraordinary refunds that the big disturbing element enters. The House will remember the reference I made a year ago to our appeal to the Privy Council against the decision of the Bombay High Court that stores imported by Railway Companies working State lines came under the definition of Government stores. The Privy Council has recently decided against us, and as I warned the House, we have in consequence to make large refunds of duty. The amount of these refunds was estimated roughly a year ago at about 2 crores, and an amount of 2 crores was accordingly retained from our extraordinary receipt from enemy ships against this contingent liability. Our latest estimate places the amount to be refunded at 2.80 crores, and this payment has to be shown as a refund under the head Customs. Thus, in spite of an increase in our gross receipts, our net Customs revenue is now estimated at 44.76 crores or about 26 lakhs less than we originally budgeted for.

16. The effect of the Privy Council decision has already formed the subject of discussion when we were dealing with the Railway Budget, but I think it will be convenient to the House if I explain shortly the exact bearing of these refunds on our general financial position. So far as concerns Ways and Means, the net effect is almost negligible, for our loss under Customs appears as a gain under Railways. Out of the total of 2.80 crores, 1.55 crores are attributable to stores consumed for purposes of capital expenditure and go to reduce the capital expenditure of the year, and the balance of 1.25 crores representing duty on stores consumed on revenue account goes to reduce the working expenses. The net receipts from Railways during 1924-25 are correspondingly increased and consequently also the surplus profits paid to the Companies working the lines. It is only this last amount which is absolutely a loss to the Government of India in one or other of its capacities. The share of the Companies in the profits is proportionate to the amount of capital contributed by them, and as the capital they have contributed is small, only about 15 lakhs of this special receipt goes to them. The balance of 1.10 crores swells the Railway surplus for the year, and as this is already over 3 crores, two-thirds or 73 lakhs are transferred to the Railway Reserve, and one-third or 37 lakhs added to the contribution payable by the Railways to general revenues. Our revenue position is, however, more seriously affected. We have lost 2.80 crores under Customs and only 37 lakhs of it come back as an addition to the contribution made by the Railways to general revenues. But to meet this loss we have the amount set apart last year from the enemy ships account. The total amount due to India from this account has proved to be somewhat more than 4.69 crores, the amount originally estimated. The sum credited to revenue in the accounts of 1923-24 was 2.41 crores; 25 lakhs have been set apart to

meet the claim on account of *ex gratia* grants to private individuals in consideration of losses suffered from enemy action which, it is expected, we shall have to make in 1925-26 instead of in the current year as originally intended. We are taking as an extraordinary receipt in the current year 2.55 crores which compensates for the loss of revenue resulting from the Privy Council decision in regard to stores imported by Railway Companies. In 1925-26 excluding the 25 lakhs already referred to, a further credit of 13 lakhs is expected on account of the profits of working of the enemy ships till finally disposed of. This will, we believe, finally close this account.

17. I referred a year ago to the experimental nature of our estimate

Taxes on Income.

of receipts under the head of Taxes on Income. The figure included in our Budget for 1924-25 was 18.22 crores. Our latest estimate is 1.75 crores less. As the House knows, the Income-tax demand is based on the results of the preceding year, but while trade conditions in 1923-24 did not appreciably differ from those of the previous year, the total yield of 18½ crores in 1923-24 included large arrear collections. The year 1924-25 consequently opened with comparatively lighter arrears and our receipts are reduced accordingly. Thanks to the efforts of the Central Board of Revenue, I have reason to hope that our estimates of Income-tax will henceforward contain a smaller element of conjecture. I am also confident that with improving trade and progressive improvement in our machinery of collection there is a considerable margin for increase in future years under this head of revenue.

18. But I desire to take this opportunity of referring publicly to a somewhat serious danger which threatens our

Evasion of Super-tax.

Super-tax revenue. There are some among the richer members of the community in India who are constantly engaged in exercising their ingenuity in order to evade by legal devices the payment of the taxation legitimately due from them. I refer in particular to the device of creating what are really bogus Companies with a view to escaping individual responsibility for Income-tax and Super-tax. One such instance of a most glaring kind from Bombay has recently come to my notice which threatened to lose us over Rs. 50,000 in the case of a single individual. It is the bounden duty of the Government to spare no effort in order to put an end to these practices, which can be indulged in only by the rich and only at the expense of the tax-payers of India in general and particularly of the poorer tax-payers. The Government have not yet completed their proposals for amending the Income-tax Act in such a way as will deal effectively with this class of evasion, and legislation on the subject is beset by difficulties, but I know that we can rely on the support of the House in securing that to the best of their abilities they will close up any loopholes that may exist in the present Income-tax law, and make certain that the intentions of the legislature in framing the existing scale of Income-tax and Super-tax which is graduated according to the capacity of the individual to pay shall not be systematically frustrated of its legitimate purpose.

19. Under the head of Salt we expect to receive 1.31 crores less than our Budget estimate of 9.05 crores. This is

Salt.

exactly the amount by which the actual receipts from salt in 1923-24 exceeded our expectations as set out in the revised Budget of that year. Our estimates allowed for a rapid replenishment of stocks following upon the reduction of the duty. But we underestimated

the rapidity. The rush by dealers to replenish stocks took place in such volume during March 1924 that the receipts in that month exceeded the estimate by 1.31 crores, and the receipts in 1924-25 are correspondingly reduced.

20. There is a considerable decline in our estimated receipts from Opium. Our revenue under this head is derived in great part from fixed sales to external Governments both within and outside the British Empire with whom we have definite agreements, but in addition we have for some years been offering 3,000 chests a year for sale by auction at Calcutta. These chests are bought by traders for export to foreign countries with whose Governments we have not concluded any agreement for direct sales. All such exports are dependent on the grant of an import certificate by the Government of the country to which the opium is being exported and no export is allowed without such a certificate. Recent international discussions regarding opium have introduced much natural uncertainty in the opium trade, and since October last we have sold very few chests by auction; in February we sold none at all. The consequence is that we now expect a reduction in revenue of 65½ lakhs, and it is not improbable that our Opium revenue will continue its progressive decline in the next few years.

21. The position will be better understood if I give figures of net revenue instead of gross receipts. Our net revenue from Opium since the year 1921-22 has been as follows:—

1921-22	. . . . .	1.27	crores.
1922-23	. . . . .	1.92	„
1923-24	. . . . .	1.66	„

For 1924-25 we originally estimated for a net receipt of 2.25 crores. Our revised figure is 1.31 crores, the gross receipts being 3.68 crores and expenditure 2.37 crores. In addition to a reduction of 65½ lakhs in our receipts, there is an increase of 28½ lakhs in our Opium expenditure due to the high outturn of the crop. In our forecast for the year 1925-26, which it is convenient in this instance for me to anticipate here, our Opium expenditure is expected to be reduced by 57 lakhs as the result of a reduction of the price paid to cultivators and restriction of the cultivated area. This has become necessary since our stocks in reserve are growing beyond our requirements and would otherwise have become unduly high particularly in view of the possibility of a progressive reduction in demand. In consequence of this and of the inclusion in our excise opium receipts of a special non-recurring item of about 20 lakhs to which I shall refer later, our net revenue for 1925-26, in spite of a reduction in sales, is expected to be 1.76 crores, which is 45 lakhs higher than the revised figure for 1924-25.

22. I need say little at this stage in regard to our Railway receipts and expenditure. The net credit to general revenues anticipated in the Budget was 4.58 crores, a figure arrived at without reference to the prospect of the separation of Railway Finance from General Finance. The fixed contribution to general revenues in accordance with the arrangement approved by this House last September is 5.09 crores; and in addition we are entitled to one-third of the

excess over 3 crores of the net balance shown by receipts over expenditure. The figures for 1924-25 can best be summarised as follows:—

	Crores.
Net receipts from Railways after deducting all payments including working expenses, but before adjustment of contribution and transfer to Railway Reserve	9.74
Contribution to general revenues	5.09
	<hr/>
Balance	4.65
Central Government's share representing one-third of the excess of this balance over 3 crores	0.55
	<hr/>
Net transfer to Railway Reserve	4.10
Net credit to general revenues $5.09 + 0.55 =$	5.64

23. I have already given the Revised estimates for the Posts and Telegraphs Department in dealing with the introduction of the new system of commercial accounting. The actual outturn of the year on the old basis, as now estimated, differs very little from our anticipations at the time when the original Budget was framed. There is reduction in net receipts amounting to 16 lakhs, which is more than fully accounted for by the fact that we have agreed to increase by 23 lakhs the assignment to Provincial Governments on account of their share of the receipts from unified stamps.

24. The only other variation of importance in the revenue for 1924-25 is under the head of Interest where we expect an improvement of 51 lakhs exclusive of exchange, owing to larger balances.

Expenditure.

25. On the expenditure side one of the most important variations between the original and Revised estimates for 1924-25 occurs under the head of Exchange. The House will remember that our Budget estimates were based on the assumption—for which I was careful to disclaim any prophetic value—that the average rate of exchange of the year would be 16½d. I was accused in more than one quarter of rashness, but the sequel shows that I was unduly cautious, for the average rate of exchange for the year is now put at 17½d. Exclusive of Railway transactions which affect our general financial position only indirectly, the resulting net saving in our expenditure amounts to 2.15 crores of which 70 lakhs occur under Military services and 5 lakhs under Posts and Telegraphs.

26. Our estimates provided for a net Military expenditure of 60.25 crores. This estimate was framed on the basis of the Budget of the previous year modified by such information as was available at the time when the original estimate for the current year was prepared regarding the progress of expenditure during 1923-24. We have now before us for our guidance the actual figures for 1923-24 which give us for the first time since the War a basis of calculation which begins to approximate to the normal. Aided by this experience and by the recorded figures of expenditure during 1924-25 up to date, we now find ourselves justified in adopting a net figure of 56.33 crores as the Revised estimate for the current year, a figure which is nearly 4 crores

better than the original estimate. Shortage in the authorised establishments of the various services and further economies in several directions account for a reduction of 1·70 crores. Exchange accounts, as I have already said, for 70 lakhs. Surplus stores have been consumed or otherwise disposed of to the extent of 1·10 crores, or 45 lakhs above the original estimate, while gratuities to surplus officers and other payments to the War Office for the British forces in India are expected to require 53 lakhs less. There is a saving of 15 lakhs under the head Military Works and various other savings in expenditure amount to 50 lakhs. On the receipt side, arrears from adjustments or war expenditure have brought us in 42 lakhs more than we anticipated. On the other hand, we have had to provide for an increase in the cost of the Army owing to recent rises in the prices of forage and other supplies for which I have allowed 15 lakhs. An addition of 11 lakhs has to be made in our estimate for non-effective charges. The revision of the pay and allowances including free passages to officers of the Army within the current year involves the provision of an additional 29 lakhs in the Revised estimate. I shall return later to our Military expenditure in dealing with the figures for 1925-26.

27. I have already mentioned the excess of 28½ lakhs under the head of Opium expenditure required for additional payments to cultivators. Under all the other heads of our Civil expenditure taken together, and excluding the saving under the head of Exchange already mentioned, there is a net excess of 29 lakhs. The bounties under the Steel Protection Act have cost us 37 lakhs, and the additional bounties recently assented to by this House will cost us a further 25 lakhs, making 62 lakhs in all. In addition we have to meet the cost of improvements, following the Lee Commission's recommendations, in the pay, pensions and allowances of the Superior Services under the Central Government amounting to about 25 lakhs. Of this figure, however, about 5 lakhs fall to be paid out of the Railway Budget, and 2 lakhs have already been included in the figures for the Posts and Telegraphs Department. It is satisfactory to observe that, in spite of these additional charges, the net excess in the Revised estimate for other Civil expenditure over the original Budget amounts to 29 lakhs only.

28. The above variations in revenue and expenditure are summarised below:--

	[In lakhs.]	
	+ Better.	— Worse.
Railways (net, including exchange)	+ 106	...
Military Services (net, including exchange)	+ 392	...
Posts and Telegraphs (net, including exchange) . . . . .	...	—27
Total Civil revenue (excluding exchange) . . . . .	...	—172
Total Civil expenditure (excluding exchange) . . . . .	...	—57
Exchange on Civil transactions (net)	+ 140	...
	+ 638	—256
Net	+ 382	
Original Budget surplus	+ 18	
	+ 400	

	[In lakhs.]	
	+ Better.	— Worse.
Details:—		
Civil revenue (excluding exchange)—		
Customs . . . . .	...	—25
Taxes on Income . . . . .	...	—174
Salt . . . . .	...	—131
Opium . . . . .	...	— 65
Interest	+51	...
Extraordinary receipts	+169	...
Other revenue heads	+3	...
	+ 223	— 395
	—172	
Civil expenditure (excluding exchange):—		
Opium expenditure . . . . .	...	—28
Other " . . . . .	...	—29
		—57
		—57

29. The House will observe from these figures that in place of a modest surplus of 18 lakhs allowed for in the original Budget, we now hope to end the year with a surplus of just under 4 crores. This improvement is mainly attributable to the substantial savings in Military expenditure, to the savings in Exchange, to improved Customs receipts, and to the increase in the contribution from Railways to general revenues. The improvement under these items is more than enough to counterbalance the reductions in our revenue; the refunds of Customs duties to Company-managed Railways are covered by the amount set aside in Suspense from last year's windfall; and the savings under general Civil expenditure, for which as well as for the reduction in Military expenditure the steady vigilance of the Finance Department may claim some credit, have all but met the extra charges, not anticipated in the Budget, for bounties in connection with the iron and steel industry, and the cost of the Lee Commission's recommendations.

Public Debt.

30. I devoted a considerable portion of my last year's speech to an analysis of our Public Debt and a sketch of a programme for systematising our provision for Reduction and Avoidance of Debt. As the subject of our Public Debt was discussed at considerable length in this House on February the 17th, there is no need to-day to repeat at length the statement which I then made to the House. It will, however, be convenient I think to include in this speech some of the more important figures. They show some slight variations from the figures previously given being based in certain cases on later information.

Statement showing the Debt of India outstanding on the 31st March 1914, the 31st March 1924 and the 31st March 1925.

(Figures in crores of rupees.)

	31st March- 1914.	31st March 1924.	31st March 1925.
<i>In India:</i>			
Loans	145.69	358.81	370.18
Treasury Bills in the hands of the public.	...	2.12	...
Treasury Bills in the Paper Currency Reserve.	...	49.65	49.65
Other obligations—			
Post Office Savings Bank	28.17	24.79	25.92
Cash Certificates	...	8.42	18.02
Provident Funds, etc.	10.93	39.20	43.16
Total Loans, etc	145.69	410.58	419.23
Total other obligations	24.10	72.41	82.10
Total in India	179.79	482.99	501.93
<i>In England (at Rs 15 to the £):</i>			
Loans	265.60	366.80	395.33
War Contribution	...	28.90	28.20
Capital value of liabilities undergoing redemption by way of terminable railway annuities	105.90 (= £70,600,893)	90.14 (= £60,095,487)	88.25 (= £58,836,487)
Total in England	371.50	485.84	511.78
Total Debt	551.29	968.83	1013.71

31. The above figures include the debt due by the Provincial Governments to the Government of India amounting to 97.56 crores on the 31st March 1924 and 106.95 crores on the 31st March 1925. The productive debt was 673.59 crores on the 31st March 1924 and will be 725.15 crores on the 31st March 1925. The unproductive debt was 295.24 crores on the 31st March 1924 and will be 288.56 crores on the 31st March 1925. Exclusive of Provincial Governments' debt, which may also be regarded as almost entirely productive, the increase in the productive debt during the current financial year amounts to 42.17 crores. It is almost entirely accounted for by capital expenditure on Railway development and includes not only the new capital expended during the year, but also the amount of £18½ millions of the East Indian Railway Company's debentures taken over by the Government of India on the termination of the Company's contract. This latter figure, while it represents an addition to the direct obligations of the Government, does not of course represent any addition to the indebtedness of India as a whole, being merely a transfer from the Railway Company to the Government of the liability to meet the same interest charge out of the earnings of the same Railway. Unproductive debt decreased during 1924-25 by 6.68 crores, but the real decrease was larger since to the extent of 1½ crores the nominal total of the debt has

been increased by the conversion of 7 per cent. Government of India sterling loan into 3 per cent. stock, a conversion which, while doubling the nominal amount, has the effect of reducing the interest charge on the nominal total from 7 per cent. to 3 per cent. and represents an annual saving in interest.

32 Our internal debt (again excluding Provincial Governments' debts to the Government of India) on the 31st March 1924 was 385.43 crores and on the 31st March 1925 will be 394.98 crores. Our external debt was 485.84 crores on the 31st March 1924 and 511.78 crores on the 31st March 1925. (For the purposes of calculation of our external debt I convert sterling at Rs. 15 to the £ in order to facilitate comparison with previous years. I may, however, add that at the present rate of exchange of 18d. the external debt amounts only to 454.92 crores.) The increase in our external debt is, however, purely nominal and the explanation of it is the same as that already given in another connection, namely, that the later figure includes 27.75 crores or £18½ millions of East Indian Railway Company's debentures which are not really an increase in the debt of India at all, while a further 1½ crores represent the increase due to conversion of the 7 per cent. loan into 3 per cent. stock. Apart from these nominal changes, we have reduced our external debt during 1924-25 by nearly £2¼ millions.

33. The method which I outlined last year for the regularisation of the Provision for Reduction or Avoidance of Debt. provision for the reduction or avoidance of debt has been adopted substantially in the form then proposed in the scheme recently announced by the Government of India. The scheme is fully explained in the Government of India Resolution dated the 9th December 1924. Under that scheme, for a period of five years in the first instance, the annual provision for reduction or avoidance of debt to be charged against annual revenues is fixed at 4 crores a year plus $\frac{1}{80}$ th of the excess of the debt outstanding at the end of each year over that outstanding on the 31st March 1923. The provision required under this arrangement for 1925-26 is 4.78 crores, the increase being due partly to the considerable addition to our Permanent Debt as a Government involved in the taking over of £18½ millions of the debenture stock of the East Indian Railway. When it is remembered that the gross amount of the debt owed by the Government of India to its various creditors exceeds 1,000 crores of rupees, a provision of 4.78 crores cannot be regarded as other than modest, amounting as it does to less than half of 1 per cent. of the gross amount. This figure of 4.78 crores compares with the provision of 4.52 crores in the original estimates for 1923-24 which was not based on any regular programme but represented the aggregate amount of the specific sinking funds then in operation for specific loans. There is a further item which appears under the same head for 1924-25 and for 1925-26, namely, the equivalent of the amount of Customs duty on capital stores imported for State-managed Railway lines. Such Customs duty represents an addition to our revenue arrived at by an addition to our Capital expenditure and as explained in my Budget speech last year we have earmarked it as a special contribution from Revenue to Capital.

34. In view of the debate which took place on this subject a fortnight ago I need not enlarge again on the importance of a regular and systematised provision being made in our annual Budget for reduction or avoidance

of debt. The most extravagant thing a Government with large commitments and a big programme of new borrowing can do is to provide an insufficient sinking fund. Any apparent saving that may be effected in the Budget for one year by a reduction of the amount provided will be more than offset in the next year or two by the additional interest that will have to be paid on new loans including conversions. We have a large volume of short-term bonds maturing during the next decade, and arrangements have to be made for re-borrowing the amounts which fall due. We have also a heavy programme of new capital expenditure which we have to finance mainly out of borrowed funds. It is essential that we should maintain our credit both internally and externally unimpaired, if we are to carry through successfully the business of renewing maturing debt and raising the new capital which we require. Our provision for reduction or avoidance of debt assists us in this task in two ways, for it not only reduces the amount that we have to borrow, but it also gives confidence to our creditors and to those whom we may want to induce to become our creditors in the security which we have to offer them, and thereby serves to keep down the rate of interest on our new borrowings. Nor must the value of such a provision as an emergency reserve be overlooked. I have received evidence from many quarters to the effect that the regularisation of our provision for reduction or avoidance of debt has greatly strengthened the confidence of investors both inside and outside India in the soundness of India's financial position and methods, and in the desirability of her Government loans as investments for their savings.

Provincial Loans Fund.

35. Before I pass to the figures for the year 1925-26, let me mention one further innovation in our Public Debt policy which, though not at the moment ripe for introduction, is so far advanced that I have every hope of its introduction as from the beginning of the new financial year. I refer to the proposal for the establishment of a Provincial Loans Fund which has already been twice discussed at the conferences of Finance Members held in Delhi in November 1923 and November 1924. The purpose of this proposal is to systematise the arrangements by which advances are made by the Central Government to Provincial Governments. A central Fund is to be established, financed for the present out of Central Government moneys, out of which all advances granted by the Government of India to Provincial Governments will be made—the charges for interest and the terms on which the advances granted for various purposes are to be repaid being fixed for all Provinces alike at such rates as will keep the Fund solvent. Hitherto advances have been made direct to the Provincial Governments out of the balances of the Central Government and the terms and conditions including the rate of interest and the period of amortisation have been dealt with piecemeal and special orders have been passed by the Government of India on each occasion as it arose.

36. There is, I am sure, much to be gained by the recognition of definite principles regulating such borrowings. The arrangements proposed are now under the final consideration of Local Governments all of whom have accepted the proposals in principle. They are of a simple character in themselves, but besides emphasising general principles, the scheme contains within itself the germs of development, and I look forward to the day when the Fund may be administered by an Indian body corresponding

to the National Debt Commissioners or the Public Works Loan Commissioners in England, and the money required for advances from the Fund raised in the open market by the controlling body on the security of the assets of the Fund. It is too early yet to say when such a development, though it may already be foreseen, will materialise. I am confident, however, that considerable benefits will accrue to the finances of India when the day comes on which the advances made by the Central Government to the Provincial Governments will be excluded from the Public Debt of the Government of India in the same way as advances made on the guarantee of the British Treasury to public bodies in the United Kingdom are excluded from the British Public Debt. Not only these advances to the Provincial Governments but also the Railway debt of the Government of India may ultimately be separated from the ordinary debt, and raised, subject perhaps to a Government of India guarantee, not on the general credit of the revenues of India but on the security of the assets of the Provincial Loans Fund and of the Railway undertakings of the State respectively. The true facts regarding the Public Debt of India would be less obscure than they are to-day, and the facilities for raising new capital would be widened, if so large a portion of the money required for capital development of all kinds in India had not to be raised by a single borrower, namely, the Government of India, on the sole security of the revenues of India.

BUDGET ESTIMATE FOR 1925-26.

Exchange.

37. The way is now clear for the presentation of the Budget estimates for the coming year. I will deal first with the subject of Exchange. For 1924-25 the rate of exchange is expected to work out at an average of 17½*d.* and for nearly half the year exchange has been fairly steady in the neighbourhood of 18*d.* I have no intention this year, any more than a year ago, of prophesying or promising any particular rate, but, as I said last year, we are compelled to adopt some definite figure for Budget purposes, although the actual figure must be subject to events entirely or mainly beyond our control. The House is already aware from our discussions in connection with the Railway Budget that I have taken for Budget purposes for 1925-26 a figure of 18*d.* In view of the debates which have already taken place in this House during the current session on the exchange question I should have been content to leave the matter at that and not take up the time of the House by devoting a part of my Budget speech to a further examination of the subject of Exchange. Moreover, I am anxious neither to argue nor to be thought to be arguing for or against the ultimate fixation of the rupee at any particular figure.

38. But there is one aspect of the question which I had hoped to deal with on the debate on Sir Purshotamdas Thakurdas's Bills to fix the ratio of the rupee at 1*s.* 4*d.* gold forthwith. Those Bills cannot now come up for discussion much before the end of the session, and consequently I feel compelled to say something on the subject to-day. I am compelled to do this because it has been brought home to me that the old fallacy that a high exchange benefits the importer of goods from abroad and a low exchange benefits the primary producer and the exporter, is still prevalent in some parts of India, and that the absence of any reasoned refutation of this doctrine from the spokesmen of the Government has been taken to imply that it cannot be refuted. The explanation, so far as I am concerned,

of the absence of any refutation is a simple one. It was not until quite recently that it dawned on me that any one could seriously believe it to be true.

39. This hoary old fallacy has long ago been given up in most countries of the world. Why should it still have a semblance of life in India? The reason is partly perhaps that it is founded on one partial truth from which it is a wholly and entirely unjustifiable generalisation. I will return to this in a moment. But the main reason is, I fear, a less tangible one. If a view is sincerely held and is based on reasoning, it is possible to meet it in argument, but it does not appear to be so in this case. There is a deep-rooted suspicion in some quarters, due I think to want of clear understanding of a difficult subject, and for that reason all the more difficult to eradicate, that the policy of the Government of India in regard to Currency and Exchange is consciously dictated solely or mainly by a consideration of interests other than those of India or even—so sinister is the suspicion—is directly calculated to keep Indian business and commerce from availing themselves of their natural opportunities and from growing to their full stature. There is no knowledge for which I wish more ardently than knowledge and understanding how to combat this suspicion which I know is absolutely unfounded. I am sure that everyone in this House recognises that neither I nor the Government of India have any interests whatsoever other than the interests of India in our minds in the policy which we are following in regard to Currency and Exchange. Some members may disagree with our policy, but they do not doubt our motives. Outside the House it seems to be otherwise. When an increase of world competition—inevitable in present world conditions—creates difficulties or reduces profits, at once voice is given to the suspicion that in some obscure way the Government of India, whose interests as representatives of the tax-payer are necessarily identical with those of Indian trade, are deliberately trying to damage Indian trade. All sorts of motives which have never entered into the head of the Government are attributed to them and the tragedy of the position is heightened by the fact that the existence of such suspicions and the attribution of such motives are themselves a bar to effective co-operation between the Government and the people of India and add enormously to the difficulties of arriving at and carrying through the policy most truly beneficial to India.

40. The partial truth to which I referred just now is that in a period of rapidly rising exchange there may be some temporary tendency for exports to be checked and imports stimulated. But when, as has been happening in the last 12 months, world prices have been moving up outside India and a natural stimulus has thus been given to the world's demand for India's produce, the effect of a rising rupee exchange has been in the main to keep rupee prices from rising in sympathy with world prices. During the last year or so prices of goods imported into India have gone up considerably in terms of sterling, while remaining fairly steady in terms of rupees. Similarly prices of goods exported from India have remained fairly constant in terms of rupees, but have gone up in terms of sterling. I take sterling as the most suitable currency for the purposes of comparison because exports from India tend to be paid for in sterling to whatever country they may be consigned. The exporter, that is to say, has been getting a large amount of sterling for his exports, but when his sterling has been converted into rupees, the amount of rupees has proved to be much what it was before.

BUDGET FOR 1925-26.

41. Let me give a few figures in illustration comparing the prices of Indian exported produce in August 1923 and October 1924.

	August 1923.	October 1924.
Rice	13/6	18/-
Wheat	40/-	63, 6
Linseed	£18-10-0	£25-0-0
Ground nuts	£20-10-0	£28-10-0
Copra	£27-5-0	£33-0-0
Cotton seed oil	£34-0-0	£44-0-0
Ground nut cake	£11-10-0	£13-10-0
Jute	£22-5-0	£42-10-0
Cotton	11-20d.	12-30d.
Wool	12d.—14½d.	19d.—26d.
Hemp	£20—£35	£38—£55
Jutes	1/9d.	2.1d.
Skins	5/9d.	6/10d.
Manganese	1/9d.	1/10d.
Tea	1/6d.	2/-
Coffee	126/-	190/-
Shellac	260/-	330/-

I take the figures for October 1924 because these figures relate to the moment when the Government of India intervened last autumn to make large purchases of sterling in order to check the rise in exchange for the time being—an action which I may observe proves conclusively, if proof were needed, that there is no foundation for the charge which I have more than once denied categorically that the Government of India's policy has been to push exchange up. But I think I am correct in saying that in most cases (tea is an important exception) the sterling prices of the commodities in question are now as high as or higher than they were in October. The lesson of these figures is that the rise of approximately 12½ per cent. in exchange which has been taking place during the period in question has been reflected not in a reduction of the rupee prices obtained by the exporter, but in an increase of the sterling prices paid by the importer who has been forced by India to pay the increased price represented by the increase in the sterling value of the rupee. The result has therefore been that during the period under consideration the rise in the rupee has had very little effect, if any, in the direction either of discouraging Indian exports or of encouraging imports into India. Indeed, if it had had this effect, the result would very quickly have been to bring the value of the rupee down again.

42. It is clear then that the producer for export has not been getting a lower value in terms of rupees than he was getting before the rise in exchange. But, it may be said, he would have been getting higher rupee prices but for that rise. Let me examine this claim from another angle. It is a truism that exports can be paid for only by imports. This is subject to one apparent exception when the imports take the form of securities, and for a country with a considerable external debt such as India has, there are considerable advantages in taking payment for exports in this form of imports. But it is clear that there is nothing disadvantageous for India

in the fact that a given amount of rupees produces a larger amount of sterling and will go further therefore in redeeming India's sterling indebtedness. I need not pause further to deal with this exception. In so far as India produces for export, she must in some form or other take payment in imports, not of course necessarily from the country to which she exports, but from some external source or other. It follows that any effect which a rise in exchange may have in preventing a rise in the rupee prices of exported goods is balanced by a corresponding reduction in the number of rupees required by India in paying for the things which she has imported in exchange. In other words, the producer's rupees have gone further than they would otherwise have gone.

43. Let me illustrate this truth by one striking example which is indeed connected with a particular exception to the general statement I have just made that the effect of the recent rise in exchange has not been to increase imports. The result of recent exchange movements has certainly been to encourage one particular kind of import into India, namely, the import of gold. The price of gold has come down - so much in terms of rupees as well as in terms of sterling that gold has looked very cheap. In so far as India takes gold in payment for her exports, therefore, a man who has had a given quantity of cotton or of wheat for export has been able to get in exchange a larger amount of gold than previously. In terms of gold India has been getting very much better value for her exports. I do not regard gold as the ideal form in which India should take payment for her exports, but when the producer is getting a considerably larger amount of gold for his produce how can it be maintained that the rise in exchange has been robbing the producer to the extent of 40 crores of rupees a year or some equally fantastic figure?

44. But my opponent will say, a little less confidently I trust by now but still tender towards his pet fallacy, the producer does not produce entirely or even mainly for export, and surely he would have been better off if he got more rupees for his produce; they would have gone further in the bazar in his purchases of articles other than imported articles, the price of which is not affected by the enhanced price of imported articles which the lower exchange would have caused. I note in passing that many Indian producers for export do in fact take payment in gold imported in exchange. But my reply to this argument is that internal prices are very far from being unaffected by the level of external prices. Consider, for example, the present price of wheat. In some cases the effect of a change in that level may be delayed, but in the long run there always tends to be a constant equilibrium between prices of the various bazar commodities whether imported or not, and if the producer is getting rather more rupees for his produce, the consumer—in this case, be it noted, necessarily the Indian consumer—must be paying more rupees for his purchases whether produced in India or not. So, whatever the producer gains, if he does gain (and his gain would in any case be only a temporary one), is at the expense of the consumer who is in any case an Indian and may be the producer himself in his capacity as a consumer. Where is the gain to India in this? Moreover, to a very large extent the producer in India is also the consumer of his own produce, and it is obvious that in so far as this is the case he is unaffected by a rise or fall in the price of what he produces.

45. But now the final trump card is played against me and I am told triumphantly that the raising of the exchange is a method of indirectly raising taxation. Let us examine this point. The amount of taxation that

has to be raised year by year depends, as this House well knows and as the previous Assembly knew perhaps even better when it was faced year by year with the need for raising additional revenue, entirely on the amount which the Government spends. It is well known that until the budget for the year 1924-25 the Central Government had been compelled in order to make ends meet to increase taxation continually for a considerable number of years. In 1924-25 we were able to present a Budget offering the alternative of a reduction of the salt tax or a reduction of the Provincial contributions. Why were we in a position to offer such a reduction? Partly because the amount of rupees required from the Indian tax-payer to meet external payments was lower owing to the higher average rate of exchange, and partly also because owing to the exchange policy of the Government the level of prices in India had not risen in such a way as to increase the rupee expenditure of the Government. The House, in a somewhat enigmatic manner no doubt, decided against the reduction of Provincial contributions and in favour of the reduction of the salt tax. If by the fiat of this legislature exchange were now suddenly put back to 1s. 4d. as some people desire, not only would a heinous injustice be done to many innocent people who have entered into contracts at prevailing rates, but at best the Government could not offer the country this year an opportunity of reducing the existing scale of taxation or of reducing the Provincial contributions by as much as they might wish, and at worst the question of increasing the salt tax or the imposition of some other form of additional taxation would again have to be faced. It was partly the higher exchange which enabled us to reduce the salt tax a year ago, and it may be—one day or another, I will not prophesy—that the same cause may assist us in reducing the Provincial contributions. I ask the House then: is it the taxpayer's interests which are in the minds of those who want to reduce the ratio to 1s. 4d. forthwith? The answer, Sir, is in the negative, or perhaps I should say that the question does not arise in their minds; there has been no question of considering the taxpayer's interests.

46. I say therefore that neither the producer nor the consumer nor the taxpayer has anything to gain by legislative intervention to reduce the rate of exchange to 1s. 4d. gold from its present level of 1s. 6d. sterling, which for the moment is practically the same as 1s. 6d. gold. I would admit at once that a sudden fall in exchange from 1s. 6d. to 1s. 4d. would put money into the pockets of individuals in Bombay and elsewhere: it would also no doubt for the moment enable the Bombay cotton mills to charge higher prices for their produce at the expense of the consumer. But it would certainly not benefit the consumer nor the wage-earner nor the producer generally, nor would the benefit to the millowner be more than an ephemeral one. The truth is that rapid changes in the rate of exchange may for the moment help this or that section of the community and that arbitrary intervention by the authorities in order either to raise or to lower the rate always needs very strong justification. But what the country as a whole wants is stability—stability first and foremost in internal prices, and next in importance stability of exchange—and after a certain interval it makes little difference either to the exporter or to the importer, either to the producer or to the consumer, what the precise ratio may be at which exchange may stabilise itself provided that it remains fixed at that ratio for a reasonable length of time. On the other hand, it is a considerable disadvantage to the taxpayer in a country which has large payments to make abroad if the rate of exchange is deliberately and artificially depressed.

It means that, among other things, the existing taxes and imposts provide a smaller amount of the external currency in which the external payments have to be made. In other words, more taxes have to be imposed or the date of reduction of taxation has to be postponed. Natural causes connected with world movements of exchange and prices have recently tended to raise the exchange value of the rupee; why should the taxpayer be arbitrarily deprived of this advantage which has come to him from natural causes? Is it not far better to let natural causes continue to operate as the Government of India propose and leave the final decision of the ratio to be determined by the Currency Committee in the light of the further experience which a few more months will give us, when, in addition to dealing with the wider questions which must come before them, the Committee can finally fix the ratio at whatever figure may be most truly in the interests, not of this or that section, not of the producer or the consumer, or the taxpayer, considered in isolation, but in the best interests of India as a whole?

Expenditure.

47. I will now deal with the estimated expenditure for the year 1925-26 and begin with the largest item, Military expenditure. We are providing in our Budget for a gross Military expenditure of 60.26 crores, and a net Military expenditure of 56.25 crores. The House will not fail to observe the close approximation between the figures for our net military expenditure in the last three years which have come under review to-day, namely, the actual expenditure for 1923-24, the revised Budget for 1924-25, and the Budget estimate for 1925-26.

48. But in order to bring out the continuous and substantial reduction which has taken place in our expenditure on Military services, I propose to go back for a moment to 1920-21. Our net Military expenditure in 1920-21 was 87.38 crores; in 1921-22 69.80 crores; in 1922-23 65.27 crores; and in 1923-24 56.23 crores, a figure, it will be observed, well below the figure proposed for that year by the Retrenchment Committee. These are the actual ascertained figures. The expenditure in 1920-21 was inflated by heavy outgoings in connection with the special operations in Waziristan and the North-West Frontier, while in 1921-22 similar abnormal conditions continued but on a reduced scale. The Budget estimate for Military expenditure in 1922-23, which formed the basis for the examination conducted by the Retrenchment Committee, amounted to 67.75 crores. After an exhaustive examination of all the various branches of Military administration, that Committee recommended that the net Budget estimate for 1923-24 should be fixed at 57½ crores, subject to such addition as might be necessary on account of delay in carrying out the proposed changes and of any special expenditure that might be necessary over and above the established charges. The Committee recognised that in the near future there would be a considerable falling off in expenditure in consequence of the liquidation of liabilities arising out of the war, such as gratuities to demobilised officers. They expressed the opinion that the adoption of their recommendations would enable the estimates in subsequent years to be reduced to about 57 crores, and ultimately, should a further fall in prices take place, to 50 crores. But, as stated by the Committee, the Commander-in-Chief was unable to subscribe to this latter expression of opinion.

49. I have already explained to the House that the actual expenditure in 1923-24 proved to be 56½ crores. To this there must be added 3 crores representing the utilisation of stocks without replenishment. For 1924-25 the revised figures point, as I have explained to the House, to a total expenditure of 56.33 crores; but here again there is additional expenditure in kind due to the using up of stores without replenishment amounting to 1.10 crores. For the purposes of comparison with the current year, therefore, the true expenditure of 1923-24 should be taken at 59½ crores and the true expenditure of 1924-25 at 57.43 crores. Once again in 1925-26 we hope to be able to utilise stores without replenishment to a total of 70 lakhs. The estimate of net cash expenditure for the year is 56.25 crores, making a total of 56.95 crores for expenditure in cash and kind taken together.

50. In compiling the Budget for 1925-26 we have to take the actual figures for 1923-24 and the latest revised figures for 1924-25. These give us a basis of compilation which may be regarded as reasonably normal. The estimates for 1925-26 have been under consideration since July last by a Sub-Committee of the Executive Council appointed for this special purpose by His Excellency the Viceroy. As I foreshadowed in my Budget speech a year ago, specially heavy provision is necessary in 1925-26 for terminal charges on account of gratuities to demobilised officers. The amount required for this purpose is 1.71 crores, nearly a crore more than the Revised estimate in the current year. We are, however, approaching the end of these abnormal terminal charges, and we anticipate that in 1926-27 the final balance required to liquidate our total liability will amount to a few lakhs only.

51. If all abnormal items are excluded, the estimates for the established charges of the Army for 1925-26 amount to 55 crores. These estimates include not only 27 lakhs on account of the item introduced for the first time last year in respect of Customs duty on imported stores, but also an entirely new item for charges for stationery and printing for the Army amounting to 13 lakhs transferred from Civil expenditure in accordance with the recommendations of the Public Accounts Committee. The provision for anticipated additional charges on account of the revision of pay and passage allowances for the officers of the Army in India in 1925-26 amounts to 45 lakhs. A special provision of 43 lakhs is included for buildings for the Royal Air Force and for the continuation of building schemes in Waziristan now approaching completion. The expenditure on the purchase of army stores in India and in England has been reduced by about 1.70 crores. In spite of the large and continuous reductions which, as I have shown, we have been able to effect in Army expenditure since 1920-21, and of the further appreciable reduction shown in the estimates for 1925-26, I am happy to say that, subject always to our being spared the necessity for expenditure on those active military operations which are the nightmare of every Finance Member, I confidently look forward to a further important reduction in 1926-27.

52. Before leaving the Military estimates I wish to draw attention once more to the stores account of the Army. At the time when the Retrenchment Committee sat, the amount of money locked up in Military stores was estimated at 20½ crores. This figure has now been reduced by 4 crores to 16½ crores on the 31st March 1925. If our Budget anticipations for 1925-26 are realised, there will be a further reduction by 70 lakhs to approximately 15½ crores on the 31st March 1926. This sum represents

mainly working and mobilisation reserves and the actual balance of stores surplus to requirements will not be of any considerable extent.

53. I have already dealt with the provision to be made for 1925-26 for reduction or avoidance of debt and with the reduction of 57 lakhs in Opium expenditure expected to result from restriction of the cultivated area and reduction of the price to be paid to cultivators of opium. The net expenditure on account of interest on debt and other obligations will be less than in 1924-25 by 97 lakhs owing to a large increase in the amount of interest due on Railway investments and on loans to Provincial Governments. A provision of 16 lakhs is being made for new civil works and a somewhat higher scale of expenditure has also been allowed for under the heads of ordinary maintenance and repairs. This head, however, shows a large decrease owing to a reduction in the special expenditure in Waziristan.

54. I feel particular satisfaction in drawing the attention of the House to the fact that we have been able, concurrently with the reduction we have made in Military expenditure, to provide additional sums quite appreciable in aggregate amount for education, research and other beneficial services both in the General Budget and in the Budgets for the areas directly administered by the Central Government. By way of example, I may mention in particular the restoration of 3 lakhs out of the grant of 5 lakhs for the Indian Research Fund which was suspended two years ago on the recommendation of the Retrenchment Committee; the provision of increased grants for the Islamia College in Peshawar and other colleges in the North-West Frontier Province; additional expenditure for the Forest Research Institute at Dehra Dun; increased grants to the Department of Agriculture for erecting a sugarcane breeding station at Coimbatore, and a larger provision for the Agricultural Institute at Pusa.

55. In connection with the prevention of over-budgetting I draw attention to the fact that we have for the first time this year adopted, as an experimental measure, the system of making lump reductions in some of the more important heads of expenditure to allow for probable savings. The total cut thus made in the estimates of Civil expenditure amounts to 15 lakhs. A similar cut of 2½ lakhs has been made in the Military estimates. We hope that the system can be so developed as to provide an effective check against the possibility of over-estimating to which the Public Accounts Committee has this year devoted considerable attention. When departmental officers frame their Budgets, they naturally provide for the full sanctioned strength, but small savings invariably occur under individual heads of expenditure due mainly to accidental causes such as a temporary shortage of staff, smaller expenditure on leave salaries, and the like. It is impossible to foresee and allow for such savings individually, but in the aggregate they may be considerable. It may be that the particular cuts we have made will not be justified by results, but I have no doubt that on the whole the total reduction will be fully realised. This course is not altogether convenient in that it restricts, and possibly unduly restricts, the opportunity for reappropriation which is frequently necessary in order to meet small casual excesses, and it may have the further inconvenience of forcing us to come before this House for supplementary grants. But the Finance Department will certainly do its best to secure that such supplementary grants shall

not be necessary if it can possibly help it, and when they are really necessary, I feel sure that the House will recognise the fact. I believe the principle is a sound one in itself; it has recently been adopted on the recommendation of the Public Accounts Committee in England in respect of the British Army Estimates, and I confidently hope that it will in the end lead to more accurate budgetting.

56. Our total expenditure including the charge for interest on Railway Should expenditure be capital for 1925-26 is estimated at 130.44 crores shown gross or net? Excluding Railways altogether, it amounts to 101.78 crores. The question whether we should show our expenditure gross or net is an important one in which the Public Accounts Committee this year took considerable interest though in the end for lack of time they had to leave the solution of the problem to their successors. I refer those who are interested to Appendix X to Volume I of the Report of the Public Accounts Committee, dated the 6th September 1924. Briefly the position is as follows. Prior to the year 1907 all receipts and charges were shown gross in the accounts, but in 1907 after discussion with the Secretary of State which had been proceeding for a number of years, the system was introduced of showing gross working expenses as a deduct entry in the case of Railways and taking net receipts only into the Budget. This method was extended later to the Irrigation and the Posts and Telegraphs Departments, and the question has now arisen whether we should extend it to all our Commercial Departments or should revert in all cases to the earlier system of showing expenditure gross.

57. I do not wish at the moment to do more than draw attention to a subject on which much may be said on both sides. The subject is particularly important in connection with the control of the Assembly over the expenditure of the Executive. Under the developed theory of Votes in Supply and of Appropriation, the British Parliament is entitled, and indeed required, to vote all expenditure of every kind (except of course such expenditure as is included in the Consolidated Fund charges and is not voted annually). If Parliament does not vote expenditure gross its control over the expenditure of the Government is weakened, in so far as the latter has receipts which it can use for meeting expenditure and can come to Parliament for authority merely for that part of its expenditure which cannot be met from such receipts. For the purpose therefore of the voting of Demands for Grants, it is desirable that this Assembly should deal with gross expenditure, but when the gross amount of expenditure required is fully explained in the Demands for Grants, there is considerable advantage in dealing mainly with net expenditure in the Budget estimates. The inclusion of the gross working expenses of the Railways, for example, obscures the true facts regarding the real expenditure of the State, and now that the Railway Budget has been separated from the General Budget, there is good reason for excluding all Railway items. The practice of showing our Opium revenue gross has given an exaggerated notion of our dependence on this source of income. If a clear picture is to be given of the true financial position of the country, the receipts from sources other than taxes which are available to meet particular expenditure can with advantage be treated in the Budget statement as a deduct entry. In statement D of the Budget Honourable Members will find the figures of net expenditure and in the Secretary's Explanatory Memorandum a statement of the amount of gross expenditure divided into voted and non-voted respectively, and I trust they will find these of interest.

Revenue.

58. I now turn to the estimates of our revenue. In 1924-25, if we ignore the non-recurring refund of 2·80 crores, our net Customs revenue is now estimated at 47·56 crores. We cannot count on a repetition in 1925-26 of the unusually high receipts from cotton piece-goods, sugar and cotton excise duty, as well as from protective duties. I accordingly place the estimate for 1925-26 at 46·35 crores, or 1·21 crores less than in the current year.

59. In this figure I have made allowance for the effect of the adoption of some minor proposals for reduction in our Customs tariff. These are in the main on the same lines as the proposals which were made in the Finance Bill as originally introduced a year ago, but fell out when the Finance Bill was revised. They include the abolition of the import duty of 2½ per cent. on grain and pulse, the reduction from 15 per cent. to 2½ per cent. *ad valorem* of the duty on reeds, healds, and various other articles, chiefly used in power looms, and finally the modification of the duties at present imposed on petrol in such a way as to fix the duty to be paid by all petrol alike whether imported or home produced at 4 as. a gallon in place of the existing duties of 6 as. a gallon for home produced petrol and 8½ as. a gallon for imported petrol. These proposals are recommended by the Government in the interests of trade, and the House will have an opportunity of considering them in detail when the Finance Bill is taken into consideration. Their effect on our revenues is inconsiderable. I may mention here that we do not propose to invoke the assistance of the Provisional Collection of Taxes Act either in order to bring these proposals into effect before the Finance Bill becomes law or for any other purpose in connection with the Finance Bill this year.

60. On the whole the year 1924-25 has been better for trade than the previous year, though the cotton mill industry has continued somewhat stagnant. But as I have already observed, our original estimate of revenue from Taxes on Income for 1924-25 proved unduly sanguine. For 1925-26, I put the total at 17·35 crores, which is 88 lakhs higher than the Revised estimate for the current year, but still 87 lakhs below the original Budget estimate of that year, and I trust, considerably below the figure which our receipts from Taxes on Income will reach in a year following a period of really good trade.

61. In my Budget speech last year I spoke of a prospective reduction of 2·16 crores in 1925-26 under the head of Salt as compared with the figure of 1924-25. We are justified in assuming that the yield of the salt duty will be a normal one in the coming year, and I now put the revenue at 6·95 crores. This is less by 79 lakhs than the revised figure for 1924-25 which was swollen by collections at the higher rate of duty in force in 1923-24 under the system of credit sales. The fact that the reduction amounts to 79 lakhs only is due to the circumstance, which I have already explained, that 1·31 crores of Salt revenue originally expected to accrue in 1924-25 were thrown back into 1923-24.

62. I have already dealt with our estimates of Opium revenue which amounts to 3·56 crores gross and 1·76 crores net. Our receipts include a non-recurring amount of about 20 lakhs under excise opium resulting from a change in procedure under which Local Governments will take over from us on payment the

stocks of excise opium held in treasuries on the 1st April 1925 and will in future make payment to us on receipt instead of as at present only at the time of sale to the public.

63. The fixed contribution from Railways to general revenues will, as in the present year, be based on the figures of Railways. 1923-24 and amounts to 5.09 crores. In addition, as the House is already aware, we expect to receive some 15 lakhs representing one-third of the excess over 3 crores expected to be transferred to the Railway Reserve. Our total receipts from Railways for 1925-26 are therefore put at 5.24 crores as compared with 5.64 crores in 1924-25.

64. I have explained the estimates of the Posts and Telegraphs Department for 1925-26, but there is one important consequence of the change in our accounting procedure in connection with the treatment of postal and telegraphic stores which I must mention here. Hitherto such stores have been paid for from Revenue at the time of original purchase and credited to a Suspense account within our Revenue account which is cleared when the stores are actually issued either for revenue or capital purposes, a corresponding credit being taken to Revenue. This has been found very inconvenient in practice and our Revenue accounts have been affected by considerable fluctuations in the amount of these stores balances. In some years when stores were purchased for special reasons in larger quantities than usual, our expenditure has been inflated. In the last few years when purchases have been restricted and we have lived on accumulated stocks, the large credit to Revenue was taken as a reduction in our expenditure. This made comparisons over a series of years difficult. We have now decided on the advice of the Auditor General to keep these transactions outside the Revenue account. The immediate effect of this procedure will, however, be that there will be a large credit to Revenue in the course of 1925-26, in respect of the value of stocks held on Revenue account on the 31st March 1925, which is estimated to be 1.24 crores. New stores purchased during the year will, however, no longer be debited to Revenue. The actual addition to Revenue caused by this change of procedure in 1925-26 amounts to about 69 lakhs which represents the estimated value of the net new purchases as we anticipate that the amount of stores in stock and in workshops will be reduced to that figure by the 31st March 1926. But it is clear that in the first year in which the change is made the result must be a non-recurrent receipt of 1.24 crores which will not re-appear in the following years.

65. Under other heads of Revenue I have allowed for a reduction in Other Revenue heads. Interest receipts owing to smaller balances being available for temporary investment, but the Currency receipts are expected to exceed those of 1924-25 by 25 lakhs chiefly because of the larger discount on Treasury Bills issued to the Paper Currency Reserve during the current year.

66. Our estimates of revenue assume a continuance of the practice of appropriating to revenue the interest on the Paper Currency Reserve and the surplus of the Gold Standard Reserve over £40 millions. This practice has now been adopted for several years in succession, and I should not have thought it necessary to dwell on it if its correctness had not recently been challenged in this House. Both the Paper Currency Reserve and the Gold Standard Reserve, though they are kept distinct and have different titles, are in essence Currency Reserves. The profits on the issue of currency are in most countries treated as an

ordinary and legitimate source of income, as for example, in the United Kingdom. But the House will remember that the Babington Smith Committee recommended that so long as *ad hoc* securities in the Paper Currency Reserve remained outstanding, these particular receipts should not be treated as revenue, but should be applied to writing down the *ad hoc* securities. The purpose which the Committee had in mind in making this recommendation was to bring about a steady contraction in the then inflated amount of our paper currency and to earmark a specific source from which such contraction could be paid for. Conditions have now entirely changed and there is no reason to take special steps to contract our currency. Indeed, the same honourable members who have challenged the practice of crediting these receipts to Revenue have been the loudest in their objections to any further contraction of the currency. If these receipts are not treated as revenue and are not applied for the purpose of contracting the currency, the only alternative is to treat them as Capital receipts, and this is indeed the effect of the proposal made by one of my critics that they should be applied to the purchase of Government of India rupee securities in order to replace the *ad hoc* securities. So long as the Government of India has a large capital programme of new expenditure, it would obviously be necessary for it to re-borrow in a new form the amount of money spent on purchasing blocks of securities representing its existing debt for the Paper Currency Reserve. The procedure proposed amounts simply to the substitution of securities purchased in the market for *ad hoc* securities, and as I explained at some length on a previous occasion, there is in essence no difference between the two forms when held as cover for paper currency. Both are in fact nothing more than I. O. U's. of the Government of India held as cover for I. O. U's. payable on demand. The net effect therefore of adopting this suggestion would simply be to increase the amount of our provision out of Revenue for reduction or avoidance of debt, and I observe with interest that the gentleman, who made the proposal, has followed it up by complaining that our provision for reduction or avoidance of debt is already too high.

Surplus.

67. We are now in a position to strike a balance. The total estimated revenue for 1925-26 amounts to 133.68 crores as against an estimated expenditure of 130.44 crores, disclosing a surplus of 3.24 crores. But before considering the nature of this surplus and the use to be made of it I must turn to the subject of Ways and Means.

Ways and Means.

68. The following statement summarises the Ways and Means position in India and England taken together during 1924-25 and 1925-26:—

	[In crores.]	
	Revised, 1924-25.	Budget, 1925-26.
Railway capital outlay	12.9	23.0
Tele. and Posts and Telegraphs capital outlay	3.0	3.7
Discharge of funded debt, debentures, etc.	4.5	11.0
Discharge of Treasury Bills with the public	2.1	...
Loans to, and drawing by, Provincial Govern- ments	12.0	14.0
Miscellaneous outgoings	7.7	...
	42.2	51.7

	[In crores].	
	Revised, 1924-25.	Budget, 1925-26.
Revenue surplus	40	0·7
Rupee loan	13·2	12·0
Cash Certificates	4·6	4·2
Savings Bank deposits and other unfunded debt .	5·1	5·6
Appropriation for reduction or avoidance of debt (including sinking fund payments)	3·8	5·0
Railway Reserve Fund and Railway and Posts and Telegraphs depreciation funds	6·2	4·9
Miscellaneous receipts . . . . .	...	1·4
Reduction of cash balance	5·3	17·9
	<u>42·2</u>	<u>51·7</u>

69. In 1924-25 our total liabilities are considerably less than the Budget estimate. The reduction is mainly due to the failure of the Railways to spend the sum provided for capital outlay. The continued issue of Cash Certificates on the improved terms introduced in April 1923 is estimated to give the satisfactory net receipt of 4·60 crores instead of 1·50 crores as estimated, and our revenue surplus for 1924-25 is better by 3·92 crores. The sum raised by our rupee loan was nearly 7 crores less than the figure assumed in the Budget. It was estimated a year ago that we should close the year 1924-25 with a balance of 18·68 crores. We now anticipate that the balance will be 36·19 crores. Though our balance is larger than we originally anticipated, it nonetheless shows a reduction of about 5·3 crores as compared with our opening balance.

70. For 1925-26 Railway capital outlay is estimated, as the House is aware, at 23 crores. We have also to provide during the year for the maturity of about 3½ crores of 1925 War Bonds. Loans to Provincial Governments mainly for capital development purposes are put at about 14 crores, and about 1½ crores are required for the new Imperial Capital at Delhi. I may mention that the gross outlay to the end of 1924-25 on new Delhi is estimated to amount to 11·26 crores, and the net outlay to 10·94 crores. The first step towards the occupation of the Secretariat was taken in the autumn of 1924 when the Accountant General, Central Revenues, and the Taxation Inquiry Committee were given office accommodation there. The work is now well within sight of completion, and after a year or two this special form of capital expenditure will disappear finally from our Budget.

71. Our position at the end of 1924-25 in regard to balances will be a strong one both in India and in London. In India
Rupee Loan.
 I anticipate that the maximum amount of new money that we shall require to raise by a rupee loan in the open market will be 12 crores, a figure which is well within the amount of the annual savings of India available for investment in Government securities. But as I recently explained to the House, the question of beginning operations for the conversion of early maturing bonds is one which is engaging the close attention of the Government of India. I am not in a position to make any statement on the subject at present, but it is not improbable that when we approach the market for our new rupee loan we shall also put before the public a conversion offer.

72. The last external loan which we issued was in May 1923 when £20 millions sterling of India 4½ per cent. Stock was offered to the public at 90. We were fortunate in our choice of date for this issue, as generally speaking the prices of gilt-edged securities on the London market stood at a higher level at that period than they have done at any time since. In 1924-25 we were able to avoid new external borrowing altogether, and I am glad to be able to say that we have every expectation of repeating this happy abstention again in 1925-26. This will be a particularly satisfactory achievement in that we have to provide in the summer of 1925 for paying off about £2½ million of Great Indian Peninsula Railway guaranteed stock when that Railway is taken over by the State. Apart therefore from the ordinary sinking funds which are operating to repay the sterling debt, we shall thus be converting this amount of India's capital obligations abroad into an internal liability. The nominal total of our external debt will, however, be increased in 1925-26 in consequence of the taking over of the debenture stock of the Great Indian Peninsula Railway to the amount of £3½ million, just as it was increased in 1924-25 by taking over the debenture stock of the East Indian Railway, increases which, as I have already pointed out, do not represent additions to India's external liabilities but simply a change in the form of an existing debt.

73. There has been a strong and continuous demand for rupee exchange throughout the year, and we anticipate that our total remittances, during 1924-25 will amount to £42 millions. We have already remitted about £40 millions, of which about £33 millions have been obtained by the purchase of sterling in India. It has been necessary, in view of the general cash position in India, to transfer the equivalent of £6 millions from the Paper Currency Reserve in India to our treasury balances against a corresponding transfer in London, and for the purposes of the Ways and Means statement we are assuming that the total of such transfers during 1924-25 will amount to £6 millions. For 1925-26 we have taken a figure of £31½ millions for remittances from India.

FINAL PROPOSALS.

74. I remarked in my Budget speech a year ago—and subsequent events fully justified me—that although a Finance Member always desires above all a Budget surplus, he frequently finds it the cause of more embarrassment to him than any other part of his Budget. Once again in 1925-26 we have a surplus to dispose of amounting, as I have already said, to 3.24 crores. The first necessity is to examine the nature of this surplus carefully and see how far it can be regarded as a true recurrent surplus. Thanks to the separation of Railway Finances from General Finances, we are no longer in doubt regarding the permanence of that part of our revenue which represents the contribution from the Railways to the general taxpayer. We have made a satisfactory provision out of revenue for a regular programme of reduction or avoidance of debt, and though there is, as always, much new expenditure which might be regarded as desirable or even urgently necessary out of Central revenues, we have at any rate been able to provide this year for some of the most valuable of the beneficial items of expenditure which had to be dropped during the period of special stress. On the other hand, if it is urged, as it well might be, that an unfavourable monsoon cannot be regarded as an improbable event in this year or next, I can reply that the separation of Railway Finance reduces the influence of the monsoon on our General Budget

figures, that our estimates are not dependent for their realisation on the monsoon's proving an exceptionally good one, and that, if we take a reasonably wide view of the general prospects, we are entitled to hold that India is not altogether without a reservoir of financial power stored against a rainless day.

75. But there are three items on the receipt side of our account which are definitely of a non-recurrent character. I refer to the 1.24 crores credit to Revenue from the issues of postal and telegraphic stores, the final credit of 13 lakhs from enemy ships and about 20 lakhs non-recurrent Opium revenue to all of which I drew attention earlier in the evening. In our Military Budget also we have to make allowance for the fact that the process of eating down our stores is still continuing during 1925-26, and that approximately 70 lakhs of such stores are expected to be consumed during the year without replacement. To the extent of 2.27 crores therefore the surplus as shown above is swollen by receipts of a non-recurrent character. But, on the other hand, we have in our Military Budget 1.71 crores of expenditure in connection with the disbandment of surplus officers, which represents a non-recurrent item of expenditure, and to this extent our normal surplus is made to appear less than it otherwise would be. Taking all these items together, we are justified in concluding that in any case 2.68 crores of the surplus represents a true recurring surplus. I shall no doubt be reminded that the position in regard to exchange introduces a further doubt. The House must, however, remember that now that the Railway Budget is separated from General Finances, exchange transactions in regard to Railways do not affect our General Budget to any appreciable degree. To that extent exchange fluctuations are of less moment to our finances than previously. Moreover, we do not overlook the possibility—I hope the probability—of a continued reduction in our Military expenditure, and we are justified also in looking forward hopefully to a considerable improvement as time goes on in our receipts from Taxes on Income. The Government of India have therefore come to the conclusion that they are justified in making proposals for giving up 2½ crores out of the surplus in favour of whatever claimant or claimants may be held to be deserving.

76. Are there any such claimants, and who are they? It is too late, I fear, for me as Finance Member to put in a claim on behalf of the taxpayer of the future and ask that the sum should be devoted to the reduction of debt. But there are many members I know who would like to see the charges for letters and postcards reduced. I sympathise entirely with the importance which is attached to the cheapening of communications of all kinds, but are we in a position this year to do anything in regard to postal rates? The dictum that taxation of communication is bad taxation applies to the Posts and Telegraphs Department quite as much as to Railways. The Department undertakes some tasks which in many countries are undertaken by private enterprise paying taxes and royalties to the State in return for the concessions granted. There may therefore be some justification for claiming a small contribution to general revenues from the Posts and Telegraphs Department, but it should in no circumstances be more than a small one. The converse, however, is also true. I see no justification for making the general taxpayer pay heavily for the cost of facilitating private correspondence. The Posts and Telegraphs Department is emphatically a business concern which should pay its way. If once we depart from this principle, there is no end to the possible burden which might be imposed on the taxpayer and the task of keeping working

expenses down and securing economical and efficient management is made immensely more difficult. The figures which I have given to the House show that both in the current year and in the next the revenue of the Department does not quite balance the expenditure under the system of commercial accounting. It may be that better trade and further improvement in the direction of economical and efficient management within the Department may enable us to take a different view a year or two hence, but it is clearly impossible to-day to contemplate any reduction in postal charges.

77. Moreover any such reduction could only be made at the expense of our general revenue surplus, that is, at the expense of the other claimants, and whatever else may be said, it is clearly unjust that the Posts and Telegraphs Department should be subsidised at the expense not of the general taxpayer but of the taxpayers of particular Provinces. And this is what is involved in 1925-26, if we devote any part of our surplus to a reduction of postal charges, since such action would limit our capacity to reduce the Provincial contributions.

78. This brings me to the one claimant whose claim by common consent must come first. There is really no room for uncertainty in regard to the position. The Government of India have repeatedly said that their financial policy has been, is being, and will be, directed to the reduction and eventual extinction of the Provincial contribution at the earliest possible date. So long as any of the Provincial contributions are outstanding, we cannot devote our surplus to reduction of postal charges (unless this can be done out of the surplus of the Posts and Telegraphs Department's Budget itself) or to the reduction of Central taxation, without failing to live up to this promise which has been given to the Provinces without qualification. The Provinces were disappointed a year ago. We cannot disappoint them again.

79. At this point I must refer to an item of 63 lakhs representing the contribution from the Government of Bengal which automatically falls due to be paid from 1925-26 onwards, unless the three years' moratorium previously granted is now extended. I have not included this item in the figure of 3.24 crores given as the amount of the surplus. My reason for omitting this is that it could hardly be regarded as part of our normal revenue in 1925-26 by any one who is familiar with its previous history. If the Government of India were still in the position in which they were in 1921 of being unable to balance their Budget without extra taxation, or even if their Budget just balanced but left no surplus over for the reduction of the contributions of other Provinces, the claim of Bengal to an extension of the period of remission of its contribution might not perhaps have been a very strong one. But in view of Bengal's special claim for consideration emphasised by the Joint Select Committee of Parliament, and in view of the fact that we are now in a position to begin the reduction of the contributions of other Provinces, the Government of India after a careful and detailed study of the case have come to the conclusion that Bengal must be given some further respite before being brought into line again with the other Provinces.

80. The Government of India therefore propose that 74 lakhs out of the surplus of 3.24 crores should be kept in hand as a margin against possible disappointments or misadventures during 1925-26, and by way of security against any deterioration in the position of Central finances in 1926-27; that the remainder of the surplus, namely, 2½ crores, should be devoted to the reduction of Provincial contributions and should be applied in accordance

with the order of priority between the Provinces definitely established under the Devolution Rules; and that in addition the contribution of 63 lakhs due from Bengal should be remitted for a further period of three years. The provinces entitled to a share in the 2½ crores in accordance with the Devolution Rules are—

Madras, whose contribution of 348 lakhs will be reduced by 126 lakhs,

United Provinces, whose contribution of 240 lakhs will be reduced by 56 lakhs,

Punjab, whose contribution of 175 lakhs will be reduced by 61 lakhs, and

Burma, whose contribution of 64 lakhs will be reduced by 7 lakhs.

(*An Honourable Member "What about Bombay"*).

81. It is desirable that I should mention a minor point arising in connection with the proposed reduction of the Provincial contributions. When a year ago we passed the Act abolishing the proviso to Section 20 of the Sea Customs Act and Government stores ceased to be imported free of duty, we entered into a temporary arrangement, partly because we were pressed for time, under which in 1924-25 we are repaying to the Provincial Governments the duty on Government stores imported by them. This arrangement is admittedly unsatisfactory. Considerable administrative inconvenience is involved in this system, and it is open to the grave objection that it defeats an essential purpose of Indian policy which was one of the main justifications for the passing of the recent Act, in that, whatever procedure is adopted, it still pays a Provincial Government to buy stores in England and get the duty refunded by the Central Government rather than to buy them in India at the import price *plus* duty. This is unavoidable so long as any refund of duty is permitted. The Government of India are not bound by any promise to continue such refunds, and they propose simultaneously with the reduction or remission of the contributions in the case of the five Provinces concerned to discontinue the refund of duty in their case as from the 1st April 1925. The amount involved is trifling, and does not amount to more than about 20 lakhs for all the nine Provinces together. The only Province where the arrangement is of real importance is Bombay to whom about two-thirds of the 20 lakhs falls to be paid. It might be thought inequitable in present circumstances to refuse to continue the refund of duty in the case of Bombay, but the Government of India propose to take the question up with the Bombay Government as well as with the other Governments to whom refunds will still be payable, with a view to arriving at some solution which will obviate the objections to the existing arrangement.

82. In order to give the House a convenient opportunity of considering the important subject of the reduction of the Provincial contributions, the Government of India propose to bring forward a Resolution inviting the concurrence of the Assembly in the proposals set out in paragraph 80 above. This Resolution will be taken directly after the Finance Bill has been considered and passed.

CONCLUSION.

83. Those whose memory carries them back to the Budgets introduced in the first Assembly in March 1921 and March 1922, and those who have as vivid a recollection as I have of the Budget discussions of March 1923,

cannot fail to be impressed by the contrast between then and now. The members of the first Assembly co-operated unhesitatingly with the Government in the unpopular task of making heavy additions to our taxation in 1921 and 1922. Two years ago when the Budget for 1923-24 was introduced, not only had we to contemplate the picture of five successive years of deficits aggregating nearly 100 crores, but we had still to face a serious gap on the revenue side of the account between our revenue and our expenditure in the year then ahead of us. In spite of drastic retrenchment involving the sacrifice of many useful and desirable objects of expenditure; in spite of the postponement of many items ultimately unavoidable with the certainty that the necessity of meeting them would add to the difficulties of succeeding years; and in spite of the heavy increases in taxation in 1921-22 and 1922-23—we found ourselves once again compelled to ask for the imposition of a further burden. Last year in presenting the Revised estimates for 1923-24 I was able to assure the House that our sacrifices had not been without reward, but it was still not possible to say with certainty that the year would end with an actual surplus of ordinary revenue over ordinary expenditure. Meanwhile in all the nine Provinces financial difficulties were beclouding the bright hopes of those who had been responsible for the initiation of the Reforms. The Provincial Governments and particularly the Ministers on whose shoulders the Reforms have placed the duty of fostering the spread of education and sanitation among the masses of the Indian people and of assisting the agricultural and industrial development of the country found themselves without the financial resources required even to maintain those beneficial services at the level at which they found them.

84. To-day we are in a happier position and we can look back with quiet satisfaction on realised surpluses of substantial amounts both in 1923-24 and in 1924-25, the latter secured in spite of the reduction of the salt tax to the figure at which it stood before the increase made the year before. Better still, for the year now ahead of us we have not merely the prospect of securing a realised surplus once again, but we are also taking a real and substantial step forward towards the eventual extinction of the Provincial contributions, and are thereby giving new hope to those who are working the Reformed Constitution of India in the Provinces and fresh encouragement to devote their energies to the task of building up a new India without the exasperating restrictions imposed by financial penury. For this result we must pay the tribute of thanks which is so justly due to those who went before us. We are now able to appreciate in better perspective the value of the achievements of those who carried the burden in the dark and difficult years immediately succeeding the War. We are reaping to-day some of the fruits of the labours of the first Assembly, of Sir Malcolm Hailey, my predecessor in the office of Finance Member, and of the members of the Retrenchment Committee. I am sure that all of them will feel, on seeing our position to-day, that if the realisation of their hopes has been long deferred, their labours have not been in vain.

85. But if by contrast with the past our position now seems a brighter one, we cannot be blind to the vastness of the work still to be done. Apart from the Bengal contribution, there are still 6½ crores of Provincial contributions between us and the day when the Central Government's Budget can be balanced without assistance from Provincial sources, and the task of reducing the level of Central taxation actively begun. In all countries of the world the war and its aftermath have raised the level of taxation high. Few countries have escaped as lightly as India, but the level of

BUDGET FOR 1925-26.

taxation here is nevertheless much above the pre-war figure. Our disposable surplus in 1925-26 takes us only a step towards our immediate goal. The steep hill which we have painfully climbed has but brought us within distant view of the higher peaks towards which we aspire. We have grounds to-day for sober satisfaction: we have none for premature elation or for any slackening in our endeavour. I can offer India no better motto to-day than my own old family device: *nous travaillerons en esperance*, "we will work in hope".

BASIL P. BLACKETT.

The 28th February 1925.

BUDGET FOR 1925-26.

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Statement comparing the actual Revenue and Expenditure of the Central Government (Imperial Revenue and Expenditure before the Reforms) with the Revised Estimates for each year from 1914-15 to 1923-24.

(See paragraph 11 of speech.)

[In thousands of Rupees.]

	REVISED ESTIMATE.			ACTUALS.		
	Revenue.	Expenditure.	Surplus (+) Deficit (-).	Revenue.	Expenditure.	Surplus (+) Deficit (-).
1914-15 . .	74,89,38	79,07,25	-4,17,87	76,15,35	78,83,14	-2,67,79
1915-16 . .	78,89,08	81,58,21	-2,69,13	80,00,96	81,79,26	-1,78,30
1916-17 . .	97,25,67	88,27,37	+8,98,30	98,53,10	87,31,37	+11,21,73
1917-18 . .	1,14,84,48	1,06,27,74	+8,56,74	1,18,70,58	1,06,57,52	+12,13,06
1918-19 . .	1,27,94,65	1,34,79,88	-6,85,23	1,30,40,66	1,36,13,72	-5,73,06
1919-20 . .	1,44,07,56	1,59,18,67	-15,11,11	1,37,13,98	1,60,79,27	-23,65,29
1920-21 . .	1,35,10,35	1,48,03,61	-12,93,26	1,35,63,32	1,61,64,17	-26,00,85
1921-22 . .	1,13,15,32	1,41,94,52	-28,79,20	1,15,21,50	1,42,86,52	-27,65,02
1922-23 . .	1,20,70,17	1,37,95,52	-17,25,35	1,21,41,29	1,36,43,05	-15,01,76
1923-24 . .	1,31,96,04	1,29,89,97	+2,06,07	1,33,16,63	1,30,77,63	+2,39,00

Budget

of the

Government of India,

February 1925

ACCOUNTS	1923-24
REVISED ESTIMATES	1924-25
BUDGET ESTIMATES	1925-26

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I.--General Statement of the Revenue and Expenditure charged to

	For details, vide State- ment.	Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
		Rs.	Rs.	Rs.	Rs.
Revenue--					
Principal Heads of Revenue--					
Customs	A	59,69,64,296	45,01,82,000	44,76,24,000	46,35,00,000
Taxes on Income	"	18,23,55,516	18,21,97,000	16,47,26,000	17,34,87,000
Salt	"	10,01,50,870	9,04,62,000	7,73,78,000	6,95,00,000
Opium	"	4,24,81,654	4,33,00,000	3,68,30,000	3,55,85,000
Other Heads	"	2,28,16,225	2,22,32,000	2,08,21,000	2,23,14,000
TOTAL PRINCIPAL HEADS.		74,48,08,161	78,84,33,000	74,73,99,000	76,43,86,000
Railways : Net Receipts (as per Railway Budget)		32,69,42,303	29,74,93,000	34,19,37,000	33,89,44,000
Irrigation : Net Receipts	A	10,54,064	12,47,000	8,91,000	10,42,000
Posts and Telegraphs : Net Receipts	"	96,12,587	1,07,41,000	91,14,000	68,11,000
Interest Receipts	"	3,16,59,620	3,17,25,000	3,79,59,000	3,60,45,000
Civil Administration	"	68,51,282	72,01,000	70,70,000	72,60,000
Currency and Mint	"	3,12,73,991	3,63,86,000	3,94,93,000	4,08,07,000
Civil Works	"	37,65,245	12,36,000	12,12,000	10,18,000
Miscellaneous	"	94,78,156	67,48,000	33,50,000	43,21,000
Military Receipts	"	4,81,56,357	2,75,16,000	4,16,96,000	4,01,17,000
Provincial Contributions and miscellaneous adjustments between Central and Pro- vincial Governments	"	9,21,54,718	9,22,11,000	9,25,16,000	6,72,14,000
Extraordinary Items	"	2,59,65,851	...	2,55,89,000	38,33,000
TOTAL REVENUE		1,33,16,63,365	1,30,69,37,000	1,34,82,26,000	1,31,17,97,000
DEFICIT . . . . .		...	...	...	...
TOTAL		1,33,16,63,365	1,30,69,37,000	1,34,82,26,000	1,31,17,97,000

DELHI.

FINANCE DEPARTMENT,
The 28th February 1925.

M. F. GAUNTLETT,

Auditor General.

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

	For details, vide Statement,	Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
		Rs.	Rs.	Rs.	Rs.
Expenditure—					
Direct Demands on the Revenues	B	5,44,04,114	5,54,12,000	5,55,62,000	5,38,91,000
Forest and other Capital outlay charged to Revenue . . . . .	"	...	...	21,11,000	32,93,000
Railways: Interest and Miscellaneous Charges (as per Railway Budget)	"	26,25,21,458	25,16,79,000	28,55,02,000	28,65,70,000
Irrigation	B	16,42,139	22,85,000	21,94,000	17,79,000
Posts and Telegraphs	"	25,37,942	—11,00,000	—62,000	—28,17,000
Debt Services	"	17,33,41,971	18,32,51,000	17,92,04,000	18,18,06,000
Civil Administration	"	9,33,97,308	9,80,28,000	10,26,87,000	10,97,98,000
Currency and Mint	"	99,07,358	77,31,000	73,20,000	73,47,000
Civil Works	"	1,70,31,590	2,06,50,000	1,93,27,000	1,68,47,000
Miscellaneous	"	4,46,49,882	4,58,73,000	4,47,95,000	4,01,91,000
Military Services	"	61,04,31,760	63,00,16,000	60,49,96,000	60,26,17,000
Miscellaneous adjustments between the Central and Provincial Governments	"	37,93,778	22,65,000	56,32,000	15,74,000
Extraordinary Items	"	3,40,96,207	...	...	25,00,000
TOTAL EXPENDITURE CHARGED TO REVENUE		1,30,77,63,547	1,29,90,90,000	1,30,82,68,000	1,30,43,96,000
SURPLUS		2,88,99,758	18,47,000	3,99,58,000	74,01,000
TOTAL		1,33,16,63,305	1,30,09,37,000	1,34,82,26,000	1,31,17,97,000

H. DENNING,

Controller of the Currency.

A. C. McWATTERS,

Secretary to the Government of India.

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

	For details, vide Statement.	RECEIPTS.			
		Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
		Rs.	Rs.	Rs.	Rs.
Surplus	C	2,38,99,758	18,47,000	3,99,58,000	74,01,000
Railway Capital not charged to Revenue—					
Capital contributed by Railway Companies and Indian States towards construction of State Railways (as per Railway Budget)		-1,02,94,634	-27,71,65,000	-27,65,45,000	-3,71,30,000
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	C	37,13,70,540	36,85,62,000	30,05,83,000	8,95,14,000
Floating Debt (net incurred)	"	...	...	...	...
Unfunded Debt (net incurred).	"	9,80,06,571	7,51,45,000	9,67,35,000	9,80,21,000
Deposits and Advances (net)	"	7,19,17,040	15,42,67,000	2,48,33,000	9,03,08,000
Loans and Advances by Central Government (net Repayments)	"	...	6,70,000	...	...
Railway Depreciation and Reserve Funds as per Railway Budget (net)	"	...	...	6,19,65,000	4,51,68,000
Remittances (net)	"	...	1,38,000	1,07,67,000	...
Balances of Provincial Governments (net)	"	3,67,86,092	...	...	...
TOTAL DEBT, DEPOSITS AND ADVANCES	...	57,83,80,243	59,87,82,000	49,48,83,000	32,30,11,000
TOTAL RECEIPTS	...	59,16,85,317	32,94,64,000	25,82,96,000	27,32,82,000
Opening Balance—India	...	25,95,80,424	23,77,01,424	31,13,62,292	24,26,92,292
England	...	9,82,19,688	7,63,05,688	10,33,42,476	11,91,73,476
TOTAL	...	94,94,85,429	69,74,71,112	67,35,00,768	63,51,47,768

M. F. GAUNTLETT,
Auditor General.

DELHI,
FINANCE DEPARTMENT,
The 23rd February 1925.

BUDGET FOR 1925-26.

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Central Government, in India and in England.

	For details, vide Statement.	DISBURSEMENTS.			
		Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
		Rs. ...	Rs. ...	Rs. ...	Rs. ...
Deficit.	C				
Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—					
Construction of State Railways (as per Railway Budget)	"	20,79,98,472	30,00,00,000	12,85,00,000	23,00,00,000
Redemption of Liabilities involved in the purchase of Railways (as per Railway Budget)	"	...	...	...	3,43,33,000
Construction of Irrigation Works	"	13,104	...	16,000	27,000
Capital outlay on Posts and Telegraphs	"	75,21,560	1,73,95,000	1,64,98,000	2,13,53,000
Initial expenditure on new Capital at Delhi	"	1,54,73,652	1,47,00,000	1,37,00,000	1,55,00,000
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	...	23,10,06,788	33,20,95,000	15,87,14,000	30,12,13,000
Debt, Deposits and Advances.					
Permanent Debt (net discharged)	C	...	...	...	...
Floating Debt (net discharged)	"	19,46,70,000	2,13,00,000	2,12,20,000	...
Deposits and Advances (net)	"	...	...	...	...
Loans and Advances by Central Government (net Advances)	"	3,24,930	...	1,17,01,000	14,79,30,000
Loans between Central and Provincial Governments (net Advances)	"	10,12,11,803	12,72,62,000	9,39,20,000	...
Remittances (net)	"	70,67,140	...	...	9,65,000
Balances of Provincial Governments (net)	"	...	3,00,23,000	2,60,80,000	18,18,000
TOTAL DEBT, DEPOSITS AND ADVANCES	...	30,32,73,873	17,85,85,000	15,29,21,000	15,07,13,000
TOTAL DISBURSEMENTS	...	53,42,80,661	51,06,80,000	31,16,35,000	45,19,26,000
Closing Balance—India	...	31,13,62,292	13,87,36,424	24,26,92,292	13,13,10,292
England	...	10,38,42,476	4,80,54,688	11,91,73,476	5,19,11,476
TOTAL	...	94,94,85,429	69,74,71,112	67,35,06,768	63,51,47,768

H. DENNING,
Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

A.—Statement of the Revenue of the

HEADS OF REVENUE.	ACCOUNTS, 1923-24.				Item Number.
	India.	England.	Exchange.	TOTAL.	
Principal Heads of Revenue—	Rs.	Rs.	Rs.	Rs.	
I.—Customs	39,69,64,296	...	...	39,69,64,296	1
II.—Taxes on Income	18,23,55,516	...	...	18,23,55,516	2
III.—Salt	10,01,50,870	...	...	10,01,50,870	3
IV.—Opium	4,24,81,654	...	...	4,24,81,654	4
V.—Land Revenue	43,05,972	...	...	43,05,972	5
VI.—Excise	48,24,895	...	...	48,24,895	6
VII.—Stamps—					
A.—Non-judicial	8,91,390	...	...	8,91,390	7
B.—Judicial	18,80,507	...	...	18,80,507	8
VIII.—Forest	21,20,378	...	...	21,20,378	9
IX.—Registration	1,55,779	...	...	1,55,779	10
X.—Tributes from Indian States	66,77,304	...	...	66,77,304	11
TOTAL	74,48,68,561	...	...	74,48,68,561	12
Irrigation, etc.—					
XIII.—Works for which Capital accounts are kept—Gross Receipts	19,80,951	...	...	19,80,951	13
Deduct—Working Expenses	9,60,724	91	39	9,60,854	14
Net Receipts	10,20,227	—91	—39	10,20,097	15
XIV.—Works for which no Capital accounts are kept	33,967	...	...	33,967	16
TOTAL	10,54,194	—91	—39	10,54,064	17
Posts and Telegraphs—					
XV.—Gross Receipts	10,07,79,139	16,68,677	7,66,505	10,32,14,321	18
Deduct—Working Expenses	9,11,24,647	17,22,367	7,54,320	9,38,01,334	19
Net Receipts	96,54,492	—53,690	12,185	96,12,967	20
Debt Services—					
XVI.—Interest	82,72,484	1,60,83,154	73,03,982	3,16,59,620	21
Carried over	76,37,59,731	1,60,29,373	73,16,129	78,71,35,232	

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

REVISED ESTIMATE, 1924-25.

Item Number.	India.	England.	Exchange.	TOTAL.
	Rs.	Rs.	Rs.	Rs.
1	44,76,44,000	...	...	44,76,44,000
2	16,50,00,000	-2,00,000	-74,000	16,47,26,000
3	7,73,78,000	...	...	7,73,78,000
4	3,68,30,000	...	...	3,68,30,000
5	38,43,000	...	...	38,43,000
6	42,83,000	...	...	42,83,000
7	8,53,000	...	...	8,53,000
8	18,38,000	...	...	18,38,000
9	13,06,000	...	...	13,06,000
10	1,63,000	...	...	1,63,000
11	85,35,000	...	...	85,35,000
12	74,76,73,000	-2,00,000	-74,000	74,73,99,000
13	18,88,000	...	...	18,88,000
14	9,46,000	40,000	15,000	10,01,000
15	9,42,000	-40,000	-15,000	8,87,000
16	4,000	...	...	4,000
17	9,46,000	-40,000	-15,000	8,91,000
18	10,34,97,000	8,20,000	3,04,000	10,46,21,000
19	9,37,55,000	12,78,000	4,74,000	9,55,07,000
20	97,42,000	-4,58,000	-1,70,000	91,14,000
21	90,30,000	2,10,94,000	78,35,000	3,79,59,000
22	76,73,91,000	2,03,96,000	75,76,000	79,53,63,000

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

Increase (+) Decrease (-) as compared with Budget Estimate, 1924-25.	BUDGET ESTIMATE, 1925-26.		Item Number.
	India.	England.	
Rs.	Rs.	Rs.	
-25,38,000	46,35,00,000	...	1
-1,74,71,000	17,40,21,000	4,00,000	2
-1,30,84,000	6,95,00,000	...	3
-65,30,000	3,55,85,000	...	4
-1,19,000	38,44,000	...	5
-2,70,000	41,23,000	...	6
-52,000	8,61,000	...	7
+16,000	18,56,000	...	8
-8,90,000	26,48,000	...	9
+20,000	1,63,000	...	10
-1,16,000	85,19,000	...	11
-4,10,34,000	76,49,20,000	-4,00,000	12
-3,20,000	20,57,000	...	13
-32,000	9,21,000	76,000	14
-3,52,000	11,86,000	-76,000	15
-4,000	7,000	...	16
-8,56,000	11,43,000	-76,000	17
-14,33,000	10,74,42,000	5,40,000	18
-1,94,000	10,00,94,000	9,43,000	19
-16,27,000	73,48,000	-4,03,000	20
+62,34,000	97,91,000	1,96,90,000	21
-3,67,63,000	78,32,02,000	1,87,11,000	

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

BUDGET FOR 1925-26.

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Central Government, in India and in England.

Item Number.	BUDGET ESTIMATE, 1925-26.		Increase (+) Decrease (-) as compared with Revised, 1924-25.	HEADS OF REVENUE.
	Exchange.	TOTAL.		
	Rs.	Rs.	Rs.	
1	...	46,35,00,000	+1,58,56,000	Principal Heads of Revenue—
2	—1,31,000	17,34,87,000	+87,61,000	I.—Customs.
3	...	6,95,00,000	—78,78,000	II.—Taxes on Income.
4	...	3,55,85,000	—12,45,000	III.—Salt.
5	...	38,24,000	+1,000	IV.—Opium.
6	...	44,23,000	+1,40,000	V.—Land Revenue.
7	...	8,61,000	+8,000	VI.—Excise.
8	...	18,56,000	+18,000	VII.—Stamps—
9	...	26,48,000	+13,22,000	A.—Non-judicial.
10	...	1,63,000	...	B.—Judicial.
11	...	85,19,000	—16,000	VIII.—Forest.
12	—1,34,000	76,43,86,000	+1,69,87,000	IX.—Registration.
				X.—Tributes from Indian States.
				TOTAL.
13	...	20,57,000	+1,69,000	Irrigation, etc.—
14	25,000	10,22,000	—21,000	XIII.—Works for which Capital accounts are kept—Gross Receipts.
15	—25,000	10,35,000	+1,48,000	Deduct—Working Expenses.
16	...	7,000	+3,000	Net Receipts.
17	—25,000	10,42,000	+1,51,000	XIV.—Works for which no Capital accounts are kept.
18	1,80,000	10,81,62,000	+35,41,000	TOTAL.
19	3,14,000	10,13,51,000	—58,44,000	Posts and Telegraphs—
20	—1,34,000	68,11,000	—23,03,000	XV.—Gross Receipts.
21	65,63,000	3,60,44,000	—19,15,000	Deduct—Working Expenses.
	62,70,000	80,82,83,000	+1,29,20,000	Net Receipts.
				Debt Services—
				XVI.—Interest.
				Carried over.

BUDGET FOR 1925-26.

A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	ACCOUNTS, 1923-24.				Item Number.
	India.	England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.	Rs.	
Brought forward	76,87,69,731	1,60,29,373	73,16,128	78,71,35,232	
Civil Administration—					
XVII.—Administration of Justice	4,37,748	...	...	4,37,748	1
XVIII.—Jails and Convict Settlements	7,17,750	...	...	7,17,750	2
XIX.—Police	1,33,325	...	...	1,33,325	3
XX.—Ports and Pilotage	21,83,144	...	...	21,83,144	4
XXI.—Education	1,49,206	...	...	1,49,206	5
XXII.—Medical	2,76,464	...	...	2,76,464	6
XXIII.—Public Health	1,57,093	...	...	1,57,093	7
XXIV.—Agriculture	8,40,656	...	...	8,40,656	8
XXV.—Industries	420	...	...	420	9
XXVI.—Miscellaneous Departments	19,55,486	...	...	19,55,486	10
TOTAL	68,51,292	...	...	68,51,292	11
Currency and Mint—					
XXVII.—Currency	2,73,85,906	14,84,451	6,69,617	2,95,39,974	12
XXVIII.—Mint	17,83,972	31	14	17,84,017	13
TOTAL	2,91,19,878	14,84,482	6,69,631	3,12,73,991	14
Civil Works—					
XXX.—Civil Works	37,05,245	...	...	37,05,245	15
Miscellaneous—					
XXXIII.—Receipts in aid of Superannuation	30,10,977	3,64,081	1,69,403	35,44,461	16
XXXIV.—Stationery and Printing	13,34,927	6,515	2,923	13,44,365	17
XXXV.—Miscellaneous	4,36,522	29,42,205	12,10,633	45,89,360	18
TOTAL	47,82,426	33,12,801	13,82,959	94,78,186	19
Carried over	80,82,48,572	2,06,26,656	93,68,718	83,84,43,946	

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

REVISED ESTIMATE, 1924-25.

Item Number.	India.	England.	Exchange.	TOTAL.
	Rs.	Rs.	Rs.	Rs.
	76,73,91,000	2,03,96,000	75,76,000	79,53,63,000
1	4,40,000	...	...	4,40,000
2	5,53,000	...	...	5,53,000
3	88,000	...	...	88,000
4	24,11,000	...	...	24,11,000
5	1,67,000	...	...	1,67,000
6	1,23,000	...	...	1,23,000
7	1,80,000	...	...	1,80,000
8	9,73,000	...	...	9,73,000
9	...	...	...	...
10	21,35,000	...	...	21,35,000
11	70,70,000	...	...	70,70,000
12	2,86,58,000	52,30,000	19,32,000	3,57,90,000
13	37,02,000	1,000	...	37,03,000
14	3,23,60,000	52,01,000	19,32,000	3,94,93,000
15	12,12,000	...	...	12,12,000
16	15,62,000	3,44,000	1,28,000	20,34,000
17	9,39,000	7,000	3,000	9,49,000
18	-15,000	2,79,000	1,03,000	3,67,000
19	24,86,000	6,30,000	2,34,000	33,50,000
	81,03,19,000	2,62,27,000	97,42,000	84,64,88,000

Increase (+) Decrease (-) as compared with Budget Estimate, 1924-25.	BUDGET ESTIMATE, 1925-26.		Item Number.
	India.	England.	
Rs.	Rs.	Rs.	
-3,67,83,000	73,32,02,000	1,88,11,000	
-7,000	4,41,000	...	1
-2,31,000	5,89,000	...	2
-10,000	83,000	...	3
+1,62,000	24,24,000	...	4
+37,000	1,23,000	...	5
+14,000	1,21,000	...	6
+1,00,000	1,80,000	...	7
-57,000	9,52,000	...	8
...	...	...	9
-1,39,000	23,37,000	...	10
-1,81,000	72,60,000	...	11
+10,51,000	3,09,41,000	55,00,000	12
+20,56,000	25,31,000	1,000	13
+31,07,000	3,34,72,000	55,01,000	14
-24,000	10,18,000	...	15
-4,41,000	15,39,000	3,17,000	16
+86,000	11,27,000	6,000	17
-30,43,000	7,07,000	3,88,000	18
-33,96,000	33,73,000	7,11,000	19
-3,72,29,000	82,83,25,000	2,50,23,000	

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

Government, in India and in England—contd.

Item Number.	BUDGET ESTIMATE, 1925-26.		Increase (+) Decrease (-) as compared with Revised, 1924-25.	HEADS OF REVENUE.
	Exchange.	TOTAL.		
	Rs.	Rs.	Rs.	
	62,70,000	80,82,83,000	+1,29,20,000	Brought forward.
				Civil Administration—
1	...	4,41,000	+1,000	XVII.—Administration of Justice.
2	...	5,89,000	+36,000	XVIII.—Jails and Convict Settlements.
3	...	88,000	...	XIX.—Police.
4	...	24,24,000	+13,000	XX.—Ports and Pilotage.
5	...	1,28,000	-39,000	XXI.—Education.
6	...	1,21,000	-2,000	XXII.—Medical.
7	...	1,80,000	...	XXIII.—Public Health.
8	...	9,52,000	-21,000	XXIV.—Agriculture.
9	...	...	...	XXV.—Industries.
10	...	23,37,000	+2,02,000	XXVI.—Miscellaneous Departments.
11	...	72,60,000	+1,90,000	TOTAL.
				Currency, and Mint—
12	18,34,000	3,82,75,000	+24,85,000	XXVII.—Currency
13	...	25,32,000	-11,71,000	XXVIII.—Mint.
14	18,34,000	4,08,07,000	+13,14,000	TOTAL.
				Civil Works—
15	...	10,18,000	-1,94,000	XXX.—Civil Works.
				Miscellaneous—
16	1,06,000	19,62,000	-72,000	XXXIII.—Receipts in aid of Superannuation.
17	2,000	11,35,000	+1,86,000	XXXIV.—Stationery and Printing.
18	1,29,000	12,24,000	+8,57,000	XXXV.—Miscellaneous.
19	2,37,000	43,21,000	+9,71,000	TOTAL.
	83,41,000	86,16,89,000	+1,52,01,000	Carried over.

BUDGET FOR 1925-26.

A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	ACCOUNTS, 1923-24.				Item Number.
	India	England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.	Rs.	
Brought forward	50,52,48,572	2,08,26,636	93,68,718	53,54,48,946	
Military Receipts—					
XXXVI.—Army—					
Effective	2,91,02,023	36,00,935	16,30,042	3,43,33,000	20
Non-effective	15,36,491	11,99,288	5,54,520	32,90,299	21
	3,06,38,514	48,00,223	21,84,562	3,76,23,299	22
XXXVII.—Marine	24,73,367	...	...	24,73,367	23
XXXVIII.—Military Engineer Services	80,59,731	...	...	80,59,731	24
TOTAL	4,11,71,612	48,00,223	21,84,562	4,81,56,397	25
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—					
XXXIX.—Contributions to the Central Government by Provincial Governments	9,20,00,000	...	...	9,20,00,000	26
XXXIXA—Miscellaneous adjustments between the Central and Provincial Governments	1,54,718	...	...	1,54,718	27
TOTAL	9,21,54,718	...	...	9,21,54,718	28
Extraordinary Items—					
XI.—Extraordinary Receipts	18,75,963	1,67,50,000	73,39,888	2,59,65,851	29
Railway Revenues as per Railway Budget	32,44,09,540	17,09,216	8,23,637	32,69,42,393	30
TOTAL REVENUE	1,26,78,60,405	4,40,86,095	1,97,16,505	1,33,16,63,305	31

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

REVISED ESTIMATE, 1924-25.

Item Number.	India.	* England.	Exchange.	TOTAL.
	Rs.	Rs.	Rs.	Rs.
	81,05,19,000	2,62,27,000	97,42,000	84,64,88,000
20	2,82,71,000	49,63,000	18,43,000	3,50,77,000
21	10,97,000	10,65,000	3,96,000	25,58,000
22	2,93,68,000	60,23,000	22,39,000	3,76,35,000
23	12,75,000	...	...	12,75,000
24	27,86,000	...	...	27,86,000
25	3,34,29,000	60,23,000	22,39,000	4,16,96,000
26	9,20,12,000	...	...	9,20,12,000
27	5,04,000	...	...	5,04,000
28	9,25,16,000	...	...	9,25,16,000
29	51,000	1,86,00,000	69,08,000	2,55,89,000
30	33,91,81,000	20,10,000	7,46,000	34,19,37,000
31	1,27,57,26,000	5,28,65,000	1,96,35,000	1,34,82,26,000

Increase (+) Decrease (-) as compared with Budget Estimate, 1924-25.	BUDGET ESTIMATE, 1925-26.		Item Number.
	India.	England.	
Rs.	Rs.	Rs.	
-3,72,29,000	82,53,25,000	2,50,23,000	
+1,36,71,000	2,37,93,000	29,93,000	20
+26,000	9,51,000	10,75,000	21
+1,36,97,000	2,47,44,000	40,68,000	22
-2,17,000	9,33,000	...	23
+7,00,000	90,16,000	...	24
+1,41,80,000	3,46,93,000	40,68,000	25
...	6,70,12,000	...	26
+3,05,000	2,02,000	...	27
+3,05,000	6,72,14,000	...	28
+2,55,89,000	...	23,75,000	29
+4,44,44,000	84,13,64,000	-18,15,000	30
+4,72,89,000	1,27,15,96,000	3,01,51,000	31

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

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

Item Number.	BUDGET ESTIMATE, 1925-26.		Increase (+) Decrease (-) as compared with Revised, 1924-25.	HEADS OF REVENUE.
	Exchange.	TOTAL.		
	Rs.	Rs.		
	83,41,000	86,16,59,000	41,52,01,000	Brought forward.
				Military Receipts—
				XXXVI.—Army—
				Effective.
20	9,98,000	2,77,84,000	-72,93,000	Non-effective.
21	3,58,000	23,84,000	-1,74,000	
22	13,56,000	3,01,68,000	-74,67,000	
23	...	9,33,000	-3,42,000	XXXVII.—Marine.
24	...	90,16,000	+62,30,000	XXXVIII.—Military Engineer Services.
25	13,56,000	4,01,17,000	-15,79,000	TOTAL.
				Provincial Contribution and miscellaneous adjustments between Central and Provincial Governments—
26	...	6,70,12,000	-2,50,00,000	XXXIX.—Contributions to the Central Government by Provincial Governments.
27	...	2,02,000	-3,01,000	XXXIXA.—Miscellaneous adjustments between the Central and Provincial Governments.
28	...	6,72,14,000	-2,53,02,000	TOTAL.
				Extraordinary Items—
29	9,58,000	38,33,000	-2,17,56,000	XL.—Extraordinary receipts.
30	-6,05,000	33,89,44,000	-29,93,000	Railway Revenues as per Railway Budget
31	1,00,50,000	1,31,17,97,000	-3,64,29,000	TOTAL REVENUE

B.—Statement of the Expenditure charged to the Revenues

HEADS OF EXPENDITURE.	ACCOUNTS, 1923-24				Item Number.
	India.	England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.	Rs.	
Direct Demands on the Revenues—					
1.—Customs	69,47,200	1,29,010	59,478	71,35,688	1
2.—Taxes on Income	62,26,438	28,031	12,955	62,67,424	2
3.—Salt	1,35,35,796	51,399	23,791	1,36,11,986	3
4.—Opium	2,58,09,228	47,722	22,609	2,58,79,559	4
5.—Land Revenue	10,51,443	44,248	20,582	11,16,273	5
6.—Excise	2,27,443	...	...	2,27,443	6
7.—Stamps—					
A.—Non-judicial					
B.—Judicial	—39,47,618	2,96,191	1,62,339	—34,89,088	7
8.—Forests	30,17,348	4,15,217	1,92,767	36,25,332	8
9.—Registration	29,497	...	...	29,497	9
TOTAL	5,28,96,775	10,12,818	4,94,521	5,44,04,114	11
Forest and other Capital outlay charged to Revenue—					
2A.—Capital outlay on Salt Works . . . . .	...	...	...	...	12
7A.—Capital outlay on Security Printing Press . . . . .	...	...	...	...	13
TOTAL . . . . .	...	...	...	...	14
Irrigation, etc., Revenue Account—					
14.—Works for which Capital accounts are kept—					
Interest on Debt	11,92,750	...	...	11,92,750	15
15.—Other Revenue Expenditure	2,27,055	65,962	30,796	3,23,803	16
TOTAL	14,19,805	65,962	30,796	15,16,533	17
Carried over	5,43,16,580	10,78,780	5,25,807	5,59,20,667	

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

REVISED ESTIMATE, 1924-25.				
Item Number.	India.	England.	Exchange.	TOTAL.
	Rs.	Rs.	Rs.	Rs.
1	76,36,000	11,65,000	61,000	78,62,000
2	59,16,000	89,000	33,000	60,38,000
3	1,25,43,000	73,000	27,000	1,26,43,000
4	2,36,63,000	65,000	24,000	2,37,57,000
5	12,23,000	10,000	4,000	12,42,000
6	2,31,000	5,000	2,000	2,38,000
7	-894,000	3,30,000	1,23,000	-4,41,000
8	2,71,000	...	...	2,71,000
9	25,79,000	2,49,000	92,000	29,20,000
10	32,000	...	...	32,000
11	5,32,10,000	9,86,000	3,66,000	5,45,62,000
12	10,06,000	...	...	10,06,000
13	9,82,000	93,000	33,000	11,05,000
14	19,88,000	90,000	33,000	21,11,000
15	12,41,000	...	...	12,41,000
16	8,03,000	25,000	9,000	8,37,000
17	20,44,000	25,000	9,000	20,78,000
	5,72,42,000	11,01,000	4,02,000	5,87,51,000

Increase (+) Decrease (-) as compared with Budget, 1924-25.	BUDGET ESTIMATE, 1925-26.		Item Number.
	India.	England.	
Rs.	Rs.	Rs.	
-3,61,000	81,61,000	2,01,000	1
-4,81,000	65,40,000	87,000	2
-18,92,000	1,35,41,000	72,000	3
+28,49,000	1,79,54,000	56,000	4
-95,000	14,15,000	17,000	5
-23,000	4,15,000	18,000	6
-3,45,000	-8,69,000	80,000	7
+2,000	15,71,000	...	8
-4,94,000	31,20,000	2,24,000	9
-5,000	37,000	...	10
-8,50,000	5,18,85,000	7,55,000	11
+10,06,000	14,93,000	...	12
+11,05,000	13,13,000	3,65,000	13
+21,11,000	28,06,000	3,65,000	14
...	12,50,000	...	15
-86,000	3,00,000	29,000	16
-86,000	15,50,000	29,000	17
+11,75,000	5,62,41,000	11,49,000	

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

of the Central Government, in India and in England.

BUDGET ESTIMATE, 1925-26.				HEADS OF EXPENDITURE.
Item Number.	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Revised, 1924-25.	
	Rs.	Rs.	Rs.	
1	67,000	84,29,000	+ 5,67,000	Direct Demands on the Revenues—
2	29,000	66,56,000	+ 6,18,000	1.—Customs.
3	24,000	1,36,37,000	+ 9,94,000	2.—Taxes on Income.
4	19,000	1,80,29,000	-57,28,000	3.—Salt.
5	6,000	14,38,000	+ 1,96,000	4.—Opium.
6	6,000	4,39,000	+ 2,01,000	5.—Land Revenue.
7	26,000	-7,63,000	-3,22,000	6.—Excise.
8	...	15,71,000	+ 13,00,000	7.—Stamps—
9	74,000	34,18,000	+ 4,98,000	A.—Non-judicial.
10	...	37,000	+ 5,000	B.—Judicial.
11	2,51,000	5,28,91,000	-16,71,000	8.—Forests.
				9.—Registration.
				- TOTAL
				Forest and other Capital outlay charged to Revenue—
12	...	14,93,000	+ 4,87,000	3A.—Capital outlay on Salt Works.
13	1,22,000	18,00,000	+ 6,95,000	7A.—Capital outlay on Security Printing Press.
14	1,22,000	32,93,000	+ 11,82,000	TOTAL
				Irrigation, etc., Revenue Account—
15	...	12,50,000	+ 9,000	14.—Works for which Capital accounts are kept—
16	10,000	3,39,000	-4,98,000	Interest on Debt.
17	10,000	15,89,000	- 4,89,000	15.—Other Revenue Expenditure.
				TOTAL
	3,83,000	5,77,73,000	-9,78,000	Carried over

B.—Statement of the Expenditure charged to the Revenues

HEADS OF EXPENDITURE.	ACCOUNTS, 1923-24.				Item Number.
	India.	England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.	Rs.	
Brought forward	5,43,16,580	10,78,780	5,25,207	5,59,20,667	
Irrigation, etc., Capital Account (charged to Revenue)—					
16.—Construction of Irrigation, etc., Works—Financed from Ordinary Revenues	1,25,586	...	...	1,25,586	18
Posts and Telegraphs Revenue Account—					
17.—Posts and Telegraphs—Interest on Debt	63,88,844	...	...	63,88,844	19
Posts and Telegraphs Capital Account (charged to Revenue)—					
18.—Capital outlay on Posts and Telegraphs— Indian Postal and Telegraph Department	—50,51,094	12,11,959	5,54,358	—38,84,777	20
Indo-European Telegraph Department	—4,29,486	—98,533	—38,106	—5,66,125	21
TOTAL	—54,80,580	11,13,426	5,16,252	—38,50,902	22
Debt Services—					
19.—Interest on Ordinary Debt	20,10,52,772	10,25,95,582	4,65,79,673	35,03,28,027	23
Deduct—Amount chargeable to—					
Silt . . . . .	...	...	...	...	24
Railways	11,22,14,021	4,34,72,394	2,00,03,722	17,56,90,137	25
Irrigation	11,92,750	...	...	11,92,750	26
Posts and Telegraphs	63,88,844	...	...	63,88,844	27
Provincial Governments	3,75,47,098	...	...	3,75,47,098	28
Provincial Loans Fund . . . . .	...	...	...	...	29
Remainder chargeable to Ordinary Debt	4,37,10,059	5,92,23,186	2,65,75,951	12,95,09,198	30
20.—Interest on other Obligations	3,00,66,881	70,519	30,901	3,01,68,301	31
21.—Reduction or Avoidance of Debt	73,61,000	44,26,026	18,80,446	1,36,67,472	32
TOTAL	8,11,37,940	6,37,19,753	2,84,87,208	17,33,44,971	33
Carried over	13,64,88,370	6,59,11,069	2,95,28,857	23,19,29,166	34

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

REVISED ESTIMATE, 1924-25.				
Item Number.	India.	England.	Exchange.	TOTAL.
	Rs.	Rs.	Rs.	Rs.
	5,72,42,000	11,01,000	4,08,000	5,87,51,000
18	1,16,000	...	...	1,16,000
19	70,75,000	...	...	70,75,000
20	-92,30,000	11,20,000	4,16,000	-76,94,000
21	-4,69,000	7,48,000	2,78,000	5,57,000
22	-96,99,000	18,68,000	6,94,000	-71,37,000
23	20,13,26,000	12,55,54,000	4,66,34,000	37,35,14,000
24	2,76,000	...	...	2,76,000
25	12,58,17,000	6,51,39,000	2,41,94,000	21,51,50,000
26	12,41,000	...	...	12,41,000
27	70,75,000	...	...	70,75,000
28	4,30,33,000	...	...	4,30,33,000
29	...	...	...	...
30	2,38,84,000	6,04,15,000	2,24,40,000	10,67,39,000
31	3,45,24,000	83,000	31,000	3,46,38,000
32	94,81,000	2,06,69,000	76,77,000	3,78,27,000
33	6,78,89,000	8,11,67,000	3,01,48,000	17,92,04,000
34	12,26,23,000	8,41,56,000	3,12,50,000	23,80,29,000

BUDGET ESTIMATE, 1925-26.			
Increase (+) Decrease (-) as compared with Budget, 1924-25.	India.	• England.	Item Number.
Rs.	Rs.	Rs.	
+ 11,75,000	5,62,41,000	11,49,000	
-5,000	1,90,000	...	18
-25,000	69,66,000	...	19
+ 10,51,000	-95,41,000	...	20
+ 12,000	-4,73,000	1,73,000	21
+ 10,63,000	-1,00,14,000	1,73,000	22
+ 2,32,24,000	20,58,96,000	13,07,64,000	23
-2,76,000	8,39,000	..	24
-2,50,81,000	13,64,44,000	7,20,17,000	25
...	12,50,000	...	26
+ 25,000	69,66,000	...	27
+ 15,75,000	...	...	28
...	4,95,34,000	...	29
-5,33,000	1,13,64,000	5,78,47,000	30
-17,68,000	4,30,35,000	95,000	31
-17,46,000	5,01,50,000	...	32
-40,47,000	10,45,49,000	5,79,42,000	33
-18,39,000	15,79,32,000	5,92,64,000	34

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

BUDGET FOR 1925-26.

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

BUDGET ESTIMATE, 1925-26.				
Item Number.	Exchange.	TOTAL.	Increase (+) Decrease (—) as compared with Revised, 1924-25.	
	Rs.	Rs.	Rs.	
	3,63,000	5,77,73,000	-9,78,000	Brought forward.
18	...	1,90,000	+74,000	Irrigation, etc., Capital Account (charged to Revenue)— 16.—Construction of Irrigation, etc., Works— Financed from Ordinary Revenues.
19	...	69,66,000	-1,09,000	Posts and Telegraphs Revenue Account— 17.—Posts and Telegraphs— Interest on Debt.
20	...	-95,41,000	-18,47,000	Posts and Telegraphs Capital Account (charged to Revenue)— 18.—Capital outlay on Posts and Telegraphs— Indian Postal and Telegraph Department.
21	58,000	-2,42,000	-7,99,000	Indo-European Telegraph Department.
22	58,000	-97,83,000	-26,46,000	TOTAL
23	4,35,68,000	38,02,48,000	+67,31,000	Debt Services— 19.—Interest on Ordinary Debt.
24	...	3,38,000	-62,000	Deduct—Amount chargeable to— Salt.
25	2,43,05,000	23,36,65,000	-1,85,16,000	Railways...
26	...	12,50,000	-9,000	Irrigation.
27	...	69,66,000	+1,09,000	Posts and Telegraphs.
28	...	...	+4,30,33,000	Provincial Governments.
29	...	4,95,34,000	-4,95,34,000	Provincial Loans Fund.
30	1,92,83,000	8,84,94,000	-1,82,45,000	Remainder chargeable to Ordinary Debt.
31	32,000	4,31,62,000	+85,24,000	20.—Interest on other Obligations.
32	...	5,01,50,000	+1,23,23,000	21.—Reduction or Avoidance of Debt.
33	1,93,15,000	18,18,06,000	+26,02,000	TOTAL
34	1,97,56,000	23,69,53,000	-10,57,000	Carried over

BUDGET FOR 1925-26.

B.—Statement of the Expenditure charged to the Revenue

HEADS OF EXPENDITURE.	ACCOUNTS, 1923-24.				Item Number.
	India.	England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.	Rs.	
Brought forward	13,64,88,370	6,59,11,939	2,95,28,857	23,19,29,166	
Civil Administration—					
22.—General Administration—					
A.—Heads of Provinces (including Governor General) and Executive Councils					1
B.—Legislative Bodies					2
C.—Secretariat and headquarters establishment	1,12,10,502	...	...	1,12,10,502	3
D.—Commissioners					4
E.—District Administration					5
F.—Home Administration, etc.					6
23.—Audit	70,87,470	29,97,1½2	13,78,363	43,75,485	7
24.—Administration of Justice	12,71,302	2,53,891	1,17,485	74,58,846	8
25.—Jails and Convict Settlements		57,709	28,401	13,57,412	9
26.—Police	35,91,868	41,289	18,479	36,51,636	10
27.—Ports and Pilotage	21,61,732	1,66,086	77,528	84,05,356	11
28.—Ecclesiastical	21,81,705	99,490	47,253	22,78,448	12
29.—Political	25,58,441	2,52,390	1,16,509	29,27,343	13
30.—Scientific Departments	3,01,56,925	-2,59,523	-1,37,745	2,97,59,657	14
31.—Education	77,46,488	4,98,487	2,26,225	84,71,200	15
32.—Medical	29,44,465	79,941	36,471	30,60,877	16
33.—Public Health	23,49,999	3,12,924	1,46,592	28,09,515	17
34.—Agriculture	10,67,856	54,522	24,253	11,46,631	18
35.—Industries	22,39,471	89,054	42,316	23,70,841	19
36.—Aviation	19,138	27,614	12,530	59,282	20
37.—Miscellaneous Departments	16,454	3,038	1,333	20,825	21
TOTAL	19,34,739	14,49,761	6,48,952	40,33,452	22
Currency, Mint and Exchange—					
38.—Currency	29,52,347	36,84,849	17,15,555	83,52,751	23
39.—Mint	15,06,578	32,656	15,413	15,54,647	24
TOTAL	44,58,925	37,17,505	17,30,968	99,07,398	25
Carried over	22,54,35,853	7,57,53,249	3,40,44,770	33,52,33,872	

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

REVISED ESTIMATE, 1924-25.				
Item Number.	India.	* England.	Exchange.	TOTAL.
	Rs. 12,26,23,060	Rs. 8,41,36,000	Rs. 3,12,50,000	Rs. 23,80,09,000
1	22,08,000	...	...	22,08,000
2	7,78,000	...	...	7,78,000
3	71,01,000	...	...	71,01,000
4	...	...	...	...
5	16,92,000	...	...	16,92,000
6	...	30,62,000	11,37,000	41,99,000
7	76,29,000	2,08,000	77,000	79,14,000
8	11,43,000	56,000	21,000	12,20,000
9	37,10,000	45,000	17,000	37,72,000
10	91,67,000	1,71,000	64,000	94,02,000
11	23,27,000	1,25,000	46,000	24,98,000
12	25,37,000	5,66,000	2,10,000	33,13,000
13	3,12,24,000	6,83,000	2,35,000	3,20,94,000
14	64,11,000	6,81,000	2,53,000	73,45,000
15	30,90,000	76,000	28,000	31,94,000
16	23,04,000	1,85,000	69,000	25,58,000
17	12,86,000	66,000	25,000	13,77,000
18	29,40,000	1,51,000	56,000	31,47,000
19	62,18,000	33,000	12,000	62,63,000
20	23,000	3,000	1,000	27,000
21	19,21,000	4,84,000	1,80,000	25,85,000
22	9,37,11,000	65,45,000	24,31,000	10,26,87,000
23	28,62,000	22,04,000	8,19,000	58,85,000
24	14,01,000	25,000	9,000	14,35,000
25	42,63,000	22,29,000	8,28,000	73,20,000
	22,05,97,000	9,29,10,000	3,45,09,000	34,80,16,000

BUDGET ESTIMATE, 1925-26.			
Increase (+) Decrease (-) as compared with Budget, 1924-25.	India.	• England.	Item Number.
Rs. -18,89,000	Rs. 15,79,32,000	Rs. 5,92,64,000	
-1,94,000	22,04,000	...	1
+36,000	7,21,000	...	2
-37,000	75,18,000	...	3
-8,000	...	...	4
+1,45,000	17,78,000	...	5
-4,27,000	...	32,86,000	6
-5,69,000	85,16,000	2,59,000	7
-30,000	11,87,000	77,000	8
-2,07,000	88,51,000	60,000	9
+5,25,000	93,25,000	2,61,000	10
-39,000	27,34,000	3,33,000	11
-18,000	26,00,000	8,60,000	12
-1,48,000	3,22,23,000	12,82,000	13
-5,88,000	71,25,000	7,68,000	14
+34,000	31,80,000	81,000	15
-3,33,000	28,58,000	3,33,000	16
+4,000	12,23,000	67,000	17
+4,85,000	26,06,000	1,54,000	18
+61,82,000	69,39,000	64,000	19
+5,000	30,000	3,000	20
-1,59,000	23,09,000	2,62,000	21
+46,59,000	9,89,27,000	81,53,000	22
-2,61,000	30,81,000	19,14,000	23
-1,50,000	16,56,000	44,000	24
-4,11,000	47,37,000	19,58,000	25
+24,09,000	26,15,96,000	6,03,75,000	

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

BUDGET FOR 1925-26.

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

Item Number.	BUDGET ESTIMATE, 1925-26.			HEADS OF EXPENDITURE.
	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Revised, 1924-25.	
	Rs. 1,97,50,000	Rs. 23,69,52,000	Rs. -10,57,000	
				Brought forward.
				Civil Administration—
				22.—General Administration—
				A.—Heads of Provinces (including Governor General) and Executive Councils.
1	...	22,04,000	-4,000	
2	...	7,21,000	-57,000	B.—Legislative Bodies.
3	...	75,18,000	+4,17,000	C.—Secretariat and head- quarters establish- ment.
4	...	...	...	D.—Commissioners.
5	...	17,78,000	+86,000	E.—District Administra- tion.
6	10,95,000	43,81,000	+1,82,000	F.—Home Administration, etc.
7	86,000	88,61,000	+9,47,000	23.—Audit.
8	26,000	12,90,000	+70,000	24.—Administration of Jus- tice.
9	29,000	39,81,000	+1,59,000	25.—Jails and Convict Settle- ments.
10	88,000	96,77,000	+2,75,000	26.—Police.
11	1,11,000	81,78,000	+6,80,000	27.—Ports and Pilotage.
12	2,87,000	37,47,000	+4,34,000	28.—Ecclesiastical.
13	4,27,000	3,39,32,000	+18,38,000	29.—Political.
14	2,56,000	81,49,000	+8,04,000	30.—Scientific Departments.
15	27,000	32,88,000	+94,000	31.—Education.
16	1,11,000	33,02,000	+7,44,000	32.—Medical.
17	22,000	13,12,000	-65,000	33.—Public Health.
18	51,000	28,11,000	-3,36,000	34.—Agriculture.
19	21,000	70,24,000	+7,61,000	35.—Industries.
20	1,000	34,000	+7,000	36.—Aviation.
21	89,000	26,60,000	+75,000	37.—Miscellaneous Depart- ments.
22	27,18,000	10,97,98,000	+71,11,000	TOTAL
				Currency, Mint and Ex- change—
23	6,38,000	56,33,000	-2,52,000	38.—Currency.
24	14,000	17,14,000	+2,79,000	39.—Mint.
25	6,52,000	73,47,000	+27,000	TOTAL
	2,31,26,000	35,40,97,000	+60,81,000	Carried over.

B.—Statement of the Expenditure charged to the Revenues

HEADS OF EXPENDITURE.	ACCOUNTS, 1923-24.				Item Number.
	India.	England.	Exchange.	TOTAL.	
Brought forward	Rs. 22,54,35,853	Rs. 7,57,23,249	Rs. 3,40,44,770	Rs. 35,52,33,872	
Civil Works—					
41.—Civil Works	1,68,85,839	99,003	46,148	1,70,31,590	26
Miscellaneous—					
43.—Famine Relief and Insurance—					
A.—Famine Relief	5,002	...	...	5,002	27
44.—Territorial and Political Pensions	26,95,382	1,23,739	56,671	28,75,792	28
45.—Superannuation Allowances and Pensions	11,86,238	1,95,94,442	89,79,164	2,97,59,844	29
46.—Stationery and Printing	29,26,333	15,18,346	6,76,463	51,21,193	30
47.—Miscellaneous	47,14,845	14,89,137	6,82,059	68,86,051	31
TOTAL	1,15,29,851	2,27,25,674	1,02,91,357	4,46,49,882	32
Military Services—					
48.—Army—					
Effective	37,76,17,123	6,03,71,596	2,75,23,976	46,55,12,695	33
Non-effective	4,07,70,625	3,64,69,838	1,67,04,391	9,39,44,857	34
	41,83,87,748	9,68,41,434	4,42,28,370	55,94,57,552	35
49.—Marine	59,91,668	25,08,108	11,54,640	96,54,425	36
50.—Military Engineer Services.	14,02,72,500	7,22,414	3,24,869	4,13,19,783	37
TOTAL	46,46,51,916	10,00,71,956	4,57,07,888	61,04,31,760	38
Contributions and Miscellaneous adjustments between Central and Provincial Governments—					
51A.—Miscellaneous adjustments between the Central and Provincial Governments	37,98,778	...	...	37,98,778	
Extraordinary items—					
55.—Extraordinary Payments	...	2,37,07,519	1,03,88,688	3,40,96,207	
Railway Expenditure as per Railway Budget	11,24,10,817	10,29,36,276	4,71,74,365	26,25,21,458	39
TOTAL EXPENDITURE CHARGED TO REVENUE	83,47,13,054	32,52,94,277	14,77,56,216	1,30,77,63,547	40

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

REVISED ESTIMATE, 1924-25.				
Item Number.	India.	* England.	Exchange.	TOTAL.
	Rs.	Rs.	Rs.	Rs.
	22,05,97,000	9,29,10,000	3,45,09,000	34,80,16,000
26	1,91,80,000	1,07,000	40,000	1,93,27,000
27	...	...	...	...
28	29,94,000	1,16,000	43,000	31,53,000
29	17,64,000	1,94,47,000	72,23,000	2,84,34,000
30	38,23,000	7,71,000	2,87,000	48,86,000
31	48,99,000	24,96,000	9,27,000	83,22,000
32	1,34,85,000	2,23,30,000	84,80,000	4,47,95,000
33	37,47,78,000	6,64,78,000	2,46,92,000	46,59,48,000
34	3,91,31,000	3,72,10,000	1,38,21,000	9,01,62,000
35	41,39,09,000	10,36,88,000	3,85,13,000	55,61,10,000
36	48,58,000	20,96,000	7,78,000	77,32,000
37	4,03,93,000	5,55,000	2,06,000	4,11,54,000
38	45,91,60,000	10,63,59,000	8,94,97,000	60,49,56,000
	56,32,000	...	...	56,32,000

39	16,75,50,000	8,60,07,000	3,19,45,000	28,55,02,000
40	88,56,04,000	30,81,93,000	11,44,71,000	1,30,82,68,000

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

BUDGET ESTIMATE, 1925-26.			Item Number.
Increase (+) Decrease (—) as compared with Budget, 1924-25.	India.	England.	
Rs. +24,09,000	Rs. 26,15,16,000	Rs. 6,98,73,000	
—13,23,000	1,66,99,000	1,11,000	26
—14,000	...	...	27
+1,59,000	29,47,000	1,15,000	28
—14,51,000	9,39,000	1,96,53,000	29
—2,34,000	21,15,000	6,81,000	30
—25,38,000	51,04,000	13,66,000	31
—40,78,000	1,11,05,000	2,18,15,000	32
—2,14,89,000	38,41,38,000	6,18,75,000	33
—12,11,000	3,88,12,000	3,69,53,000	34
—2,27,00,000	42,29,50,000	9,88,28,000	35
—14,36,000	55,15,000	20,89,000	36
—8,84,000	3,89,91,000	4,51,000	37
—2,50,20,000	46,74,56,000	10,13,71,000	38
+33,67,000	15,74,000	...	
...	25,00,000	...	
+3,38,23,000	17,01,85,000	8,72,89,000	39
+91,78,000	93,11,13,000	27,91,61,000	40

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

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

BUDGET ESTIMATE, 1925-26.				HEADS OF EXPENDITURE.
Item Number.	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with revised, 1924-25.	
	Rs. 2,81,26,000	Rs. 35,40,97,000	Rs. +60,81,000	Brought forward.
26	37,000	1,08,47,000	-24,80,000	Civil Works— 41.—Civil Works.
27	...	...	...	Miscellaneous— 43.—Famine Relief and In- surance— A.—Famine Relief.
28	38,000	31,00,000	-53,000	44.—Territorial and Political Pensions.
29	65,51,000	2,71,43,000	-12,91,000	45.—Superannuation Allow- ances and Pensions.
30	2,27,000	30,23,000	-18,63,000	46.—Stationery and Printing.
31	4,55,000	69,25,000	-13,97,000	47.—Miscellaneous.
32	72,71,000	4,01,91,000	-46,04,000	TOTAL.
33	2,06,25,000	46,66,38,000	+6,90,000	Military Services— 48.—Army— Effective.
34	1,23,18,000	8,80,83,000	-20,79,000	Non-effective.
35	3,29,43,000	55,47,21,000	-13,89,000	
36	6,96,000	83,00,000	+5,68,000	49.—Marine.
37	1,51,000	3,95,96,000	-15,58,000	50.—Military Engineer Ser- vices.
38	3,37,90,000	60,26,17,000	-23,79,000	TOTAL.
	...	15,74,000	-40,58,000	Contributions and miscel- laneous adjustments between Central and Provincial Governments— 51. Miscellaneous adjust- ments between the Central and Provincial Governments.
	...	25,00,000	+25,00,000	Extraordinary Items— 53.—Extraordinary Pay- ments.
39	2,90,96,000	28,65,70,000	+10,68,000	Railway Expenditure as per Railway Budget.
40	9,33,20,000	1,80,43,95,000	-38,72,000	TOTAL EXPENDITURE CHARGED TO REVENUE.

C.—Statement of Receipts and Disbursements of the

ACCOUNTS, 1923-24.			
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Revenue (from Statement A)	1,26,73,60,405	4,40,86,095	1,31,19,46,500
Exchange added to Revenue	1,97,16,805	...	1,97,16,805
Total	1,28,75,77,210	4,40,86,095	1,33,16,63,305
Railway Capital not charged to Revenue—			
As per Railway Budget	—31,39,684	—71,55,000	—1,02,94,684
Public Debt Incurred—			
Permanent Debt—			
<i>Sterling Debt—</i>			
Debtenture stock of East Indian and Great Indian Peninsula Railway Company taken over by the Secretary of State . . . . .	...	9,28,370	...
5½ per cent. Stock . . . . .	...	18,06,53,306	...
4½ per cent. Stock . . . . .	...	...	...
7 per cent. stock . . . . .	...	...	...
<i>Rupce Debt—</i>			
New Rupee Loan	3,000	...	...
6 per cent. Bonds, 1930	2,500	...	...
6 per cent. Bonds, 1927	9,79,77,400	...	...
5 per cent. Loan, 1945-55	14,17,72,200	...	...
5 per cent. Bonds, 1933 . . . . .	...	...	...
3½ per cent. Loans . . . . .	...	...	...
3 per cent. Loans . . . . .	...	...	...
Total	23,97,55,100	18,15,81,676	42,13,36,776
Floating Debt—			
<i>Treasury Bills—</i>			
Issued to Public	6,63,15,000	...	...
Issued to Paper Currency Reserve	55,25,00,000	...	...
Other Floating Loans	5,00,00,000	...	...
Total	66,88,15,000	...	66,88,15,000
Unfunded Debt—			
Deposits of Service Funds	—36,621	11,23,442	...
Post Office Cash Certificates	6,90,79,231	...	...
Savings Bank Deposits	23,47,26,107	1,88,556	...
Total	32,37,68,717	13,10,998	32,50,79,715
Deposits and Advances—			
<i>Deposits of Local Funds—</i>			
District Funds	13,24,62,010	...	...
Other Funds	8,16,63,759	...	...
Sinking Funds for Central Loans	73,69,702	...	...
Other appropriation for Reduction or Avoidance of Debt . . . . .	...	...	...
Sinking Fund Investment Account . . . . .	...	...	...
Sinking Funds for loans granted to local bodies	3,25,104	...	...
Gold Standard Reserve . . . . .	...	1,23,86,68,427	...
Paper Currency Reserve	2,97,73,262	42,25,32,032	...
Deposits of Branch Line Companies	1,53,391	...	...
Posts and Telegraphs Depreciation Fund . . . . .	...	...	...
Departmental and Judicial Deposits	77,35,40,788	...	...
Advances	13,40,41,670	77,40,174	...
Suspense Accounts	3,64,64,629	1,57,28,783	...
Exchange on Remittance Accounts	3,07,89,179	...	...
Miscellaneous	59,63,048	45,11,114	...
Provincial Loans Fund . . . . .	...	...	...
Total	1,23,25,64,542	1,68,91,80,590	2,92,17,45,072
Railway Depreciation and Reserve Funds as per Railway Budget . . . . .	...	...	...
Carried over	3,74,93,40,885	1,90,90,04,299	...

*Sterling converted into Rupees at £1 = Rs. 10½

Intra' Government, in India and in England.

REVISED ESTIMATE, 1924-25.			BUDGET ESTIMATE, 1925-26.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,27,57,26,000	5,28,65,000	1,32,85,91,000	1,27,15,96,000	3,01,51,000	1,50,17,47,000
1,96,35,000	...	1,96,35,000	1,00,50,000	...	1,00,50,000
1,29,53,61,000	5,28,65,000	1,34,82,26,000	1,28,16,46,000	3,01,51,000	1,31,17,97,000
-8,72,85,000	-18,92,60,000	-27,65,45,000	-1,78,80,000	-4,12,50,000	-5,71,30,000
...	18,50,00,000	...	...	3,50,00,000	...
...	9,87,000	...	...	10,50,000	...
...	8,63,000	...	...	9,15,000	...
...	...	...	...	594,000	...
...	...	...	12,00,00,000	...	...
...
...
5,93,86,000	...	...	...	...	...
7,27,86,000	...	...	...	...	...
7,70,000	...	...	7,20,000	...	...
...
13,28,92,000	18,68,55,000	31,97,47,000	12,07,20,000	3,70,59,000	15,77,79,000
49,65,00,000	...	...	49,65,00,000	...	...
49,65,00,000	...	49,65,00,000	49,65,00,000	...	49,65,00,000
12,63,000	2,10,000	...	12,19,000	2,22,000	...
6,06,00,000	...	...	5,76,00,000	...	...
26,45,45,000	1,70,000	...	28,76,80,000	1,70,000	...
82,84,08,000	3,80,000	32,67,88,000	34,64,99,000	3,92,000	34,68,91,000
13,54,32,000	...	...	13,59,19,000	...	...
8,12,23,000	...	...	8,36,63,000	...	...
90,44,000	...	...	97,21,000	...	...
6,50,000	...	...	4,04,29,000	...	...
35,83,000	...	...	...	...	...
3,38,000	...	...	3,52,000	...	...
...	76,85,14,000	...	...	64,91,89,000	...
4,82,000	70,66,25,000	...	4,83,000	79,98,23,000	...
...	...	...	32,76,000	...	...
78,31,07,000	...	...	78,12,87,000	...	...
17,89,21,000	55,51,000	...	16,65,59,000	8,04,000	...
1,64,60,000	2,32,47,000	...	1,68,81,000	1,66,43,000	...
5,84,98,000	...	...	2,79,61,000	...	...
1,81,70,000	49,47,000	...	1,01,85,000	18,30,000	...
...	...	...	20,08,2,000	...	...
1,28,09,08,000	1,50,88,61,000	2,78,97,92,000	1,47,75,18,000	1,46,82,94,000	2,94,58,12,000
14,44,65,000	...	14,44,65,000	14,01,68,000	...	14,01,68,000
3,58,92,49,000	1,55,97,24,000	...	3,84,71,71,000	1,49,46,46,000	...

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

C.—Statement of Receipts and Disbursements of

	Accounts, 1923-24		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	8,74,93,40,885	1,90,90,04,299	
Loans and Advances by the Central Government—			
Advances to the Provincial Loans Fund	41,14,410	...	41,14,410
Other loans and advances . . . . .	...	...	...
TOTAL	41,14,410	...	41,14,410
Loans between Central and Provincial Governments	2,15,93,443	...	2,15,93,443
Remittances—			
Remittances within India—			
Inland Money Orders	84,87,90,877	...	
Other Local Remittances . . . . .	...	...
Other Departmental Accounts	48,423	...	
Net Receipts by Civil Treasuries from—			
Railways	17,08,89,835	...	
Posts and Telegraphs	13,85,80,769	...	
Net Receipts from Civil Treasuries by—			
Marine	72,76,387	...	
Army and Military Engineer Services	43,35,00,287	...	
Remittances between England and India—			
Remittance Account—			
Iraq drawings	100	2,41,60,960	
Sale of gold . . . . .	...	2,00,00,000	
Other transactions	2,49,67,081	5,14,23,926	
Remittances from India for financing Home Treasury	14,02,08,794	23,14,16,640	
Transfers through the Paper Currency Reserve . . . . .	...	5,84,77,728	
TOTAL	1,66,42,57,553	38,54,79,254	2,04,97,36,807
Balances of Provincial Governments	5,50,80,660	...	5,50,80,660
TOTAL RECEIPTS	5,49,43,86,951	2,29,44,83,553	
Opening Balance	25,95,80,424	9,82,19,688	
GRAND TOTAL	5,75,39,67,375	2,39,27,03,241	

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

(a) Of this amount, Rs. 36,584 represents the funds of the Gold Standard Reserve.

DELHI,

FINANCE DEPARTMENT.

The 28th February 1925.

M. F. GAUNTLETT.

Auditor General.

BUDGET FOR 1925-26.

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

REVISED ESTIMATE, 1924-25.			BUDGET ESTIMATE, 1925-26.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
3,58,92,49,000	1,55,97,24,000		3,84,71,71,000	1,49,46,46,000	
38,87,000	...	38,87,000	76,34,000	...	76,34,000
38,87,000	...	38,87,000	76,34,000	...	76,34,000
1,27,18,000	...	1,27,18,000	...	...	...
86,00,00,000	...		87,00,00,000	...	
11,38,000	...		7,52,000	...	
3,90,14,000	...		3,68,43,000	...	
32,98,66,000	...		21,85,87,000	...	
3,91,05,000	...		3,27,15,000	...	
38,79,000	...		49,95,000	...	
39,31,23,000	...		39,06,29,000	...	
...	1,63,10,000		...	1,70,00,000	
96,19,000	2,63,77,000		91,63,000	2,02,10,000	
...	...		...	31,50,00,000	
6,00,00,000	42,00,00,000		...	...
1,73,61,49,000	46,32,87,000	2,19,94,36,000	1,56,36,84,000	35,22,10,000	1,91,58,94,000
2,13,000	...	2,13,000	2,87,65,000	...	2,87,65,000
5,34,22,16,000	2,02,30,11,000		5,44,72,74,000	1,84,68,5,000	
31,13,62,291	(b) 10,38,42,476		24,26,92,292	(b) 11,91,73,476	
5,65,35,72,292	2,12,68,53,476		5,68,99,66,292	1,96,60,29,476	

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

(b) Of this amount, Rs. 9,414 represents the funds of the Gold Standard Reserves.

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1923-24.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Expenditure (from Statement B)	83,47,13,054	32,52,94,277	1,16,00,07,331
Excess charged as Expenditure	14,77,56,216	...	14,77,56,216
TOTAL	98,24,69,270	32,52,94,277	1,30,77,63,547
Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—			
CONSTRUCTION OF IRRIGATION WORKS	10,883	2,221	13,104
CAPITAL OUTLAY ON POSTS AND TELE- GRAPHS	75,21,560	...	75,21,560
INITIAL EXPENDITURE ON NEW CAPITAL AT DELHI	1,48,67,055	6,06,597	1,54,73,652
RAILWAY CAPITAL NOT CHARGED TO REVENUE—			
As per Railway Budget	10,90,20,826	9,89,77,646	20,79,98,472
Public Debt Discharged—			
Permanent Debt—			
<i>Sterling Debt—</i>			
State Railway Annuities . . . . .	...	...	...
" Sinking Fund . . . . .	...	...	...
Redemption of liabilities assumed in respect of British War Loan (1929-1947) . . . . .	...	...	...
<i>Rupr Debt—</i>			
5½ p. c. War Bonds, 1920	4,29,475	...	...
Do. Do. 1921	6,36,625	...	...
Do. Do. 1922	17,17,725	...	...
Do. Do. 1923	1,50,51,575	...	...
Do. Do. 1925	1,400	...	...
Do. Do. 1928	32,300	...	...
5 p. c. War Loan, 1929-47	41,07,300	...	...
5 p. c. Loan, 1945-55 . . . . .	...	...	...
4 p. c. Loans	2,73,15,700	...	...
3½ p. c. Loans	2,936	...	...
3 p. c. Loan	1,71,000	...	...
Government stock notes	200	...	...
TOTAL	4,99,66,236	...	4,99,66,236
Floating Debt—			
Treasury Bills—			
Issued to Public	26,09,85,000	...	...
Do. Paper Currency Reserve	55,23,00,000	...	...
Other Floating Loans	5,00,00,000	...	...
TOTAL	86,34,85,000	...	86,34,85,000
Unfunded Debt -			
Special Loans	23,027	...	...
Deposits of Service Funds	15,27,465	2,90,009	...
Post Office Cash Certificates	1,61,80,728	...	...
Savings Bank Deposits	20,89,79,691	72,224	...
TOTAL	22,67,10,911	3,62,233	22,70,73,144
Deposits and Advances—			
Deposits of Local Funds—			
District Funds	12,88,63,159	...	...
Other Funds	8,59,69,048	...	...
Sinking Funds for Central Loans	37,80,029	...	...
Sinking Fund Investment Account	35,82,606	...	...
Gold Standard Reserve . . . . .	...	1,23,66,95,596	...
Paper Currency Reserve . . . . .	...	42,25,32,032	...
Deposits of Branch Line Companies	2,92,694	...	...
Departmental and Judicial Deposits	78,84,67,063	...	...
Advances	12,69,66,418	—1,45,88,382	...
Suspense Accounts	2,94,35,673	1,65,99,594	...
Miscellaneous	6,18,483	2,06,14,902	...
Provincial Loans Fund . . . . .	...	...	...
TOTAL	1,16,59,75,290	1,66,33,52,743	2,84,98,28,032
Railway Depreciation and Reserve Funds as per Railway Budget . . . . .	...	...	...
Carried over	3,42,99,27,031	2,10,99,95,716	...

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

BUDGET FOR 1925-26.

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

REVISED ESTIMATE, 1924-25.			BUDGET ESTIMATE, 1925-26.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
88,56,04,000	30,81,93,000	1,19,37,97,000	93,11,15,000	27,99,61,000	1,21,10,76,000
11,44,71,000	...	11,44,71,000	9,33,20,000	...	9,33,20,000
1,00,00,75,000	30,81,93,000	1,30,82,68,000	1,02,44,35,000	27,99,61,000	1,30,43,96,000
16,000	...	16,000	27,000	...	27,000
1,64,98,000	...	1,64,98,000	1,98,02,000	15,51,000	2,13,53,000
1,32,26,000	4,74,000	1,37,00,000	1,51,17,000	3,83,000	1,55,00,000
5,35,00,000	7,50,00,000	12,85,00,000	16,34,08,000	10,09,25,000	26,43,33,000
...	...	...	...	1,30,23,000	...
...	...	...	...	36,41,000	...
...	...	...	...	48,77,000	...
4,00,000	...	...	3,00,000	...	...
3,00,000	...	...	3,00,000	...	...
3,00,000	...	...	3,00,000	...	...
5,00,000	...	...	2,06,000	...	...
15,02,000	...	...	3,45,00,000	...	...
8,15,000	...	...	...	...	...
46,98,000	...	...	43,39,000	...	...
83,42,000	...	...	57,36,000	...	...
14,00,000	...	...	2,03,000	...	...
7,000	...	...	...	...	...
9,00,000	...	...	8,40,000	...	...
...
1,91,64,000	...	1,91,64,000	4,67,24,000	2,15,41,000	6,82,65,000
2,12,20,000	...	...	...	...	...
49,65,00,000	...	...	49,65,00,000	...	...
...
51,77,20,000	...	51,77,20,000	49,65,00,000	...	49,65,00,000
30,000	...	...	30,000	...	...
15,75,000	40,000	...	16,07,000	70,000	...
1,46,00,000	...	...	1,56,00,000	...	...
21,37,08,000	1,00,000	...	23,15,43,000	20,000	...
22,99,13,000	1,40,000	23,00,53,000	24,67,80,000	90,000	24,88,70,000
13,59,21,000	...	...	13,49,60,000	...	...
8,20,85,000	...	...	8,26,31,000	...	...
1,26,36,000	...	...	97,21,000	...	...
...
...	76,85,14,000	...	...	64,91,83,000	...
...	70,66,25,000	...	...	79,58,23,000	...
21,87,000	...	...	4,93,000	...	...
79,37,39,000	...	...	77,56,66,000	...	...
17,74,80,000	7,34,000	...	16,28,09,000	10,03,000	...
3,67,40,000	2,32,47,000	...	1,70,13,000	1,66,48,000	...
...	2,50,51,000	...	...	47,06,000	...
...	...	...	20,08,42,000	...	...
1,24,07,88,000	1,52,41,71,000	2,76,49,59,000	1,38,41,35,000	1,47,13,67,000	2,65,55,04,000
8,25,00,000	...	8,25,00,000	9,50,00,000	...	9,50,00,000
3,17,34,00,000	1,90,79,78,000	...	3,49,39,28,000	1,87,58,20,000	...

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

C. - Statement of Receipts and Disbursements of the

	ACCOUNTS, 1923-24		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	3,42,00,27,031	2,10,90,95,716	
Loans and Advances by the Central Government—			
Advances to the Provincial Loans Fund	44,39,340	...	44,39,340
Other loans and advances	...	...	...
TOTAL	44,39,340	...	44,39,340
Loans between Central and Provincial Governments	12,28,05,246	...	12,28,05,246
Remittances—			
Remittances within India—			
Inland Money Orders	84,53,47,495	...	
Other Local Remittances	43,20,294	...	
Other Departmental Accounts	45,577	...	
Net Payments into Civil Treasuries by—			
Railways	17,49,17,959	...	
Posts and Telegraphs	3,86,25,724	...	
Net Issues from Civil Treasuries to—			
Marine	71,34,085	...	
Army and Military Engineering Services	43,51,46,069	...	
Remittances between England and India—			
Remittance Account—			
Iraq drawings	2,32,14,400	...	
Sale of gold	2,00,00,000	...	
Other transactions	5,14,78,412	2,14,75,680	
Remittances from India for financing Home Treasury	23,14,16,640	...	
Transfers through the Paper Currency Reserve	5,86,88,721	13,99,94,801	
TOTAL	1,89,53,83,466	16,14,70,481	2,05,68,03,947
Balances of Provincial Governments	...	1,82,94,568	1,82,94,568
TOTAL DISBURSEMENTS	5,44,26,05,083	2,28,88,60,765	
Closing Balance	31,13,62,292	10,38,42,478 (a)	
GRAND TOTAL	5,75,39,67,375	2,39,27,03,243	

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

(a) Of this amount, Rs. 86,584 represents the funds of the Gold Standard Reserve.

H. DENNING,

Controller of the Currency.

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

REVISED ESTIMATE, 1924-25.			BUDGET ESTIMATE, 1925-26.		
India.	* England.	TOTAL.	India.	* England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
3,17,34,00,000	1,90,79,78,000		3,49,33,28,000	1,87,58,20,000	
...	...	...	13,81,82,000	...	13,81,82,000
1,55,88,000	...	1,55,88,000	1,73,82,000	...	1,73,82,000
1,55,88,000	...	1,55,88,000	15,55,64,000	...	15,55,64,000
10,66,38,000	...	10,66,38,000	...	...	...
86,01,00,000	...		87,00,00,000	...	
10,00,000	...		9,59,000	...	
3,39,78,000	...		3,77,91,000	...	
32,98,66,000	...		21,85,87,000	...	
3,91,05,000	...		3,27,15,000	...	
38,79,000	...		49,95,000	...	
39,35,28,000	...		39,06,29,000	...	
1,63,10,000	...		1,70,00,000	...	
1,74,94,000	1,34,09,000		2,14,88,000	76,95,000	
42,00,00,000	...		31,50,00,000	...	
...	6,00,00,000		...	...
2,11,52,63,000	7,34,09,000	2,18,86,69,000	1,90,91,64,000	76,95,000	1,91,68,59,000
...	2,62,93,000	2,62,93,000	...	3,06,03,000	3,06,03,000
5,41,08,86,000	2,00,76,80,000		5,55,86,56,000	1,91,41,18,000	
24,26,92,222	(b) 11,91,73,476		13,13,10,292	(b) 5,19,11,476	
5,65,25,78,292	2,12,68,53,476		5,68,99,66,292	1,96,60,29,476	

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

(b) Of this amount, Rs. 9,414 represents the funds of the Gold Standard Reserve.

D.—Abstract Statement of the Receipts and Disbursements of the

REVENUE AND EXPENDITURE.	ACCOUNTS, 1923-24.			
	Revenue.	Expenditure.	Net Receipts.	Net Charges.
	Rs.	Rs.	Rs.	Rs.
Principal Heads of Revenue				
Customs	39,69,64,296	71,35,688	38,98,28,608	
Taxes on Income	18,23,55,516	62,67,424	17,60,88,092	
Salt	10,01,50,870	1,36,11,936	8,65,38,884	
Opium	4,21,81,654	2,58,79,559	1,66,02,095	
Other heads	2,28,56,225	15,09,457	2,13,46,768	
TOTAL	74,48,68,561	5,44,04,114	69,04,04,447	...
Forest and other Capital outlay charged to Revenue.				
Capital outlay on Salt Works . . . . .	...	...	...	...
Capital outlay on Security Printing Press . . . . .	...	...	...	...
Commercial Services				
Irrigation	10,54,064	16,42,139	...	5,88,075
Posts and Telegraphs	96,12,987	25,37,942	70,75,045	...
Debt Services . Interest	3,16,59,620	17,33,44,971	...	14,16,85,351
Civil Administration Civil Administration	68,51,292	9,33,97,308	...	8,65,46,016
Currency and Mint				
Currency	2,95,39,974	63,52,751	2,11,87,223	...
Mint	17,34,017	15,54,647	1,79,370	...
Civil Works . Civil Works	37,05,245	1,70,31,590	...	1,33,26,845
Miscellaneous Civil Services				
Famine Relief . . . . .	...	5,062	...	5,062
Superannuation	35,44,461	2,97,59,844	...	2,62,15,383
Miscellaneous	45,89,360	68,88,051	...	22,98,691
Other Heads	13,44,365	79,96,985	...	66,52,620
Military Services				
Army { Effective	3,43,33,000	46,55,12,695	...	43,11,79,695
Non-effective	32,90,299	9,89,44,857	...	9,06,54,558
Marine	24,73,367	96,54,425	...	71,81,058
Military Eng. Services	60,59,731	4,13,19,783	...	3,32,60,052
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments	9,21,54,718	37,98,778	8,83,55,940	...
Extraordinary Items	2,59,65,851	3,40,96,207	...	81,30,356
TOTAL	1,00,47,20,912	1,04,52,42,089	80,72,02,025	84,77,23,292
Railway (as per Railway Budget,	32,69,42,393	26,25,21,458	6,44,20,935	...
GRAND TOTAL	1,33,16,63,305	1,30,77,63,547	87,16,23,960	84,77,23,292
Surplus			2,38,99,758	
Deficit	

BUDGET FOR 1925-26

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Central Government, in India and in England

REVISED ESTIMATE, 1924-25.		BUDGET ESTIMATE, 1925-26.	
Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
Rs.	Rs.	Rs.	Rs.
43,97,82,000		45,50,71,000	
15,86,88,000		16,68,31,000	
6,47,85,000		5,58,63,000	
1,30,73,000		1,75,56,000	
1,65,59,000		1,61,74,000	
69,28,37,000	...	71,14,95,000	...
...	10,06,000	...	14,93,000
...	11,05,000	...	18,00,000
...	13,03,000	...	7,37,000
91,76,000	...	96,28,000	...
...	14,12,45,000	...	14,57,63,000
...	9,56,17,000	...	10,25,33,000
2,99,05,000	...	3,26,42,000	...
23,68,000	...	8,18,000	...
...	1,81,15,000	...	1,58,29,000
...
...	2,64,00,000	...	2,51,81,000
...	79,55,000	...	57,01,000
...	70,90,000	...	49,88,000
...	43,08,71,000	...	43,88,54,000
...	8,76,04,000	...	8,56,99,000
...	64,57,000	...	73,67,000
...	3,83,68,000	...	3,05,80,000
8,68,84,000	...	6,56,40,000	...
2,55,89,000	...	13,33,000	...
84,66,59,000	86,31,36,000	82,15,56,000	86,65,29,000
5,64,35,000	...	5,23,74,000	...
90,30,94,000	86,31,36,000	87,39,30,000	86,65,29,000
3,99,58,000	...	74,01,000	...

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

Revenue and Expenditure.	ACCOUNTS, 1923-24.		REVISED ESTIMATE, 19.4.25.		BUDGET ESTIMATE, 1925-26.		
	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Surplus	2,38,90,758	...	3,99,58,000	...	74,01,000	...	
Deficit . . . . .	...	...	...	...	...	...
Capital Account.	Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—						
	Construction of Irrigation Works . . . . .	...	13,104	...	16,000	...	27,000
	Capital outlay on Posts and Telegraphs . . . . .	...	75,21,580	...	1,64,68,000	...	2,13,63,000
	Initial expenditure on new Capital at Delhi . . . . .	...	1,54,73,662	...	1,37,00,000	...	1,85,00,000
	Railway Capital not charged to Revenue—						
	As per Railway Budget . . . . .	...	31,82,93,156	...	40,50,45,000	...	32,14,63,000
Debt, Deposits, Advances and Remittances.	Permanent Debt . . . (net)	37,13,70,510	...	30,05,83,000	...	6,85,14,000	...
	Floating Debt . . . (net)	...	19,46,70,000	...	2,12,20,000	...	...
	Unfunded Debt . . . (net)	9,80,09,571	...	9,67,35,000	...	9,80,21,000	...
	Loans and Advances by Central Government . . . (net)	...	3,24,930	...	1,17,01,000	...	14,70,30,000
	Loans between Central and Provincial Governments . . . (net)	...	10,12,11,503	...	9,59,20,000	...	...
	Deposits and Advances . . . (net)	7,19,17,040	...	8,67,98,000	...	13,54,76,000	...
	Remittances . . . (net)	...	70,67,140	1,07,67,000	...	...	9,65,000
	Balances of Provincial Governments (net)	3,47,86,093	...	...	2,60,80,000	...	18,18,000
Cash Balance.	Opening Balance	35,78,00,113	...	41,52,04,768	...	36,19,65,768	...
	Closing Balance . . . . .	...	41,52,04,768	...	36,18,65,768	...	18,32,21,768
Total	66,97,80,113	96,97,60,113	96,00,45,768	95,00,45,768	69,22,77,768	69,22,77,768	

M. F. GAUNTLETT,

Auditor General.

H. DENNING,

Controller of the Currency.

A. C. McWATTERS,

Secretary to the Government of India.

DELHI,

FINANCE DEPARTMENT.

The 28th February 1925.

THE INDIAN FINANCE BILL

INTRODUCED IN THE LEGISLATIVE ASSEMBLY ON THE 23RD FEBRUARY, 1925.

A Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to remit or vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to reduce the import and excise duties on motor spirit, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to remit or vary certain duties leviable under the Indian Tariff Act, 1894, to fix VIII of 1894. maximum rates of postage under the Indian Post Office Act, 1898, VI of 1898, to reduce the import and excise duties on motor spirit, further to amend the Indian Paper Currency Act, 1923 and to fix rates of X of 1923. income-tax; It is hereby enacted as follows :—

Short title, extent and duration. 1. (1) This Act may be called the Indian Finance Act, 1925.

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

(3) Sections 2 and 4 shall remain in force only up to the 31st day of March, 1926.

2. (1) The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in XII of 1882. Fixation of salt duty. Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if, with effect from the 1st day of April, 1925, 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.

(2) With effect from the 1st day of April, 1925, section 2 of the Indian Finance Act, 1924, is hereby repealed.

3. With effect from the first day of April, 1925, the amendments Amendment of Act VIII of 1894. specified in the First Schedule to this Act shall be made in Schedule II to the Indian Tariff Act, 1894.

4. With effect from the first day of April, 1925, the Schedule Postal rates. contained in the Second Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as VI of 1898. the First Schedule to that Act.

5. With effect from the first day of April, 1925, the following amendments shall be made in the Motor Spirit (Duties) Act, 1917, II of 1917. namely :—

(a) in sub-section (1) of section 3, for the words "six annas" the words "four annas" shall be substituted.

(b) section 6 shall be omitted.

- X of 1923.** **6.** In sub-section (7) of section 19 of the Indian Paper Currency Amendment of Act X of 1923, for the figures "1925" the figures "1926" shall be substituted.
- 7. (1)** Income-tax for the year beginning on the first day of April, 1925, shall be charged at the rates specified in Part I of the Third Schedule.
- (2)** The rates of super-tax for the year beginning on the first day of April, 1925, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Third Schedule.
- XI of 1924.**
- (3)** For the purposes of the Third 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.**
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SCHEDULE I.

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

[See section 3.]

1. After Item No. 1 the following item shall be inserted, namely :—

"1A | GRAIN and PULSE, all sorts, including broken grains and pulse, but excluding flour (see No. 69)."

2. In Item No. 40 the words "and MOTOR SPIRIT", where they first occur in the entry in the second column, and the NOTE to that entry shall be omitted.

3. After Item No. 40 the following item shall be inserted, namely :—

"40A | MOTOR SPIRIT | Imperial Gallon. Four annas."

4. Item No. 47 and the heading thereto shall be omitted.

5. In Item No 51, after the figures "15, 16" the figures and letter "51-B" shall be inserted.

6. After Item No 51-A the following item shall be inserted, namely :—

"51-B. I HEALDS, HEALD COBBS, HEALD KNITTING NEEDLES, REEDS and SHUTTLES."

7. In Item No. 75, after the figures "40" the figures and letter "40A" shall be inserted.

8. In Item No. 96, for the word and figures "and 18" the figures and word "18 and 51-B" shall be substituted.

SCHEDULE II.

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

(See section 4.)

"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 III.

(See section 7.)

PART I.

Rates of Income-tax.

	Rate.
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—	
(1) When the total income is less than Rs. 2,000	Nil.
(2) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000.	Five pies in the rupee.
(3) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000.	Six pies in the rupee.
(4) When the total income is Rs. 10,000 or upwards, but is less than Rs. 20,000.	Nine pies in the rupee.
(5) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000.	One anna in the rupee.
(6) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000.	One anna and three pies in the rupee.
(7) When the total income is Rs. 40,000 or upwards	One anna and six pies in the rupee.
B. In the case of every company, and registered firm, whatever its total income.	One anna and six pies in the rupee.

PART II.

Rates of Super-tax.

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

	Rate.
(1) in the case of every company	One anna in the rupee.
(2) (a) in the case of every Hindu undivided family—	
(i) in respect of the first twenty-five thousand rupees of the excess.	Nil.
(ii) for every rupee of the next twenty-five thousand rupees of such excess.	One anna in the rupee.
(b) in the case of every individual, unregistered firm and other association of individuals not being a registered firm or a company for every rupee of the first fifty thousand rupees of such excess.	One anna in the rupee.
(c) in the case of every individual, Hindu undivided family unregistered firm and other association of individuals not being a registered firm or a company—	
(i) for every rupee of the second fifty thousand rupees of such excess	One and a half annas in the rupee.
(ii) for every rupee of the next fifty thousand rupees of such excess.	Two annas in the rupee.

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	Rate.
(iii) for every rupee of the next fifty thousand rupees of such excess	Two and a half annas in the rupee.
(iv) for every rupee of the next fifty thousand rupees of such excess	Three annas in the rupee.
(v) for every rupee of the next fifty thousand rupees of such excess	Three and a half annas in the rupee.
(vi) for every rupee of the next fifty thousand rupees of such excess	Four annas in the rupee.
(vii) for every rupee of the next fifty thousand rupees of such excess	Four and a half annas in the rupee.
(viii) for every rupee of the next fifty thousand rupees of such excess	Five annas in the rupee.
(ix) for every rupee of the next fifty thousand rupees of such excess	Five and a half annas in the rupee.
(x) for every rupee of the remainder of the excess	Six annas in the rupee.

STATEMENT OF OBJECTS AND REASONS.

1. The object of this Bill is to continue certain provisions of the Indian Finance Act, 1924, which would otherwise cease to have effect from the 1st April, 1925, and to give effect to certain minor amendments in the Tariff.

2. Clauses 2, 4 and 7 provide for the continuance of the rates of salt duty, postage, income-tax and super-tax prescribed by the Indian Finance Act, 1924, while clause 8 provides for the credit to revenue for a further period of one year, *i.e.*, till the 31st March 1925, of interest on securities forming part of the Paper Currency Reserve.

3. Clauses 3 and 5 give effect to certain minor amendments which it is proposed to make in the Tariff. The changes are not important from the revenue point of view and are as follows :—

- (i) The 2½ per cent. import duty on grain and pulse is removed in accordance with the recommendations of the Fiscal Commission. Import of these articles is negligible in normal times and the duty is suspended in times of scarcity.
- (ii) At present motor spirit produced in India is subject to an excise of six annas a gallon and imported motor spirit to a duty of 8½ annas a gallon. Imports are extremely small and in order to cheapen motor spirit, it is proposed to reduce the excise duty to 4 annas a gallon on petrol produced in the country and to levy merely a customs duty on imported motor spirit at the same rate, *viz.*, 4 annas a gallon.
- (iii) Certain articles such as healds, reeds, shuttles, etc., can be used as component parts either of power looms or handlooms and are therefore assessable to duty under the higher rate, *i.e.*, as component parts of handlooms. Their chief use, however, is in power looms. It is proposed to amend the schedule so as to make it clear that the duty to be levied on these articles is the same as that on other component parts of power machinery, namely 2½ per cent.

BASIL P. BLACKETT.

The 28th February, 1925.

Speech of the Financial Secretary in the Council of State on the 28th February 1925.

THE HONOURABLE MR. A. C. McWATTERS (Finance Secretary): Sir, I rise to present a statement of the estimated expenditure and revenue of the Governor General in Council for the year 1925-26 in respect of subjects other than Railways. The form in which this statement is being presented brings home the reality of the great change in our budget procedure which has been introduced this year, namely, the separation of railway finance. This evening I shall have nothing to say about Railways, of which the House has heard a good deal during the course of the last few days, except in so far as they affect our general position, which they do in two important ways; first of all, in respect of the contribution which the Railways make to general revenues and secondly, in so far as they affect our ways and means and our remittance transactions. But before passing on from this subject I should like to say merely this that the Finance Department welcomes this change as heartily as the Railways, or the public can possibly do.

I shall begin my remarks this evening with a short account of the final results of the year 1923-24 of which we now have the audited figures. They present some features, I think, of unusual interest. A year ago we anticipated that there might be a small deficit of some 37 lakhs on ordinary account, but with the portion of the windfall from the Enemy Ships account which was being credited to revenue that year we expected to end the year with a surplus of 206 lakhs. The actual results of the year have been very much better. On the civil side the net variation is small on the whole, but there have been several very important variations under individual heads. In particular, under salt, we have obtained 1 crore and 31 lakhs more revenue than we expected owing to the great rush which took place to replenish stocks when the duty on salt was reduced to Rs. 1-4-0 a maund in the second edition of the Finance Bill. Under customs and taxes on income, we received considerably less than we expected. But there were appreciable savings in civil expenditure, so that on the civil side there is very little net variation. It is on the military side that very important savings occurred, as compared with our revised estimates. The actual amount of these savings is no less than 3½ crores, the final net figure of our military expenditure being 56 crores 23 lakhs. This is a very important—I was going to say error—at any rate variation from our estimates, but I think the House will make due allowance for great difficulty of framing estimates in a year which was the first year in which the Incheape cuts took effect. It was quite impossible even late in the year to appreciate the full extent of the consequential savings which those cuts made throughout the military budget. I think that this great reduction in the military expenditure as compared with our estimates is at any rate a tribute to the thoroughness and efficiency with which retrenchment was carried on throughout the year in the Army owing to the efforts of His Excellency the Commander-in-Chief.

In view of the very large surplus which was expected, Government have made two important accounts changes which, while reducing the amount of the surplus, will be for the benefit of future revenues. The first of these relates to the discount on the rupee loan floated in July 1923.

That loan was floated at a discount and it was originally intended that the discount which amounted to 82 lakhs, should be spread over a number of years. We have now, in view of the surplus, taken the whole of the discount against revenue in the year 1923-24. The second accounts change is even more important. It relates to the Persian debt. The Persian debt represents advances and loans which were made by the Government of India to the Persian Government during the war and immediately afterwards, amounting in all to 341 lakhs. This expenditure was for the most part shared with His Majesty's Government, and in India this amount was placed in suspense. We have now decided to clear that suspense account altogether in the year 1923-24. I should explain that *vis-à-vis* Persia our claims to recover the money are in no way affected and negotiations are in fact now in progress for the recovery of this amount. But we are now putting ourselves in the same position as the British Government who from the beginning adopted the salutary procedure of charging this expenditure against revenue in the year in which it was incurred. We are also following the advice of our own Public Accounts Committee who commented on the undesirability of leaving such large items for long periods in suspense and in fact commented on this particular item of the Persian debt. After these two important accounts changes have been made we are left in the year 1923-24 with an actual surplus of 239 lakhs.

I now turn to the current year. It is not necessary, I think, to say very much about general trade conditions. There has been a gradual and welcome improvement in trade during the year. We have had the benefit of still another good monsoon and we have been helped by the very high prices which have prevailed in Europe for a number of our staple products, particularly jute, tea and wheat. The cotton mill industry in Bombay is perhaps the only important industry which so far has not responded to the general improvement. Some measure of the improvement in trade can be gathered, I think, from a study of our trade returns. Taking the 10 months ending with January last, exports of merchandise from India have amounted to Rs. 297½ crores. This is 24 crores more than in the same period of last year and 60 crores more than in the preceding year. Imports at the same time have also increased and the net balance of merchandise in favour of India during these ten months is 103½ crores, which is exactly the same as the corresponding figure for the ten months of last year. On the other hand, there have been very large net imports of gold and silver which in these ten months have amounted to no less than 61½ crores. But even taking account of these, the balance of trade in favour of India is 42 crores.

This improvement in trade conditions is naturally reflected in our revised estimates for the year. But in the current year there are a number of important disturbing factors, and rather than give the House a mere list of figures, I propose to take each of these important factors in turn and show the effect which they have had upon our estimates. The first is Exchange. We budgeted for an average rate of 1s. 4½d. but we expect to get an average rate of 1s. 5½d. The saving in exchange in our revised estimates will be 215 lakhs, excluding Railways but including 70 lakhs of savings in military expenditure. The amount of the saving is due not only to the difference between the two rates which I have quoted, but to the fact that our sterling expenditure was also reduced in amount. The second important factor which affects our estimates is the separation of Railway finance. We budgeted a year ago for 458 lakhs of return from Railways,

but in the convention which was established with the consent of the Legislature in September last certain increases were made in the contribution which Railways should give to general revenues, with the result that we shall obtain in the current year 106 lakhs more than we budgeted for, the contribution being, as the House knows, 564 lakhs. The third important factor is again the savings in military expenditure. We expect in the current year that our net military expenditure will be 56,33 lakhs, that is nearly 4 lakhs less than what we budgeted for. The actual figure is 3,92 lakhs. I think that on this occasion we can claim to have placed our revised estimates very close to the actuals, and in doing so we have been very much helped by the fact that we have had before us the actual figures for the preceding year.

The factors that I have mentioned so far have been favourable ones. On the other side there are several unfavourable factors. In the first place, from salt we shall obtain 131 lakhs less than our budget figure for the reason which I have already mentioned, namely, the rush to replenish stocks in the month of March, 1924. Under the head taxes on income, I am afraid that we budgeted somewhat optimistically and we now expect to receive 1,74 lakhs less than our Budget estimate. In respect of opium, again, there have been disturbing factors in consequence of the international discussions which have centred round this subject in recent months and which have naturally affected our sales for export. We expect that the gross receipts from opium will be less by 65 lakhs. I think that as opium questions are exciting interest at the present time, the House would like to know how much we actually depend upon this opium revenue. The net revenue from opium received by the Central Government in the 3 preceding years has been 1,62 lakhs and in the current year we expect to receive 1,31 lakhs only, so that the total amount, although appreciable, is but a small percentage of our total revenues. Another important factor which we have to face this year is the increased expenditure for bounties under the Steel Protection Act and the bounties which were more recently agreed to by the Legislative Assembly. These amount to 62 lakhs in the course of the current year. We also have to meet the recommendations of the Lee Commission which will cost 25 lakhs in the current year, 5 lakhs of this being under the Railway head and 2 lakhs under Posts and Telegraphs.

I come last of all to Customs. The gross receipts from Customs have naturally benefited from the improvement in trade, and we expect to receive no less than 2,72 lakhs more in gross Custom revenue. On the other hand, we have to meet one very important item of refund amounting to 280 lakhs which is due to the fact that the decision of the Privy Council in the question which I mentioned last year of stores imported by Company Railways working State lines has gone against us. These Company Railways are therefore entitled to receive a refund of the customs duty which they actually paid from the date on which their liability to duty was contested before the courts up to the date on which the Sea Customs Act was altered to make Government stores liable to customs duty. I think it is important to explain to the House exactly how this refund affects us financially. From the ways and means point of view it affects us very little. Out of these 280 lakhs 155 lakhs represent stores on capital account and this refund merely goes to reduce the capital expenditure on Railways. 125 lakhs represent revenue stores and this goes to reduce the working expenses of the Railways. The only amount which represents actual outgoing in cash is about 15 lakhs, which is the share of surplus profits paid to the shareholders in the company lines. So far as our revenue position

is concerned we shall get from the Railways as part of the contribution a sum of 37 lakhs because we are entitled to one-third of the amount available for transfer to the railway reserves if that amount exceeds 3 crores. We have also kept in suspense from last year a portion of the windfall from the enemy ships account. It was specially kept in suspense in order to meet this contingent liability. The amount available for that purpose is 255 lakhs, so that on the revenue side we are completely covered. The net result of these various factors is that we estimate in the current year that instead of the small surplus of 18 lakhs for which we budgeted, we shall close with a surplus of approximately Rs. 4 crores—the actual figure is Rs. 399·58 lakhs,—which, the House will observe, approximate very closely to the savings which we expect under military expenditure, all the other factors practically cancelling out.

Before I turn to the Budget figures I should like to mention one or two points in connection with the form of the Budget which may be of interest to the House. I need not refer again to the question of the separation of the railway finance, but the House will be interested to know that in the Budget we are showing the Post and Telegraph accounts in a commercialised form for the first time. This is a new innovation and cannot pretend to be absolutely in its final form, but it is sufficiently complete I think to give an approximate idea of the working of the Department. The basis of the change is that the Department will receive credit for services which it renders outside the sphere of its normal activities, for instance, for the issue and payment of Cash Certificates, for managing the Post Office Savings Bank, for collecting customs duty on postal parcels and so on. On the other hand, it will accept a debit for the interest on its capital account; it will have to set aside a proper amount for depreciation of its assets, and it will have to accept the liability for pensions of the Department on a proper actuarial basis. The result in the current year is that the Department appears to be working at a small loss of Rs. 283,000 and in the budget year, if I may anticipate the budget figures, that loss is reduced to a purely nominal one of Rs. 60,000. The account of the Department as presented endeavours to distinguish between the three main branches, the Postal Department, the Telegraph Department and the Telephones. In the coming year we anticipate that the Postal Department will be working at a profit of Rs. 29 lakhs, the Telegraph Department at a loss of Rs. 26 lakhs, and the Telephones at a loss of Rs. 4 lakhs. The difference between these Departments is mainly due to the fact that the Telegraph Department has to bear a much larger charge for interest in view of its larger capital.

There is one other matter affecting the form of the Budget which I should mention, and that is, the first year in which we are showing a provision for redemption and avoidance of debt in accordance with the scheme which was outlined in this House last September. The House will remember that that scheme contemplated a basic figure of Rs. 4 crores and in addition a one-eightieth part of the debt incurred since the 31st March, 1923. The actual amount which appears under this head will be Rs. 478 lakhs, the increase being due in part to the fact that we have taken over Rs. 18½ millions of the East Indian Railway debenture stock when that railway became a State railway. There is also under this head an item of Rs. 24 lakhs which represents the customs duty on capital stores of State Railways. The House will remember that Government decided to set aside from revenue an amount equivalent to the customs duty on imported capital stores of State Railways in order to avoid the inflation of revenue at the expense of capital.

I am now in a position to come to the Budget figures. First of all, I take the expenditure side and the question of exchange. As always Government refuse to prophesy, but they find it necessary to take some figure at which to convert our sterling expenditure into rupees. Exchange has for the last half of this year been approximately steady at 1s. 6d., and for the purpose of the Budget we are taking that figure. I will return later on to this point in connection with the question whether our surplus, if we have one, is a real and recurring surplus or not. The second item is military expenditure. We are taking in the Budget a net figure of Rs. 56 crores 25 lakhs which is exactly 4 crores less than that which was taken in the Budget of last year. The House will no doubt have noticed the close approximation between the figures of military expenditure in the three years, that is, the actuals for 1923-24, the figures for the revised estimate of the current year and the figures for the budget year. In all the three cases they are approximately Rs. 56½ crores, but in making a comparison between these three years it is important to remember that in the first of these years an amount of more than 3 crores was saved by consumption of stores without replacement. There was a small saving of the same kind of Rs. 110 lakhs in the current year and in the next year there is still an item of Rs. 70 lakhs which represents consumption of stores. Also in the Budget year we have an item of Rs. 171 lakhs for payment on account of demobilised officers. This is a crore more than we provided in the previous year, and, with the exception of a very small sum, we hope that this will close this particular liability. I think possibly the best method of envisaging the actual cost of the Army is to take the military expenditure excluding all abnormal items. The figure will then be Rs. 55 crores, and in connection with the Budget we should also remember that this includes certain new items which have not appeared in previous military budgets. The first is the amount of the customs duty on military stores which amounts to Rs. 27 lakhs. The second is that the Army will for the first time be paying the cost of their stationery and printing which will amount to Rs. 13 lakhs, and the third is the revision of pay and the extension of the passage concessions to army officers which accounts for Rs. 45 lakhs. These figures are included in the figure of Rs. 55 crores which I have just given. On the civil side there are only two items of expenditure which I need mention. The first is that in respect of Opium we expect our expenditure to be less by Rs. 58 lakhs than in the current year because our stocks of opium are now large and we have been reducing the area of cultivation and also have been able to reduce the price paid for raw opium. The second is under the head Interest where our expenses will be less by 97 lakhs. This is due to the fact that the share payable by the Railways and by the Provincial Governments will be larger.

Turning to the revenue side, I think that our revenue estimates have been framed on a conservative basis. Under Customs we have taken a figure of Rs. 121 lakhs less than what we anticipate to receive in the current year. We cannot expect to get such a big return from sugar or possibly from piece-goods and certainly not from the protective duties on iron and steel. Under Taxes on Income we have taken a figure which is Rs. 88 lakhs higher than the figure anticipated in the current year but still Rs. 87 lakhs less than the figure which we took in the Budget last year. Under Salt we budget for a normal year, Rs. 695 lakhs. From the railway contribution we shall get Rs. 40 lakhs less than last year, the railway contribution next year being Rs. 524 lakhs. We are continuing the provision by which the interest on the Paper Currency Reserve and the excess of the Gold Standard Reserve of over 40 millions is being taken to revenue.

There remains one item which I wish to explain and that is in connection with Post and Telegraph stores. Hitherto our practice has been that Post and Telegraph stores at the time of purchase are paid for from revenue and placed in a suspense head which is cleared when the stores are actually issued either for revenue or capital purposes, a corresponding credit being taken to revenue. This procedure which has obvious disadvantages is being revised under the advice of the Auditor General, and in future the Post and Telegraph stores will be kept outside our revenue account altogether. We shall however have on the 31st March next Post and Telegraph stores in stock to the amount of one crore, 24 lakhs and these stores have been already paid for and debited to revenue with the result that in the current year when these stores come into use revenue must receive a credit. The House will realise that this is a non-recurrent credit and that in future years we shall not get this credit or in fact get any credit at all. Similarly under Opium there is a small non-recurrent credit in the present budget owing to a change in procedure by which Provincial Governments will pay us for the stocks of opium held in treasuries on the 31st March next, and will in future pay for opium at the time of receipt instead of as at present at the time of issue to the public. These two items of 124 lakhs and 20 lakhs are therefore clearly non-recurrent.

Taking then our budget figures as a whole we anticipate a surplus of 324 lakhs. I will turn in a minute to the question how far that surplus is a real and recurrent surplus or not and will say a few words now about ways and means.

This time last year we anticipated that we should be able to meet our various liabilities without raising any sterling loan and without floating any more treasury bills and should be able to limit our rupee borrowings to a figure not exceeding 20 crores. The actual liabilities during the year have been a good deal less than anticipated mainly on account of the smaller capital requirements of the Railways. We have also received more from Post Office Cash Certificates since we have made no change in the rates. The result is that while we have borrowed in India 7 crores less than was anticipated in the Budget we still end the year with very high balances, although these balances will be 5 crores less than a year ago. So far as our remittances are concerned we have had very satisfactory conditions and we anticipate that by the end of March, we shall have remitted to England £42 millions. We have actually remitted up to date £40 millions, of which £33 millions have been remitted by the new procedure of purchasing sterling in India. Of this sum £6 millions have been placed in the Paper Currency Reserve in England with the object of issuing additional currency out here in order to relieve the tension in the money market.

As regards next year our liabilities include 3½ crores of maturing 1925 bonds, 23 crores for capital expenditure of railways which is the maximum sum that we think the Railways can spend, 14 crores for drawings of the Provincial Governments, a crore and a half for New Delhi and a sum of £2½ millions for the Great Indian Peninsula Railway guaranteed stock which will be discharged when the Railway is taken over by the State next year. As I have said our balances are high and we anticipate further good receipts from Post Office Cash Certificates and from various other items. We hope we shall be able to avoid sterling borrowing this year also and that we shall be able to limit our rupee loan to a sum not exceeding 12 crores. As the House knows we have important liabilities in the near future for maturing debt and it is possible, though it is too early to make

any definite announcement at the moment, that we shall be issuing something in the nature of a conversion loan.

I now return to the surplus of 324 lakhs and the question how far it is a real and recurrent surplus or not. In the first place there are certain items which are definitely non-recurring, the 124 lakhs of Post and Telegraph stores, the 20 lakhs of credits under Opium, the 70 lakhs due to consumption of military stores and a further item of 13 lakhs which is expected from the enemy ships account next year, and which should finally close that account. All these items are non-recurrent items of receipt. There is also one non-recurrent item of expenditure, namely, the 171 lakhs in the military budget for payments to demobilised officers. If these items are set off against each other we are left with a net surplus of 268 lakhs. The House will now ask about exchange. I think in considering this it is important to remember that in future the sterling expenditure of the Railways does not directly affect us, and therefore the effect of alterations in exchange on our revenue position is a good deal less than it was in the days before separation. Actually next year, taking the net sterling expenditure which affects our revenue account at £16 millions, every change of one farthing in the average rate of exchange will mean 32 lakhs. It is also necessary to remember that we can now count on a certain and increasing contribution from the Railways, that we have in our budget an adequate figure for redemption and avoidance of debt; we look forward in the near future to a very appreciable increase in our receipts from income-tax as we have not yet had the benefit of a really good year, the income-tax assessment being of course based on the results of the preceding year. Also we look forward to further reductions in military expenditure. Taking all these factors into account Government are of opinion that the amount of surplus which can be considered as available for distribution is 2½ crores. Now as regards the claimants for this amount, Government's opinion is equally definite that the first claimants should be the Provincial Governments. There are other second preference shareholders, if I may say so, but the first preference shareholders are the Provincial Governments and Government's proposal is that this 2½ crores should be distributed to Provincial Governments in accordance with the Devolution Rules, under which Madras will receive a remission of 126 lakhs of their contribution, the Punjab 61 lakhs, the United Provinces 56 lakhs and Burma 7 lakhs. I might mention at the same time that we propose to make an alteration in the present procedure by which we give Local Governments an assignment to compensate them for the duty on imported Government stores. This was a purely temporary arrangement and an unsatisfactory one. Since so long as these assignments are given it is impossible to carry out fully our object in assessing Government stores to customs duty, which was to enable Indian stores to compete fairly with imported stores. Government therefore propose that in the case of those Local Governments which are receiving a remission of their contribution this assignment will no longer be given. The total amount of these assignments is only 20 lakhs for all the nine provinces, of which ⅓rds is payable to Bombay who are not at the moment affected. For the other provinces the amount in each case is very small. I shall now be asked what about Bengal. As the House knows the Bengal contribution of 63 lakhs becomes due automatically next year. I should also say that in the figures which I have given to the House of our surplus the Bengal contribution has not been included as a receipt. Government after considering the special claims of Bengal are of opinion that it is fair that the

Bengal contribution should continue to be remitted for a further period of three years before Bengal is brought into line with the other provinces. As regards procedure Government propose that after the Finance Bill has been considered and passed these proposals for the reduction of contributions and for the continued remission of the contribution of Bengal should be put before the Legislative Assembly in the form of a Resolution.

That, Sir, practically concludes what I have to say this evening. The statements and connected papers, the Finance Secretary's memorandum explaining the various heads of the estimates and the Honourable Finance Member's budget speech which he is now making elsewhere, will be circulated to all Honourable Members in a few minutes, and also a copy of the Finance Bill, which will be introduced to-day in the other House. As the House may surmise the Finance Bill this year is not of a sensational character. There are no proposals for increase in taxation. There are, on the other hand, proposals for reduction in taxation in three small items which are similar to those which were included in the original Finance Bill last year, but which was subsequently dropped in the second edition of the Finance Bill. These proposals are, first of all, the removal of the import duty on grain and pulse, secondly, the reduction from 15 per cent. to 2½ per cent. of the import duty on certain articles mainly used in power looms, such as reeds, healds and bobins, and, thirdly, the reduction of the petrol excise from 6 annas to 4 annas per gallon coupled with the reduction of the import duty at the same time to 4 annas.

I hope that the House will regard this budget as not unsatisfactory. We have in front of us very heavy commitments in the coming years from our ways and means point of view in respect of maturing debt and in respect of the large amounts of capital which both the Central and Provincial Governments will have to raise for the proper development of the country, and I think that the existence of these obligations enforces the necessity for adequate provision in our budget for redemption and avoidance of debt. As I said a year ago we hoped that the corner had been definitely turned. I think now that we may say that we are actually advancing on the broad road that leads to social progress. The Local Governments, or at any rate some of them, will now have an opportunity of developing those services, such as the fastening of industries, agriculture, education and public health which not only create wealth but spread enlightenment. The Central Government has fewer opportunities in this way but, so far as our powers go, we have endeavoured to include in this budget a number of items of beneficial expenditure. We have, for instance, restored 3 lakhs out of the grant of 5 lakhs for the Indian Research Fund, which was cut out under the recommendations of the Inchcape Committee. We have made extra provision for the Islamia and other Colleges in the North-West Frontier Province. We have increased our grant to the Forest Research Institute at Dehra Dun, to the Agricultural Institute at Pusa, and to the sugarcane breeding station at Coimbatore. I think that this House, which always takes a special interest in the development of activities of this kind, will receive this news with welcome.

Schedule of demands for grants for expenditure of the Central Government (excluding Railways) for the year 1925-26 submitted for the vote of the Legislative Assembly.

Number of demand.	Service, Administration or Area to which demand relates.	Head of Account.	Amount.
	A.—Expenditure from Revenue.		R
†			
16	Customs	Customs	71,66,000
17	Taxes on Income	Taxes on Income	62,57,000
18	Salt	Salt	1,11,26,000
19	Opium	Opium	1,78,95,000
20	Stamps	Stamps	25,53,000
21	Forests	Forests	6,63,000
22	Irrigation (including Working Expenses), Navigation, Embankment and Drainage Works.	Works for which capital accounts are kept, Miscellaneous Irrigation Expenditure, Construction of Irrigation, etc., Works.	13,67,000
23	Indian Postal and Telegraph Department (including Working Expenses).	} Posts and Telegraphs	8,70,84,000
24	Indo-European Telegraph Department (including Working Expenses).		29,55,000
25	Interest on Debt and Reduction or Avoidance of Debt.	Interest on ordinary Debt	1,38,18,000
26	Interest on Miscellaneous Obligations	Interest on other Obligations	22,33,000
27	Staff, Household and allowances of the Governor General.		10,63,000
28	Executive Council	} General Administration	62,000
29	Legislative Bodies		6,39,000
30	Foreign and Political Department		8,24,000
31	Home Department		6,04,000
32	Legislative Department		5,49,000
33	Department of Education, Health and Lands.		5,27,000
34	Finance Department		11,60,000
35	Commerce Department		3,21,000
36	Army Department		5,64,000
37	Department of Industries and Labour		5,09,000
38	Central Board of Revenue	1,69,000	
39	Payments to Provincial Governments on account of Administration of Agency subjects.	1,01,000	
40	Audit	Audit	78,87,000
41	Administration of Justice	Administration of Justice	46,000
42	Police	Police	1,82,000
43	Ports and Pilotage	Ports and Pilotage	19,43,000
44	Survey of India	Scientific Departments	24,09,000
45	Meteorology	" "	6,80,000
46	Geological Survey	" "	1,71,000
47	Botanical Survey	" "	6,86,000
48	Zoological Survey	" "	1,60,000
49	Archæology	" "	15,16,000
50	Mines	" "	1,57,000
51	Other Scientific Departments	" "	3,03,000
52	Education	Education	2,37,000
53	Medical Services	Medical	9,18,000
54	Public Health	Public Health	6,02,000
55	Agriculture	Agriculture	13,32,000
56	Civil Veterinary Services	" "	6,56,000
57	Industries	Industries	26,46,000
58	Aviation	Aviation	30,000
		Carried over	18,27,90,000

† 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 1925-26 submitted for the vote of the Legislative Assembly—*contd.*

Number of demand.	Service, Administration or Area to which demand relates.	Head of Account.	Amount.
			R
	Brought forward		18,27,90,000
	A.—Expenditure from Revenue <i>—contd.</i>		
59	Commercial Intelligence and Statistics	Miscellaneous Departments.	2,37,000
60	Census	" "	1,000
61	Emigration—Internal	" "	50,000
62	" External	" "	79,000
63	Joint-Stock Companies	" "	1,29,000
64	Miscellaneous Departments	" "	15,59,000
65	Currency	Currency	54,40,000
66	Mint	Mint	15,81,000
67	Civil Works	Civil Works	1,34,68,000
68	Superannuation Allowances and Pensions	Superannuation Allowances and Pensions.	30,06,000
69	Stationery and Printing	Stationery and Printing	28,18,000
70	Miscellaneous	Miscellaneous	38,99,000
71	Adjustments with Provincial Governments	Miscellaneous Adjustments between Central and Provincial Governments.	15,74,000
72	Refunds		57,26,000
73	North-West Frontier Province		1,12,16,000
74	Baluchistan		26,24,000
75	Delhi		30,65,000
76	Ajmer and Merwara		13,61,000
77	Andamans and Nicobar Islands		41,63,000
78	Rajputana		4,65,000
79	Central India		5,83,000
80	Hyderabad		73,000
81	Expenditure in England—Secretary of State for India		16,52,000
82	Expenditure in England—High Commissioner for India		22,43,000
Non-voted	Ecclesiastical, Political, etc.		...
	TOTAL		25,02,02,000
	B.—Expenditure charged to Capital.		
83	Irrigation	Construction of Irrigation Works.	27,000
84	Indian Posts and Telegraphs	} Capital outlay on Posts and Telegraphs. Initial Expenditure on New Capital at Delhi.	2,12,36,000
85	Indo-European Telegraphs		1,17,000
86	New Capital at Delhi		1,50,39,000
	TOTAL		8,64,19,000
	C.—Disbursements of Loans and Advances.		
87	Interest-free advances		1,82,15,000
88	Loans and advances bearing interest		15,41,99,000
	TOTAL		17,24,14,000
	GRAND TOTAL		45,90,35,000

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

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

Demand.	Amount.
	Rs.
8. Railways—Capital.—Open Line Works	10,00,000
16. Customs—Cotton Excise establishment	77,000
28. Executive Council—Tour expenses of Members of Council.	62,000

A. C. McWATTERS,

Secretary to the Government of India.

The 26th March 1925.

THE INDIAN FINANCE BILL.

AS PASSED BY THE LEGISLATIVE ASSEMBLY ON THE 18TH MARCH 1925.

A Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to remit or vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to reduce the import and excise duties on motor spirit, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to remit or vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to reduce the import and excise duties on motor spirit, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax; It is hereby enacted as follows:—

Short title, extent and duration. **1. (1)** This Act may be called the Indian Finance Act, 1925.

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

VIII of 1894.
VI of 1898.
X of 1923.

(3) Sections 2 and 4 shall remain in force only up to the 31st day of March, 1926.

- XII of 1882. 2. (1) The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if with effect from the 1st day of April, 1925, they imposed such duty at the rate of one rupee 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.
- (2) With effect from the first day of April, 1925, section 2 of the Indian Finance Act, 1924, is hereby repealed.
- VIII of 1894. 3. With effect from the first day of April, 1925, the amendments Amendment of Act specified in the First Schedule to this Act shall be made in Schedule II to the Indian Tariff Act, 1894.
- VI of 1917. 4. With effect from the first day of April, 1925, the Schedule contained in the Second Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act.
- II of 1917. 5. With effect from the first day of April, 1925, the following amendments shall be made in the Motor Spirit (Duties) Act, 1917, namely:—
- (a) in sub-section (1) of section 3 for the words "six annas" the words "four annas" shall be substituted;
- (b) section 6 shall be omitted.
- X of 1923. 6. In sub-section (7) of section 19 of the Indian Paper Currency Act, 1923, for the figures "1925" the figures "1926", shall be substituted.
- XI of 1922. 7. (1) Income-tax for the year beginning on the first day of April, 1925, shall be charged at the rates specified in Part I of the Third Schedule.
- (2) The rates of super-tax for the year beginning on the first day of April, 1925, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Third Schedule.
- (3) For the purposes of the Third 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.

(Schedules as on pages 169—171 of this volume.)

THE INDIAN FINANCE BILL.

AS PASSED BY THE COUNCIL OF STATE ON THE 20TH MARCH, 1925, AND BY THE LEGISLATIVE ASSEMBLY ON THE 21ST MARCH, 1925.

A Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to remit or vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to reduce the import and excise duties on motor spirit, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to remit or vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to reduce the import and excise duties on motor spirit, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax; It is hereby enacted as follows:—

Short title, extent and duration. **1.** (1) This Act may be called the Indian Finance Act, 1925.

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

(3) Sections 2 and 4 shall remain in force only up to the 31st day of March, 1926.

2. (1) The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if, with effect from the first day of April, 1925, 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.

(2) With effect from the first day of April, 1925, section 2 of the Indian Finance Act, 1924, is hereby repealed.

3. With effect from the first day of April, 1925, the amendments specified in the First Schedule to this Act shall be made in Schedule II to the Indian Tariff Act, 1894.

4. With effect from first day of April, 1925, the Schedule contained in the Second Schedule to this Act shall be inserted in the Indian Post Office Act, 1893, as the First Schedule to that Act.

Postal rates.

II of 1917. 5. With effect from the first day of April, 1925, the following amendments shall be made in the Motor Spirit (Duties) Act, 1917, namely:—

(a) in sub-section (1) of section 3 for the words "six annas" the words "four annas" shall be substituted;

(b) section 6 shall be omitted.

X of 1923. 6. In sub-section (7) of section 19 of the Indian Paper Currency Act, 1923, Amendment of Act X for the figures "1925" the figures "1926" shall be of 1923. substituted.

7. (1) Income-tax for the year beginning on the first day of April, 1925, shall be charged at the rates specified in Part I of the Income-tax and super-tax. Third Schedule.

XI of 1922. (2) The rates of super-tax for the year beginning on the first day of April, 1925, shall, for the purposes of section 5 of the Indian Income-tax Act, 1922, be those specified in Part II of the Third Schedule.

XI of 1922. (3) For the purposes of the Third 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.

(Schedules as on pages 169—171 of this volume)

GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

Delhi, the 28th March, 1925.

The following Act of the Indian Legislature received the assent of the Governor General on the 25th March, 1925, and is hereby promulgated for general information :—

ACT No. XIII OF 1925.

An Act to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to remit or vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to reduce the import and excise duties on motor spirit, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to remit or vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to reduce the import and excise duties on motor spirit, further to amend the Indian Paper Currency Act, 1923, and to fix rates of income-tax; It is hereby enacted as follows :—

Short title, extent and duration. 1. (1) This Act may be called the Indian Finance Act, 1925.

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

(3) Sections 2 and 4 shall remain in force only up to the 31st day of March 1926.

2. (1) The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma and Aden, be construed as if, with effect from the 1st day of April, 1925, 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.

(2) With effect from the first day of April, 1925, section 2 of the Indian Finance Act, 1924, is hereby repealed.

3. With effect from the first day of April, 1925, the amendments specified in the First Schedule to this Act shall be made in the First Schedule to the Indian Tariff Act, 1894.

4. With effect from the first day of April, 1925, the Schedule contained in the Second Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act.

5. With effect from the first day of April, 1925, the following amendments shall be made in the Motor Spirit Duties Act, 1917, namely :—
- (a) in sub-section (1) of section 3 for the words "six annas" the words "four annas" shall be substituted ;
- (b) section 6 shall be omitted.
6. In sub-section (7) of section 19 of the Indian Paper Currency Act, Amendment of Act X 1923, for the figures "1925" the figures "1926" of 1923. shall be substituted.
7. (1) Income-tax for the year beginning on the first day of April, 1925, Income-tax and super-tax. shall be charged at the rates specified in Part I of the Third Schedule.
- (2) The rates of super-tax for the year beginning on the first day of April, 1925, shall, for the purposes of section 5 of the Indian Income-tax Act, 1922, be those specified in Part II of the Third Schedule.
- (3) For the purposes of the Third 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.

SCHEDULE I.

Amendments to be made in Schedule II to the Indian Tariff Act, 1904.

[See section 3.]

1. After Item No. 1 the following item shall be inserted, namely :—

"A. GRAIN and PULSE, all sorts, including broken grains and pulse, but excluding flour (see No. 68)"
2. In Item No. 40, the words "and MOTOR SPIRIT", where they first occur in the entry in the second column, and the NOTE to that entry shall be omitted.
3. After Item No. 40 the following item shall be inserted, namely :—

"40A MOTOR SPIRIT	Imperial Gallon.	Four annas."
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4. Item No. 47 and the heading thereto shall be omitted.
5. In Item No. 51, after the figures "15, 16" the figures and letter "51-B" shall be inserted.
6. After Item No. 51-A the following item shall be inserted, namely :—

"51-B HEAD, HEAD CORDS, HEAD KNITTING NEEDLES, REEDS and SHUTTLES."

7. In Item No. 75, after the figures "49" the figures and letter "40-A," shall be inserted.
8. In Item No. 86, for the word and figures "and 18" the figures and word "18 and 51-B" shall be substituted.

SCHEDULE II.

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

(See section 4.)

"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.
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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."
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SCHEDULE III.

(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—	Rates.
(1) When the total income is less than Rs2,000	<i>Nil.</i>
(2) When the total income is Rs2,000 or upwards, but is less than Rs5,000.	Five pies in the rupee.
(3) When the total income is Rs5,000 or upwards, but is less than Rs10,000.	Six pies in the rupee.
(4) When the total income is Rs10,000 or upwards, but is less than Rs20,000.	Nine pies in the rupee.
(5) When the total income is Rs20,000 or upwards, but is less than Rs30,000.	One anna in the rupee.
(6) When the total income is Rs30,000 or upwards, but is less than Rs40,000.	One anna and three pies in the rupee.
(7) When the total income is Rs40,000 or upwards	One anna and six pies in the rupee.
B In the case of every company, and registered firm, whatever its total income.	One anna and six pies in the rupee.

BUDGET FOR 1925-26.

PART II.

Rates of Super tax.

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

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

L. GRAHAM,

Secy. to the Govt. of India.

BUDGET FOR 1925-26.

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No. 3510-F.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

Delhi, the 28th March 1925.

RESOLUTION.

The statements relating to the Revised estimates for 1924-25 and the Budget estimates for 1925-26 which were presented to the Legislative Assembly and the Council of State on the 20th and 28th February 1925 have now been revised with reference to the changes made by the Legislative Assembly when voting the demands for grants, the restoration by the Governor General in Council of certain demands refused by the Assembly and the decision to remit in part the contributions of certain Provinces in accordance with the Resolutions passed by the Legislative Assembly and the Council of State on the 21st and 23rd March 1925 respectively. Certain alterations not affecting Revenue and Expenditure have also been made in the estimates in the light of more recent information. The revised statements are now published for general information.

2. The following reductions were made by the Legislative Assembly in the course of the voting of the demands :—

Expenditure charged to Revenue.

Demand.	Rs.
1. Railway Board	78,100
4. Working Expenses : Administration	39,00,100
5. Working Expenses : Operation and Maintenance	35,00,000
16. Customs	77,000
17. Taxes on Income	100
18. Salt	150
19. Opium	100
20. Stamps	17,00,000
28. Executive Council	62,000

Expenditure charged to Capital.

Demand.	Rs.
8. Railways : Open line works	20,00,000

Of these, the Governor General in Council has, under section 67A (7) of the Government of India Act, decided to restore the reductions under demands Nos. 16 and 28 and also Rs. 10,00,000 out of the reduction of Rs. 20,00,000 under demand No. 8. For the rest it is considered that an allowance should

be made for supplementary grants in respect of reductions under demands Nos. 1, 4, 5, 8 and 20 as follows:—

Expenditure charged to Revenue.

Demand.	Rs.
1. Railway Board	41,000
4. Working Expenses: Administration	39,00,000
5. Working Expenses: Operation and Maintenance	35,00,000
20. Stamps	17,00,000
	<hr/>
	91,40,000
	<hr/>

Expenditure charged to Capital.

Demand.	Rs.
8. Railways: Open line works	10,00,000

The net result of these changes is that the total Revenue and Expenditure charged to Revenue for the year 1925-26 are now estimated at Rs. 1,30,67,97,100 and 1,30,43,83,600 respectively, leaving a surplus of Rs. 24,13,500.

A. C. McWATTERS,

Secretary to the Government of India.

Budget
of the
Government of India,
March 1925

ACCOUNTS	1923-24
REVISED ESTIMATES	1924-25
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BUDGET FOR 1925-26.

I.--General Statement of the Revenue and Expenditure charged to

	For details, vide State- ment.	Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
		Rs.	Rs.	Rs.	Rs.
Revenue—					
Principal Heads of Revenue—					
Customs	A	39,69,64,296	45,01,82,000	44,76,44,000	46,35,00,000
Taxes on Income . . . . .	..	18,23,55,516	18,21,97,000	16,47,26,000	17,34,87,000
Salt . . . . .	..	10,01,50,870	9,04,62,000	7,73,78,000	6,95,00,000
Opium . . . . .	..	4,24,81,654	4,33,60,000	3,68,30,000	3,55,85,000
Other Heads . . . . .	..	2,28,46,225	2,22,32,000	2,08,21,000	2,23,14,000
TOTAL PRINCIPAL HEADS.		74,48,08,161	78,84,33,000	74,73,99,000	76,43,86,000
Railways : Net Receipts (as per Railway Budget)		32,69,42,393	29,74,93,000	84,19,37,000	83,89,44,000
Irrigation : Net Receipts	A	10,54,064	12,47,000	8,91,000	10,42,000
Posts and Telegraphs : Net Receipts . . . . .	..	96,12,987	1,07,41,000	91,14,000	68,11,000
Interest Receipts . . . . .	..	3,16,59,620	3,17,25,000	3,79,59,000	3,80,44,000
Civil Administration . . . . .	..	68,51,292	72,01,000	70,70,000	72,60,000
Currency and Mint . . . . .	..	3,12,73,901	3,63,66,000	3,94,93,000	4,08,07,000
Civil Works . . . . .	..	37,05,245	12,36,000	12,12,000	10,18,000
Miscellaneous . . . . .	..	94,78,186	67,48,000	33,50,000	43,21,000
Military Receipts . . . . .	..	4,81,56,397	2,75,16,000	4,16,96,000	4,01,17,000
Provincial Contributions and miscellaneous adjustments between Central and Pro- vincial Governments . . . . .	..	9,21,54,718	9,22,11,000	9,25,16,000	6,22,14,000
Extraordinary Items . . . . .	..	2,59,65,851	...	2,55,89,000	38,33,000
TOTAL REVENUE		1,83,16,63,305	1,30,09,37,000	1,34,82,26,000	1,30,67,97,000*
DEFICIT		...	...	...	...
TOTAL		1,83,16,63,305	1,30,09,37,000	1,34,82,26,000	1,30,67,97,000

DELHI,
FINANCE DEPARTMENT,
The 28th March 1925.

M. F. GAUNTLETT,
Auditor General.

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

	For details, vide Statement.	Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
		Rs.	Rs.	Rs.	Rs.
Expenditure—					
Direct Demands on the Revenues	B	5,44,04,114	5,54,12,000	5,45,62,000	5,28,91,000
Forest and other Capital outlay charged to Revenue . . . . .	"	...	...	21,11,000	32,93,000
Railways: Interest and Miscellaneous Charges (as per Railway Budget)	"	26,25,21,458	25,16,79,000	28,55,02,000	28,65,58,000
Irrigation	"	16,42,139	22,85,000	21,94,000	17,79,000
Posts and Telegraphs	"	25,37,942	—11,00,000	—62,000	—28,17,000
Debt Services	"	17,33,41,971	18,32,51,000	17,92,04,000	18,18,06,000
Civil Administration	"	9,33,97,308	9,80,28,000	10,26,87,000	10,97,98,000
Currency and Mint	"	99,07,398	77,31,000	73,20,000	73,47,000
Civil Works	"	1,70,31,590	2,06,50,000	1,93,27,000	1,68,47,000
Miscellaneous	"	4,46,49,882	4,88,73,000	4,47,95,000	4,01,91,000
Military Services	"	61,04,31,760	63,00,16,000	60,49,96,000	60,26,17,000
Miscellaneous adjustments between the Central and Provincial Governments	"	37,98,778	23,65,000	56,32,000	15,74,000
Extraordinary Items	"	3,40,96,207	...	...	25,00,000
TOTAL EXPENDITURE CHARGED TO REVENUE		1,30,77,63,547	1,29,90,90,000	1,30,82,68,000	1,30,43,84,000*
SURPLUS		2,38,99,758	18,47,000	3,99,58,000	24,13,000*
TOTAL		1,33,16,63,305	1,30,09,37,000	1,34,82,26,000	1,30,67,97,000

* The total Revenue, the total Expenditure charged to Revenue and the surplus for 1925-26 are Rs. 1,30,67,97,100, Rs. 1,30,43,83,600 and Rs. 24,13,500 respectively but the figures have been shown in these statements in round thousands of rupees as usual.

H. DENNING,
Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

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

	For details, vide Statement.	RECEIPTS.			
		Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
		Rs.	Rs.	Rs.	Rs.
Surplus	C	2,38,99,758	18,47,000	3,99,58,000	24,13,000
Railway Capital not charged to Revenue—					
Capital contributed by Railway Companies and Indian States towards construction of State Railways (as per Railway Budget)		-1,02,94,684	-27,71,65,000	-27,65,45,000	-4,84,63,000
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	C	37,13,70,540	36,85,62,000	30,05,83,000	8,95,14,000
Floating Debt (net incurred) . . . . .	"	...	...	...	...
Unfunded Debt (net incurred).	"	9,80,06,571	7,51,45,000	9,67,35,000	9,80,21,000
Deposits and Advances (net)	"	7,19,17,040	15,42,67,000	2,48,33,000	8,81,41,000
Loans and Advances by Central Government (net Repayments)	"	...	6,70,000	...	...
Railway Depreciation and Reserve Funds as per Railway Budget (net) . . . . .	"	...	...	6,19,65,000	4,51,94,000
Remittances (net)	"	...	1,38,000	1,02,57,000	...
Balances of Provincial Governments (net)	"	3,67,86,092	...	...	81,82,000
TOTAL DEBT, DEPOSITS AND ADVANCES . . . . .	...	57,80,80,243	59,87,82,000	49,48,73,000	32,40,52,000
TOTAL RECEIPTS . . . . .	...	59,16,85,317	32,24,64,000	25,77,56,000	27,80,02,000
Opening Balance—India . . . . .	...	25,95,80,424	29,77,01,424	31,13,62,292	24,26,02,292
England . . . . .	...	9,82,19,688	7,63,05,688	10,38,42,476	11,86,63,476
TOTAL . . . . .	...	94,94,85,429	69,74,71,112	67,29,90,768	63,93,57,768

M. F. GAUNTLETT,

Auditor General.

DELHI,

FINANCE DEPARTMENT,

The 28th March 1925.

Central Government, in India and in England.

	For details, vide Statement.	DISBURSEMENTS.			
		Accounts, 1923-24.	Budget Estimate, 1924-25.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
		Rs. ...	Rs. ...	Rs. ...	Rs. ...
Deficit.	C				
Railway, Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—					
Construction of State Railways (as per Railway Budget)	"	20,79,98,472	30,00,00,000	12,85,00,000	23,00,00,000
Redemption of Liabilities involved in the purchase of Railways (as per Railway Budget)	"	...	...	...	3,43,33,000
Construction of Irrigation Works	"	13,104	...	16,000	27,000
Capital outlay on Posts and Telegraphs	"	75,21,560	1,73,95,000	1,64,98,000	2,13,53,000
Initial expenditure on new Capital at Delhi	"	1,54,73,652	1,47,00,000	1,37,00,000	1,55,00,000
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	...	23,10,06,788	33,20,95,000	15,87,14,000	30,12,13,000
Debt, Deposits and Advances.					
Permanent Debt (net discharged)	C	...	...	...	...
Floating Debt (net discharged)	"	19,46,70,000	2,13,00,000	2,12,20,000	...
Deposits and Advances (net)	"	...	...	...	...
Loans and Advances by Central Government (net Advances)	"	3,24,930	...	1,17,01,000	14,79,30,000
Loans between Central and Provincial Governments (net Advances)	"	10,12,11,803	12,72,62,000	9,39,20,000	...
Remittances (net)	"	70,67,140	...	...	9,65,000
Balances of Provincial Governments (net)	"	...	3,00,23,000	2,60,80,000	...
TOTAL DEBT, DEPOSITS AND ADVANCES	...	30,32,73,873	17,85,85,000	15,29,21,000	14,88,05,000
TOTAL DISBURSEMENTS	...	53,42,80,661	51,06,80,000	31,16,35,000	45,01,08,000
Closing Balance—India	...	31,13,62,292	13,87,36,424	24,26,92,292	13,13,43,292
England	..	10,38,42,476	4,80,54,688	11,86,63,476	5,79,01,476
TOTAL	...	94,94,85,429	69,74,71,112	67,29,90,768	63,93,57,768

H. DENNING,
Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

A.—Statement of the Revenue of the

HEADS OF REVENUE.	Accounts, 1923-24.				Item Number.
	India.	England.	Exchange.	TOTAL.	
Principal Heads of Revenue—	Rs.	Rs.	Rs.	Rs.	
I.—Customs	39,69,64,296	...	...	39,69,64,296	1
II.—Taxes on Income	18,23,55,516	...	...	18,23,55,516	2
III.—Salt	10,01,50,870	...	...	10,01,50,870	3
IV.—Opium	4,24,81,654	...	...	4,24,81,654	4
V.—Land Revenue	43,05,972	...	...	43,05,972	5
VI.—Excise	48,24,895	...	...	48,24,895	6
VII.—Stamps—					
A.—Non-judicial	8,91,300	...	...	8,91,300	7
B.—Judicial	18,80,507	...	...	18,80,507	8
VIII.—Forest	21,20,378	...	...	21,20,378	9
IX.—Registration	1,55,779	...	...	1,55,779	10
X.—Tributes from Indian States	66,77,304	...	...	66,77,304	11
TOTAL	74,48,08,561	...	...	74,48,08,561	12
Irrigation, etc.—					
XIII.—Works for which Capital accounts are kept—Gross Receipts	19,80,951	...	...	19,80,951	13
Deduct—Working Expenses	9,60,724	91	39	9,60,854	14
Net Receipts	10,20,227	—91	—39	10,20,097	15
XIV.—Works for which no Capital accounts are kept	33,967	...	...	33,967	16
TOTAL	10,54,194	—91	—39	10,54,064	17
Posts and Telegraphs—					
XV.—Gross Receipts	10,07,79,139	16,68,677	7,66,505	10,32,14,321	18
Deduct—Working Expenses	9,11,24,647	17,22,367	7,54,320	9,36,01,334	19
Net Receipts	96,54,492	—53,690	12,185	96,12,987	20
Debt Services—					
XVI.—Interest	62,72,464	1,60,83,154	73,03,982	3,16,59,620	21
Carried over	76,37,59,731	1,60,29,373	73,16,128	78,71,35,232	

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

REVISED ESTIMATE, 1924-25.				
Item Number.	India.	England.	Exchange.	TOTAL.
	Rs.	Rs.	Rs.	Rs.
1	44,76,44,000			44,76,44,000
2	16,50,00,000	-2,00,000	-74,000	16,47,26,000
3	7,73,78,000			7,73,78,000
4	3,68,30,000			3,68,30,000
5	38,43,000			38,43,000
6	42,83,000			42,83,000
7	8,53,000			8,53,000
8	18,38,000			18,38,000
9	13,06,000			13,06,000
10	1,63,000			1,63,000
11	85,35,000			85,35,000
12	74,76,73,000	-2,00,000	-74,000	74,73,99,000
13	18,68,000			18,68,000
14	9,46,000	40,000	15,000	10,01,000
15	9,42,000	-40,000	-15,000	8,87,000
16	4,000			4,000
17	9,46,000	-40,000	-15,000	8,91,000
18	10,34,97,000	8,20,000	3,04,000	10,46,21,000
19	9,37,55,000	12,78,000	4,74,000	9,55,07,000
20	97,42,000	-4,58,000	-1,70,000	91,14,000
21	90,30,000	2,10,94,000	78,35,000	3,79,59,000
	76,73,91,000	2,03,96,000	75,76,000	79,53,63,000

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

Increase (+) Decrease (-) as compared with Budget Estimate, 1924-25.	BUDGET ESTIMATE, 1925-26.		Item Number.
	India.	England.	
Rs.	Rs.	Rs.	
-25,38,000	46,35,00,000	...	1
-1,74,71,000	17,40,21,000	-4,00,000	2
-1,90,84,000	6,95,00,000	...	3
-65,30,000	3,55,85,000	...	4
-1,19,000	38,44,000	...	5
-2,70,000	44,23,000	...	6
-52,000	8,61,000	...	7
+16,000	18,56,000	...	8
-8,90,000	26,48,000	...	9
+20,000	1,63,000	...	10
-1,16,000	85,19,000	...	11
-4,10,34,000	76,49,20,000	-4,00,000	12
-3,20,000	20,57,000	...	13
-32,000	9,21,000	76,000	14
-3,52,000	11,86,000	-76,000	15
-4,000	7,000	...	16
-3,56,000	11,43,000	-76,000	17
-14,33,000	10,74,42,000	5,40,000	18
-1,94,000	10,00,94,000	9,43,000	19
-16,27,000	73,48,000	-4,03,000	20
+62,34,000	97,91,000	1,96,90,000	21
-3,67,83,000	78,32,02,000	1,85,11,000	

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

BUDGET FOR 1925-26.

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Central Government, in India and in England.

Item Number.	BUDGET ESTIMATE, 1925-26.		Increase (+) Decrease (-) as compared with Revised, 1924-25.	HEADS OF REVENUE.	
	Exchange.	TOTAL.			
	Rs.	Rs.			
1	...	46,35,00,000	+1,58,56,000	Principal Heads of Revenue— I.—Customs. II.—Taxes on Income. III.—Salt. IV.—Opium. V.—Land Revenue. VI.—Excise. VII.—Stamps— A.—Non-judicial. B.—Judicial. VIII.—Forest. IX.—Registration. X.—Tributes from Indian States. TOTAL.	
2	-1,34,000	17,34,87,000	+87,61,000		
3	...	6,95,00,000	-78,78,000		
4	...	3,55,85,000	-12,45,000		
5	...	38,44,000	+1,000		
6	...	44,23,000	+1,40,000		
7	...	8,61,000	+8,000		
8	...	18,56,000	+18,000		
9	...	26,48,000	+13,42,000		
10	...	1,63,000	...		
11	...	85,19,000	-16,000		
12	-1,34,000	76,43,86,000	+1,69,87,000	IRRIGATION, ETC.— XIII.—Works for which Capital accounts are kept—Gross Receipts. Deduct—Working Expenses. Net Receipts. XIV.—Works for which no Capital accounts are kept. TOTAL.	
13	...	21,57,000	+1,69,000		
14	25,000	10,22,000	-21,000		
15	-25,000	10,35,000	+1,48,000		
16	...	7,000	+3,000		
17	-25,000	10,42,000	+1,51,000		
18	1,80,000	10,81,62,000	+35,41,000		Posts and Telegraphs— XV.—Gross Receipts. Deduct—Working Expenses. Net Receipts. Debt Services— XVI.—Interest. Carried over.
19	3,14,000	10,13,51,000	-58,44,000		
20	-1,34,000	68,11,000	-23,03,000		
21	65,63,000	3,60,44,000	-19,15,000		
	62,70,000	80,82,83,000	+1,29,20,000		

BUDGET FOR 1925-26.

A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	ACCOUNTS, 1923-24.				Item Number.
	India.	England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.	Rs.	
Brought forward	76,37,89,731	1,60,29,373	73,16,128	78,71,35,232	
Civil Administration -					
XVII.—Administration of Justice	4,37,748	...	...	4,37,748	1
XVIII.—Jails and Convict Settlements	7,17,750	...	...	7,17,750	2
XIX.—Police	1,33,325	...	...	1,33,325	3
XX.—Ports and Pilotage	21,83,144	...	...	21,83,144	4
XXI.—Education	1,49,206	...	...	1,49,206	5
XXII.—Medical	2,76,464	...	...	2,76,464	6
XXIII.—Public Health	1,57,093	...	...	1,57,093	7
XXIV.—Agriculture	8,40,656	...	...	8,40,656	8
XXV.—Industries	420	...	...	420	9
XXVI.—Miscellaneous Departments	19,55,486	...	...	19,55,486	10
TOTAL	68,51,292	...	...	68,51,292	11
Currency and Mint -					
XXVII.—Currency	2,73,85,906	14,84,451	6,69,617	2,95,39,974	12
XXVIII.—Mint	17,33,972	31	14	17,34,017	13
TOTAL	2,91,19,878	14,84,482	6,69,631	3,12,73,991	14
Civil Works -					
XXX.—Civil Works	37,05,245	...	...	37,05,245	15
Miscellaneous -					
XXXIII.—Receipts in aid of Superannuation	30,10,977	3,64,061	1,69,403	35,44,461	16
XXXIV.—Stationery and Printing	13,34,927	6,515	2,923	13,44,365	17
XXXV.—Miscellaneous	4,36,522	29,42,205	12,10,633	45,89,360	18
TOTAL	47,82,426	33,12,801	13,82,959	94,78,186	19
Carried over	80,82,48,572	2,08,26,656	93,68,718	83,84,43,946	

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

REVISED ESTIMATE, 1924-25.

Item Number.	India.	England.	Exchange.	TOTAL.
	Rs.	Rs.	Rs.	Rs.
	76,73,91,000	2,03,96,000	75,76,000	79,53,63,000
1	4,40,000	...	...	4,40,000
2	5,53,000	...	...	5,53,000
3	68,000	...	...	88,000
4	24,11,000	...	...	24,11,000
5	1,67,000	...	...	1,67,000
6	1,23,000	...	...	1,23,000
7	1,80,000	...	...	1,80,000
8	9,73,000	...	...	9,73,000
9	...	...	...	...
10	21,35,000	...	...	21,35,000
11	70,70,000	...	...	70,70,000
12	2,86,58,000	52,30,000	19,32,000	3,57,90,000
13	37,02,000	1,000	...	37,03,000
14	3,23,60,000	52,01,000	19,32,000	3,94,93,000
15	12,12,000	...	...	12,12,000
16	15,62,000	3,44,000	1,28,000	20,34,000
17	9,39,000	7,000	3,000	9,49,000
18	-15,000	2,79,000	1,03,000	3,67,000
19	24,86,000	6,30,000	2,34,000	33,50,000
	81,03,19,000	2,62,27,000	97,42,000	84,64,88,000

Increase (+) Decrease (-) as compared with Budget Estimate, 1924-25.	BUDGET ESTIMATE, 1925-26.		Item Number.
	India.	England.	
Rs.	Rs.	Rs.	
-3,67,83,000	78,82,02,000	1,88,11,000	
-7,000	4,41,000	...	1
-2,31,000	5,89,000	...	2
-10,000	88,000	...	3
+1,62,000	24,24,000	...	4
+37,000	1,28,000	...	5
+14,000	1,21,000	...	6
+1,00,000	1,80,000	...	7
-57,000	9,52,000	...	8
...	...	...	9
-1,39,000	23,37,000	...	10
-1,31,000	72,60,000	...	11
+10,51,000	3,09,41,000	55,00,000	12
+20,56,000	25,31,000	1,000	13
+31,07,000	3,34,72,000	55,01,000	14
-24,000	10,18,000	...	15
-4,41,000	15,39,000	3,17,000	16
+86,000	11,27,000	6,000	17
-80,43,000	7,07,000	3,88,000	18
-33,98,000	33,73,000	7,11,000	19
-3,72,29,000	92,83,25,000	2,50,23,000	

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

Government, in India and in England—contd.

Item Number.	BUDGET ESTIMATE, 1925-26.		Increase (+) Decrease (-) as compared with Revised, 1924-25.	HEADS OF REVENUE.
	Exchange.	TOTAL.		
	Rs.	Rs.		
	62,70,000	80,82,83,000	+ 1,29,20,000	Brought forward.
				Civil Administration—
1	...	4,41,000	+1,000	XVII.—Administration of Justice.
2	...	5,69,000	+36,000	XVIII.—Jails and Convict Settlements.
3	...	88,000	...	XIX.—Police.
4	...	24,24,000	+18,000	XX.—Ports and Pilotage.
5	...	1,28,000	-39,000	XXI.—Education.
6	...	1,21,000	-2,000	XXII.—Medical.
7	...	1,80,000	...	XXIII.—Public Health.
8	...	9,52,000	-21,000	XXIV.—Agriculture.
9	...	...	...	XXV.—Industries.
10	...	23,37,000	+2,02,000	XXVI.—Miscellaneous Departments.
11	...	72,60,000	+1,90,000	TOTAL.
				Currency and Mint—
12	18,34,000	3,62,75,000	+24,85,000	XXVII.—Currency.
13	...	25,32,000	-11,71,000	XXVIII.—Mint.
14	18,34,000	4,08,07,000	+13,14,000	TOTAL.
				Civil Works—
15	...	10,18,000	-1,94,000	XXX.—Civil Works.
				Miscellaneous—
16	1,06,000	19,62,000	-72,000	XXXIII.—Receipts in aid of Superannuation.
17	2,000	11,35,000	+1,86,000	XXXIV.—Stationery and Printing.
18	1,29,000	12,24,000	+8,57,000	XXXV.—Miscellaneous.
19	2,37,000	43,21,000	+9,71,000	TOTAL.
	83,41,000	86,16,89,000	+1,52,01,000	Carried over.

BUDGET FOR 1925-26.

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

HEADS OF REVENUE.	ACCOUNTS, 1923-24.				Item Number.
	India	England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.	Rs.	
Brought forward . . .	60,82,48,572	2,08,26,656	93,69,718	63,84,43,946	
Military Receipts—					
XXXVI.—Army—					
Effective . . .	2,91,02,023	36,00,535	16,30,042	3,43,33,000	20
Non-effective . . .	15,36,491	11,99,288	5,54,520	32,90,299	21
	3,06,38,514	48,00,223	21,84,562	3,76,23,299	22
XXXVII.—Marine . . .	24,73,367	...	...	24,73,367	23
XXXVIII.—Military Engineer Services . . .	80,59,731	...	...	80,59,731	24
TOTAL . . .	4,11,71,612	48,00,223	21,84,562	4,81,56,397	25
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—					
XXXIX.—Contributions to the Central Government by Provincial Governments . . .	9,20,00,000	...	...	9,20,00,000	26
XXXIXA—Miscellaneous adjustments between the Central and Provincial Governments . . .	1,54,718	...	...	1,54,718	27
TOTAL . . .	9,21,54,718	...	...	9,21,54,718	28
Extraordinary Items—					
XL.—Extraordinary Receipts . . .	18,75,963	1,67,50,000	73,39,888	2,59,65,851	29
Railway Revenues as per Railway Budget . . .	32,44,09,540	17,09,216	8,21,637	32,69,42,393	30
TOTAL REVENUE . . .	1,26,78,60,405	4,40,66,005	1,97,16,505	1,33,16,63,305	31

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

REVISED ESTIMATE, 1924-25.

Item Number.	India.	England.	Exchange.	TOTAL.
	Rs.	Rs.	Rs.	Rs.
	81,05,19,000	2,62,27,000	97,42,000	84,64,88,000
20	2,82,71,000	49,63,000	18,43,000	3,50,77,000
21	10,97,000	10,65,000	3,96,000	25,58,000
22	2,93,68,000	60,28,000	22,39,000	3,76,35,000
23	12,75,000	...	...	12,75,000
24	27,86,000	...	...	27,86,000
25	3,34,29,000	60,28,000	22,39,000	4,16,96,000
26	9,20,12,000	...	...	9,20,12,000
27	5,04,000	...	...	5,04,000
28	9,25,16,000	...	...	9,25,16,000
29	81,000	1,86,00,000	69,08,000	2,55,89,000
30	33,91,81,000	20,10,000	7,46,000	34,19,37,000
31	1,27,57,26,000	5,28,65,000	1,96,35,000	1,34,82,26,000

Increase (+) Decrease (-) as compared with Budget Estimate, 1924-25.	BUDGET ESTIMATE, 1925-26.	
	India.	England.
	Rs.	Rs.
-3,72,29,000	82,83,25,000	2,50,23,000
+1,36,71,000	2,97,93,000	29,93,000
+26,000	9,51,000	10,75,000
+1,36,97,000	2,47,44,000	40,68,000
-2,17,000	9,33,000	...
+7,00,000	90,16,000	...
+1,41,80,000	3,46,93,000	40,68,000
...	6,20,12,000	...
+3,05,000	2,02,000	...
+3,05,000	6,22,14,000	...
+2,53,89,000	...	29,75,000
+4,44,44,000	34,13,64,000	-18,15,000
+4,72,89,000	1,26,65,96,000	3,01,51,000

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

BUDGET FOR 1925-26.

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

Item Number.	BUDGET ESTIMATE, 1925-26.		Increase (+) Decrease (-) as compared with Revised, 1924-25.	HEADS OF REVENUE.
	Exchange.	TOTAL.		
	Rs. 83,41,000	Rs. 86,16,89,000	Rs. +1,52,01,000	Brought forward.
				Military Receipts—
				XXXVI.—Army—
20	9,98,000	2,77,81,000	-72,93,000	Effective.
21	3,58,000	23,84,000	-1,74,000	Non-effective.
22	13,56,000	3,01,68,000	-74,67,000	
23	...	9,33,000	-3,42,000	XXXVII.—Marine,
24	...	90,16,000	+62,30,000	XXXVIII.—Military Engineer Services.
25	13,56,000	4,01,17,000	-15,79,000	TOTAL.
				Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—
26	...	6,20,12,000	-3,00,00,000	XXXIX.—Contributions to the Central Government by Provincial Governments.
27	...	2,02,000	-3,02,000	XXXIXA.—Miscellaneous adjustments between the Central and Provincial Governments.
28	...	6,22,14,000	-3,03,02,000	TOTAL.
				Extraordinary Items—
29	9,58,000	38,33,000	-2,17,56,000	XI.—Extraordinary Receipts.
30	-6,05,000	33,89,44,000	-29,93,000	Railway Revenues as per Railway Budget.
31	1,00,50,000	1,30,67,97,000	-4,11,29,000	TOTAL REVENUE.

B.— Statement of the Expenditure charged to the Revenues

HEADS OF EXPENDITURE.	ACCOUNTS, 1923-24.				Item Number.
	India.	England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.	Rs.	
Direct Demands on the Revenues—					
1.—Customs	69,47,200	1,19,010	59,478	71,35,688	1
2.—Taxes on Income	62,26,438	28,031	12,955	62,67,424	2
3.—Salt	1,35,35,796	52,399	23,791	1,36,11,986	3
4.—Opium	2,58,09,228	47,722	22,649	2,58,79,599	4
5.—Land Revenue	10,51,443	44,248	23,582	11,16,273	5
6.—Excise	2,27,443	...	...	2,27,443	6
7.—Stamps—					
A.—Non-judicial	} —39,47,618	2,96,191	1,62,339	—34,89,088	} 7
B.—Judicial					
8.—Forests	30,17,348	4,15,217	1,92,767	36,25,332	9
9.—Registration	29,497	...	...	29,497	10
TOTAL	5,28,96,775	10,12,818	4,94,521	5,44,04,114	11
Forest and other Capital outlay charged to Revenue—					
3A.—Capital outlay on Salt Works . . . . .	...	...	...	...	12
7A.—Capital outlay on Security Printing Press . . . . .	...	...	...	...	13
TOTAL . . . . .	...	...	...	...	14
Irrigation, etc., Revenue Account—					
14.—Works for which Capital accounts are kept—					
Interest on Debt	11,92,750	...	...	11,92,750	15
15.—Other Revenue Expenditure	2,27,055	65,972	30,786	3,23,803	16
TOTAL	14,19,805	65,962	30,786	15,16,553	17
Carried over	5,43,16,530	10,78,780	5,25,307	5,59,20,617	

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

REVISED ESTIMATE, 1924-25.

Item Number.	India.	England.	Exchange.	TOTAL.
	Rs.	Rs.	Rs.	Rs.
1	76,36,000	1,65,000	61,000	78,62,000
2	59,16,000	89,000	33,000	60,38,000
3	1,25,43,000	73,000	27,000	1,26,43,000
4	2,36,68,000	65,000	24,000	2,37,57,000
5	12,28,000	10,000	4,000	12,42,000
6	2,31,000	5,000	2,000	2,38,000
7	-6,23,000	3,30,000	1,23,000	-1,70,000
8				
9	25,79,000	2,49,000	92,000	29,20,000
10	32,000	...	...	32,000
11	5,32,10,000	9,86,000	3,66,000	5,45,62,000
12	10,06,000	...	...	10,06,000
13	9,82,000	90,000	33,000	11,05,000
14	19,88,000	90,000	33,000	21,11,000
15	12,41,000	...	...	12,41,000
16	8,03,000	25,000	9,000	8,37,000
17	20,44,000	25,000	9,000	20,78,000
	5,72,42,000	11,01,000	4,03,000	5,87,51,000

Increase (+) Decrease (-) as compared with Budget, 1924-25.	BUDGET ESTIMATE, 1925-26.		Item Number.
	India.	England.	
Rs.	Rs.	Rs.	
-3,61,000	81,61,000	2,01,000	1
-4,81,000	65,40,000	87,000	2
-18,92,000	1,35,41,000	72,000	3
+28,49,000	1,79,54,000	56,000	4
-95,000	14,15,000	17,000	5
-23,000	4,15,000	18,000	6
-3,43,000	7,02,000	60,000	7
-4,94,000	31,20,000	2,24,000	8
-5,000	37,000	...	9
		...	10
-8,50,000	5,18,85,000	7,55,000	11
+10,06,000	14,93,000	...	12
+11,05,000	13,13,000	3,65,000	13
+21,11,000	28,06,000	3,65,000	14
...	12,50,000	...	15
-86,000	3,00,000	29,000	16
-86,000	15,50,000	29,000	17
+11,75,000	5,62,41,000	11,49,000	

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

of the Central Government, in India and in England.

Item Number.	BUDGET ESTIMATE, 1925-26.		Increase (+) Decrease (-) as compared with Revised, 1924-25.	HEADS OF EXPENDITURE.
	Exchange.	TOTAL.		
	Rs.	Rs.	Rs.	
1	67,000	84,29,000	+ 5,67,000	1.—Customs.
2	29,000	66,56,000	+ 6,18,000	2.—Taxes on Income.
3	24,000	1,36,37,000	+ 9,94,000	3.—Salt.
4	19,000	1,80,29,000	-57,28,000	4.—Opium.
5	6,000	14,38,000	+ 1,96,000	5.—Land Revenue.
6	6,000	4,39,000	+ 2,01,000	6.—Excise.
7	26,000	8,08,000	+ 9,78,000	7.—Stamps—
8						A.—Non-judicial.
9	74,000	34,18,000	+ 4,98,000	B.—Judicial.
10				...	37,000	+ 5,000	8.—Forests.
				9.—Registration.
11	2,51,000	5,28,91,000	-16,71,000	TOTAL
				Forest and other Capital outlay charged to Revenue—
12	...	14,93,000	+ 4,87,000	3A.—Capital outlay on Salt Works.
13	1,22,000	18,00,000	+ 6,95,000	7A.—Capital outlay on Security Printing Press.
14	1,22,000	32,93,000	+ 11,82,000	TOTAL
				Irrigation, etc., Revenue Account—
15	...	12,50,000	+ 9,000	14.—Works for which Capital accounts are kept—
16	10,000	3,39,000	-4,98,000	Interest on Debt.
17	10,000	15,69,000	- 4,69,000	15.—Other Revenue Expen- diture.
				TOTAL
	3,83,000	5,77,73,000	-9,78,000	Carried over

B.—Statement of the Expenditure charged to the Revenues

HEADS OF EXPENDITURE.	ACCOUNTS, 1923-24.				Item Number.
	India.	England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.	Rs.	
Brought forward	5,43,16,580	10,78,780	5,25,807	5,59,20,667	
Irrigation, etc., Capital Account (charged to Revenue)—					
16.—Construction of Irrigation, etc., Works—Financed from Ordinary Revenues	1,23,586	...	...	1,23,586	18
Posts and Telegraphs Revenue Account—					
17.—Posts and Telegraphs—Interest on Debt	63,88,844	...	...	63,88,844	19
Posts and Telegraphs Capital Account (charged to Revenue)—					
18.—Capital outlay on Posts and Telegraphs— Indian Postal and Telegraph Department	—50,51,094	12,11,959	5,54,358	—32,84,777	20
Indo-European Telegraph Department	—4,29,486	—98,533	—38,106	—5,66,125	21
TOTAL	—54,80,580	11,13,426	5,16,252	—38,50,902	22
Debt Services—					
19.—Interest on Ordinary Debt	20,10,52,772	10,26,95,582	4,65,79,673	35,03,28,027	23
Deduct—Amount chargeable to—					
Salt . . . . .	...	...	...	...	24
Railways	11,22,14,021	4,34,72,304	2,00,03,722	17,56,90,137	25
Irrigation	11,92,750	...	...	11,92,750	26
Posts and Telegraphs	63,88,844	...	...	63,88,844	27
Provincial Governments	3,75,47,098	...	...	3,75,47,098	28
Provincial Loans Fund . . . . .	...	...	...	...	29
Remainder chargeable to Ordinary Debt	4,37,10,059	5,92,23,188	2,65,75,951	12,95,09,198	30
20.—Interest on other Obligations	3,00,66,881	70,519	30,901	3,01,68,301	31
21.—Reduction or Avoidance of Debt	73,61,000	44,26,026	18,80,446	1,36,67,472	32
TOTAL	8,11,37,940	6,37,19,793	2,84,87,298	17,33,44,971	33
Carried over	13,64,88,370	6,59,11,939	2,95,28,857	23,19,29,166	34

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

REVISED ESTIMATE, 1924-25.

Item Number.	India.	England.	Exchange.	TOTAL.
	Rs.	Rs.	Rs.	Rs.
	5,72,42,000	11,01,000	4,08,000	5,87,51,000
18	1,16,000	...	...	1,16,000
19	70,75,000	...	...	70,75,000
20	-92,30,000	11,20,000	4,16,000	-76,94,000
21	-4,69,000	7,48,000	2,78,000	5,57,000
22	-96,99,000	18,69,000	6,94,000	-71,37,000
23	20,13,26,000	12,55,54,000	4,66,34,000	37,35,14,000
24	2,76,000	...	...	2,76,000
25	12,58,17,000	6,51,39,000	2,41,94,000	21,51,50,000
26	12,41,000	...	...	12,41,000
27	70,75,000	...	...	70,75,000
28	4,30,33,000	...	...	4,30,33,000
29	...	...	...	...
30	2,38,84,000	6,04,15,000	2,24,40,000	10,67,39,000
31	3,45,24,000	53,000	31,000	3,46,38,000
32	94,81,000	2,05,69,000	76,77,000	3,78,27,000
33	6,76,88,000	8,11,67,000	3,01,48,000	17,92,04,000
34	13,26,33,000	8,41,36,000	3,12,50,000	23,80,09,000

Increase (+) Decrease (-) as compared with Budget, 1924-25.	BUDGET ESTIMATE, 1925-26.		Item Number.
	India.	England.	
Rs.	Rs.	Rs.	
+ 11,75,000	5,62,41,000	11,49,000	
-5,000	1,90,000	...	18
-25,000	69,66,000	...	19
+ 10,51,000	-95,41,000	...	20
+ 12,000	-4,73,000	1,73,000	21
+ 10,63,000	-1,00,14,000	1,73,000	22
+ 2,32,24,000	20,58,96,000	13,07,64,000	23
-2,76,000	3,38,000	..	24
-2,50,81,000	13,64,44,000	7,29,17,000	25
...	12,50,000	...	26
+ 25,000	69,66,000	...	27
+ 15,75,000	...	...	28
...	4,95,34,000	...	29
-5,33,000	1,13,64,000	5,78,47,000	30
-17,68,000	4,30,35,000	95,000	31
-17,46,000	5,01,50,000	...	32
-40,47,000	10,45,49,000	5,79,42,000	33
-18,30,000	15,79,32,000	5,92,61,000	34

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

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

Item Number.	BUDGET ESTIMATE, 1925-26.		Increase (+) Decrease (-) as compared with Revised, 1924-25.	HEADS OF EXPENDITURE.
	Exchange.	TOTAL.		
	Rs. 3,83,000	Rs. 5,77,73,000	Rs. -9,78,000	Brought forward.
18	...	1,90,000	+74,000	Irrigation, etc., Capital Account (charged to Revenue)— 16.—Construction of Irrigation, etc., Works—Financed from Ordinary Revenues.
19	...	69,66,000	-1,09,000	Posts and Telegraphs Revenue Account— 17.—Posts and Telegraphs—Interest on Debt.
20	...	-95,41,000	-18,47,000	Posts and Telegraphs Capital Account (charged to Revenue)— 18.—Capital outlay on Posts and Telegraphs—Indian Postal and Telegraph Department.
21	58,000	-2,42,000	-7,99,000	Indo-European Telegraph Department.
22	58,000	-97,63,000	-26,46,000	TOTAL
23	4,35,88,000	38,02,48,000	+67,34,000	Debt Services— 19.—Interest on Ordinary Debt.
24	...	3,38,000	-62,000	Deduct—Amount chargeable to—
25	2,43,05,000	23,36,66,000	-1,85,16,000	Salt.
26	...	12,50,000	-9,000	Railways.
27	...	69,66,000	+1,09,000	Irrigation.
28	...	...	+4,30,33,000	Posts and Telegraphs.
29	...	4,95,34,000	-4,95,34,000	Provincial Governments. Provincial Loans Fund.
30	1,92,83,000	8,84,94,000	-1,62,45,000	Remainder chargeable to Ordinary Debt.
31	32,000	4,31,62,000	+85,24,000	20.—Interest on other Obligations.
32	...	5,01,50,000	+1,23,23,000	21.—Reduction or Avoidance of Debt.
33	1,93,15,000	18,18,06,000	+26,02,000	TOTAL
34	1,97,56,000	23,69,52,000	-10,57,000	Carried over

BUDGET FOR 1925-26.

B.—Statement of the Expenditure charged to the Revenues

HEADS OF EXPENDITURE.	ACCOUNTS, 1923-24.				Item Number.
	India.	England.	Exchange.	TOTAL.	
Brought forward	Rs. 13,64,88,370	Rs. 6,59,11,939	Rs. 2,95,28,857	Rs. 23,19,29,166	
Civil Administration—					
22.—General Administration—					
A.—Heads of Provinces (including Governor General) and Executive Councils					1
B.—Legislative Bodies					2
C.—Secretariat and headquarters establishment	1,12,10,502	..	..	1,12,10,502	3
D.—Commissioners					4
E.—District Administration					5
F.—Home Administration, etc.		29,97,122	13,78,363	43,75,485	6
23.—Audit	70,87,470	2,53,891	1,17,485	74,58,846	7
24.—Administration of Justice	12,71,302	57,709	28,401	13,57,412	8
25.—Jails and Convict Settlements.	35,91,868	41,289	18,479	36,51,636	9
26.—Police	81,61,732	1,66,096	77,528	84,05,356	10
27.—Ports and Pilotage	21,91,705	99,490	47,253	22,78,448	11
28.—Ecclesiastical	25,58,441	2,52,390	1,16,509	29,27,343	12
29.—Political	3,01,56,925	-2,59,523	-1,37,745	2,97,59,657	13
30.—Scientific Departments.	77,46,488	4,98,487	2,26,225	84,71,200	14
31.—Education	29,44,465	79,941	36,471	30,60,877	15
32.—Medical	23,49,999	3,12,924	1,46,592	28,09,515	16
33.—Public Health	10,67,856	54,522	24,253	11,46,631	17
34.—Agriculture	22,39,471	89,054	42,316	23,70,841	18
35.—Industries	19,138	27,614	13,530	59,282	19
36.—Aviation	16,454	3,038	1,303	20,825	20
37.—Miscellaneous Departments	19,34,739	14,49,761	6,42,952	40,33,452	21
TOTAL	8,44,88,553	61,23,805	27,84,945	9,33,97,308	22
Currency and Mint—					
38.—Currency	20,52,347	36,84,849	17,15,555	83,72,751	23
39.—Mint	15,06,578	32,656	15,413	15,54,647	24
TOTAL	44,58,925	37,17,505	17,30,968	99,07,398	25
Carried over	22,54,35,853	7,57,53,249	3,40,44,770	33,52,33,872	

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

REVISED ESTIMATE, 1924-25.

Item Number.	India.	England.	Exchange.	TOTAL.
	Rs. 12,26,28,000	Rs. 8,41,36,500	Rs. 3,12,50,000	Rs. 23,80,09,000
1	22,08,000	...	...	22,08,000
2	7,78,000	...	...	7,78,000
3	71,01,000	...	...	71,01,000
4	...	...	...	...
5	16,92,000	...	...	16,92,000
6	...	30,62,000	11,87,000	41,99,000
7	76,29,000	2,08,000	77,000	79,14,000
8	11,43,000	56,000	21,000	12,20,000
9	37,10,000	45,000	17,000	37,72,000
10	91,67,000	1,71,000	64,000	94,02,000
11	23,27,000	1,25,000	46,000	24,98,000
12	25,37,000	5,66,000	2,10,000	33,13,000
13	3,12,26,000	6,33,000	2,35,000	3,20,94,000
14	64,11,000	6,81,000	2,53,000	73,45,000
15	30,93,000	76,000	28,000	31,94,000
16	23,04,000	1,85,000	69,000	25,58,000
17	12,86,000	66,000	25,000	13,77,000
18	29,40,000	1,51,000	56,000	31,47,000
19	62,18,000	33,000	12,000	62,63,000
20	23,000	3,000	1,000	27,000
21	19,21,000	4,84,000	1,60,000	25,85,000
22	9,37,11,000	65,45,000	24,31,000	10,26,87,000
23	28,62,000	22,04,000	8,19,000	58,85,000
24	14,01,000	25,000	9,000	14,35,000
25	42,63,000	22,29,000	8,28,000	73,20,000
	21,05,97,000	9,29,10,000	3,45,09,000	34,80,16,000

Increase (+) Decrease (-) as compared with Budget, 1924-25.	BUDGET ESTIMATES, 1925-26.		Item Number.
	India.	England.	
Rs. -18,39,000	Rs. 15,79,32,000	Rs. 5,92,64,000	
-1,94,000	22,04,000	...	1
+36,000	7,21,000	...	2
-37,000	75,18,000	...	3
-8,000	...	...	4
+1,45,000	17,78,000	...	5
-4,27,000	...	32,86,000	6
-5,69,000	85,16,000	2,59,000	7
-30,000	11,87,000	77,000	8
-2,07,000	39,51,000	60,000	9
+5,25,000	93,25,000	2,61,000	10
-39,000	27,94,000	3,33,000	11
-18,000	26,00,000	8,60,000	12
-1,48,000	3,22,23,000	12,82,000	13
-5,88,000	71,25,000	7,68,000	14
+34,000	31,80,000	81,000	15
-3,33,000	28,58,000	3,33,000	16
+4,000	12,23,000	67,000	17
+4,85,000	26,06,000	1,54,000	18
+61,82,000	69,39,000	64,000	19
+5,000	30,000	3,000	20
-1,59,000	23,09,000	2,62,000	21
+46,59,000	9,69,27,000	81,53,000	22
-2,61,000	80,81,000	19,14,000	23
-1,50,000	16,56,000	44,000	24
-4,11,000	47,37,000	19,58,000	25
+24,09,000	26,15,86,000	6,93,75,000	

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

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

Item Number.	BUDGET ESTIMATE, 1925-26.		Increase (+) Decrease (—) as compared with Revised, 1924-25.	HEADS OF EXPENDITURE.
	Exchange.	TOTAL.		
	Rs. 1,97,55,000	Rs. 23,69,52,000	Rs. —10,57,000	Brought forward.
				Civil Administration—
				22.—General Administration—
				A.—Heads of Provinces (including Governor General) and Executive Councils.
1	...	22,04,000	—4,000	
2	...	7,21,000	—57,000	B.—Legislative Bodies.
				C.—Secretariat and headquarters establishment.
3	...	75,13,000	+4,17,000	
4	...	...	...	D.—Commissioners.
				E.—District Administration.
5	...	17,78,000	+86,000	F.—Home Administration, etc.
6	10,95,000	43,81,000	+1,82,000	23.—Audit.
7	86,000	88,61,000	+9,47,000	24.—Administration of Justice.
8	26,000	12,90,000	+70,000	25.—Jails and Convict Settlements.
9	20,000	39,31,000	+1,59,000	26.—Police.
10	88,000	96,77,000	+2,75,000	27.—Ports and Pilotage.
11	1,11,000	31,78,000	+6,80,000	28.—Ecclesiastical.
12	2,87,000	37,47,000	+4,34,000	29.—Political.
13	4,27,000	3,39,32,000	+18,38,000	30.—Scientific Departments.
14	2,56,000	81,49,000	+8,04,000	31.—Education.
15	27,000	32,88,000	+94,000	32.—Medical.
16	1,11,000	33,02,000	+7,44,000	33.—Public Health.
17	22,000	13,12,000	—65,000	34.—Agriculture.
18	51,000	28,11,000	—3,36,000	35.—Industries.
19	21,000	70,24,000	+7,61,000	36.—Aviation.
20	1,000	34,000	+7,000	37.—Miscellaneous Departments.
21	89,000	26,60,000	+75,000	
22	27,18,000	10,97,98,000	+71,11,000	TOTAL.
				Currency and Mint—
23	6,38,000	56,33,000	—2,52,000	38.—Currency.
24	14,000	17,14,000	+2,79,000	39.—Mint.
25	6,52,000	73,47,000	+27,000	TOTAL.
	2,31,26,000	35,40,97,000	+60,81,000	Carried over.

B.—Statement of the Expenditure charged to the Revenues

HEADS OF EXPENDITURE.	ACCOUNTS, 1923-24.				Item Number.
	India.	England.	Exchange.	TOTAL.	
Brought forward	Rs. 22,54,35,853	Rs. 7,57,53,249	Rs. 3,40,44,770	Rs. 35,52,33,872	
Civil Works—					
41.—Civil Works	1,68,85,839	99,603	46,148	1,70,31,590	26
Miscellaneous—					
43.—Famine Relief and Insurance—					
A.—Famine Relief	5,002	...	...	5,002	27
44.—Territorial and Political Pensions	26,95,382	1,23,739	56,671	28,75,792	28
45.—Superannuation Allowances and Pensions	11,86,238	1,95,94,443	89,79,164	2,97,59,844	29
46.—Stationery and Printing	29,26,384	15,18,346	6,76,463	51,21,193	30
47.—Miscellaneous	47,16,845	14,89,147	6,82,059	68,88,051	31
TOTAL	1,15,59,851	2,27,25,674	1,03,94,357	4,46,49,882	32
Military Services—					
48.—Army—					
Effective	37,76,17,123	6,03,71,596	2,75,23,976	46,55,12,695	33
Non-effective	4,07,70,625	3,64,69,838	1,67,04,394	9,39,44,857	34
	41,83,87,748	9,68,41,434	4,42,28,370	55,94,57,552	35
49.—Marine	59,91,668	25,08,108	11,54,649	96,54,425	36
50.—Military Engineer Services.	4,02,72,500	7,22,414	3,24,869	4,13,19,783	37
TOTAL	46,46,51,916	10,00,71,956	4,57,07,688	61,04,31,760	38
Contributions and Miscellaneous adjustments between Central and Provincial Governments—					
51A.—Miscellaneous adjustments between the Central and Provincial Governments	37,98,778	...	...	37,98,778	
Extraordinary items -					
53.—Extraordinary Payments	...	2,37,07,519	1,03,68,688	3,40,96,207	
Railway Expenditure as per Railway Budget.	11,24,10,817	10,29,36,276	4,71,74,265	26,25,21,458	39
TOTAL EXPENDITURE CHARGED TO REVENUE.	83,47,13,054	32,52,94,277	14,77,56,216	1,30,77,63,547	40

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

REVISED ESTIMATE, 1924-25.				
Item Number.	India.	England.	Exchange.	TOTAL.
	Rs. 22,05,97,000	Rs. 9,29,10,000	Rs. 3,45,09,000	Rs. 34,80,16,000
26	1,91,80,000	1,07,000	40,000	1,93,27,000
27	...	...	...	...
28	29,94,000	1,16,000	43,000	31,53,000
29	17,64,000	1,94,47,000	72,23,000	2,84,34,000
30	38,23,000	7,71,000	2,87,000	48,86,000
31	48,99,000	24,96,000	9,27,000	83,22,000
32	1,34,85,000	2,28,30,000	84,80,000	4,47,95,000
33	37,47,78,000	6,64,73,000	2,46,92,000	46,59,48,000
34	3,91,31,000	3,72,10,000	1,38,21,000	9,01,62,000
35	41,39,09,000	10,36,88,000	3,85,13,000	55,61,10,000
36	48,58,000	20,96,000	7,78,000	77,32,000
37	4,03,93,000	5,55,000	2,06,000	4,11,54,000
38	45,91,60,000	10,63,39,000	3,94,97,000	60,49,96,000
	56,32,000	...	..	56,32,000

39	16,75,50,000	8,60,07,000	3,19,45,000	28,55,02,000
40	88,56,04,000	30,51,93,000	11,44,71,000	1,30,82,68,000

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

Increase (+) Decrease (-) as compared with Budget, 1924-25.	BUDGET ESTIMATE, 1925-26.		Item Number.
	India.	England.	
Rs. + 24,09,000	Rs. 26,15,96,000	Rs. 6,93,75,000	
-13,23,000	1,66,99,000	1,11,000	26
-14,000	...	...	27
+ 1,59,000	29,47,000	1,15,000	28
-14,51,000	9,39,000	1,96,53,000	29
-2,34,000	21,15,000	6,81,000	30
-25,38,000	51,04,000	13,66,000	31
-40,78,000	1,11,05,000	2,18,15,000	32
-2,14,89,000	38,41,38,000	6,18,75,000	33
-12,11,000	3,88,12,000	3,69,53,000	34
-2,27,00,000	42,29,50,000	9,88,28,000	35
-14,36,000	55,15,000	20,89,000	36
-8,84,000	3,89,91,000	4,54,000	37
-2,50,20,000	46,73,56,000	10,13,71,000	38
+ 33,67,000	15,74,000	...	
...	25,00,000	...	
+ 8,38,23,000	17,01,73,000	8,72,89,000	39
+ 91,78,000	93,11,03,000	27,99,61,000	40

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

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

Item Number.	BUDGET ESTIMATE, 1925-26.		Increase (+) Decrease (—) as compared with Revised, 1924-25.	HEADS OF EXPENDITURE.
	Exchange.	TOTAL.		
	Rs. 2,31,26,000	Rs. 35,40,97,000	Rs. +60,81,000	Brought forward.
26	37,000	1,68,47,000	—24,60,000	Civil Works— 41.—Civil Works.
27	...	...	...	Miscellaneous— 43.—Famine Relief and Insurance— A.—Famine Relief.
28	38,000	31,00,000	—53,000	44.—Territorial and Political Pensions.
29	65,51,000	2,71,43,000	—12,91,000	45.—Superannuation Allowances and Pensions.
30	2,27,000	30,23,000	—18,63,000	46.—Stationery and Printing.
31	4,55,000	69,25,000	—13,97,000	47.—Miscellaneous.
32	72,71,000	4,01,91,000	—46,04,000	TOTAL.
33	2,06,25,000	46,66,33,000	+6,90,000	Military Services— 48.—Army— Effective.
34	1,23,18,000	8,80,83,000	—20,79,000	Non-effective.
35	3,29,43,000	55,47,21,000	—13,89,000	
36	6,96,000	83,00,000	+5,68,000	49.—Marine.
37	1,51,000	3,95,96,000	—15,58,000	50.—Military Engineer Services.
38	3,37,90,000	60,26,17,000	—23,79,000	TOTAL.
	...	15,74,000	—40,58,000	Contributions and miscellaneous adjustments between Central and Provincial Governments— 51A.—Miscellaneous adjustments between the Central and Provincial Governments.
	...	25,00,000	+25,00,000	Extraordinary Items— 52.—Extraordinary Payments.
39	2,90,96,000	23,65,58,000	+10,56,000	Railway Expenditure as per Railway Budget.
40	9,33,20,000	1,30,43,84,000	—38,84,000	TOTAL EXPENDITURE CHARGED TO REVENUE.

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1923-24.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Revenue (from Statement A)	1,26,78,60,405	4,40,86,095	1,31,19,46,500
Exchange added to Revenue	1,97,16,805	...	1,97,16,805
TOTAL	1,28,75,77,210	4,40,86,095	1,33,16,63,305
Railway Capital not charged to Revenue—			
As per Railway Budget	—31,39,694	—71,55,000	—1,02,94,684
Public Debt Incurred—			
Permanent Debt—			
<i>Sterling Debt—</i>			
Debenture stock of East Indian and Great Indian Peninsula Railway Company taken over by Secretary of State . . . . .	...	...	...
5½ per cent. Stock . . . . .	...	9,28,370	...
4½ per cent. Stock . . . . .	...	18,06,53,306	...
7 per cent. stock . . . . .	...	...	...
<i>Rupee Debt—</i>			
New Rupee Loan . . . . .	...	...	...
6 per cent. Bonds, 1930	3,000	...	...
6 per cent. Bonds, 1927	2,500	...	...
5 per cent. Loan, 1945-55	9,79,77,400	...	...
5 per cent. Bonds, 1933	14,17,72,200	...	...
3½ per cent. Loans . . . . .	...	...	...
3 per cent. Loans . . . . .	...	...	...
TOTAL	23,97,55,100	18,15,81,676	42,13,36,776
Floating Debt—			
Treasury Bills—			
Issued to Public	6,63,15,000	...	...
Issued to Paper Currency Reserve	55,25,00,000	...	...
Other Floating Loans	5,00,00,000	...	...
TOTAL	66,88,15,000	...	66,88,15,000
Unfunded Debt—			
Deposits of Service Funds	—36,621	11,22,442	...
Post Office Cash Certificates	6,90,79,231	...	...
Savings Bank Deposits	25,47,26,107	1,88,556	...
TOTAL	32,37,68,717	13,10,998	32,50,79,715
Deposits and Advances—			
Deposits of Local Funds—			
District Funds	13,24,62,010	...	...
Other Funds	8,16,63,759	...	...
Sinking Funds for Central Loans	73,69,702	...	...
Other appropriation for Reduction or Avoidance of Debt . . . . .	...	...	...
Sinking Fund Investment Account . . . . .	...	...	...
Sinking Funds for loans granted to local bodies	3,25,104	...	...
Gold Standard Reserve . . . . .	...	1,23,86,68,427	...
Paper Currency Reserve	2,97,72,262	42,25,32,032	...
Deposits of Branch Line Companies	1,52,391	...	...
Posts and Telegraphs Depreciation Fund . . . . .	...	...	...
Departmental and Judicial Deposits	77,35,40,788	...	...
Advances	13,40,41,670	77,40,174	...
Suspense Accounts	3,64,64,629	1,57,28,783	...
Exchange on Remittance Accounts	3,07,89,179	...	...
Miscellaneous	59,83,048	45,17,114	...
Provincial Loans Fund . . . . .	...	...	...
TOTAL	1,23,25,64,542	1,68,91,80,130	2,92,17,45,672
Railway Depreciation and Reserve Funds as per Railway Budget . . . . .	...	...	...
Carried over	3,74,93,40,885	1,90,90,04,299	...

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

Central Government, in India and in England.

REVISED ESTIMATE, 1924-25.			BUDGET ESTIMATE, 1925-26.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,27,57,26,000	5,28,65,000	1,32,85,91,000	1,26,65,96,000	3,01,51,000	1,29,67,47,000
1,96,35,000	...	1,96,35,000	1,00,50,000	...	1,00,50,000
1,29,53,61,000	5,28,65,000	1,34,82,26,000	1,27,66,46,000	3,01,51,000	1,30,67,97,000
-8,72,85,000	-18,92,60,000	-27,65,45,000	-1,37,13,000	-3,47,50,000	-4,84,63,000
...	18,50,00,000		...	3,50,00,000	
...	9,87,000		...	10,50,000	
...	8,68,000		...	9,15,000	
...	...		...	94,000	
...	...		12,00,00,000	...	
...	
5,93,36,000	...		...	...
7,27,86,000	...		...	...
7,70,000	...		7,20,000	...	
...	
13,28,92,000	18,68,55,000	31,97,47,000	12,07,20,000	3,70,59,000	15,77,79,000
49,65,00,000	...		49,65,00,000	...	
49,65,00,000	...	49,65,00,000	49,65,00,000	...	49,65,00,000
12,63,000	2,10,000		12,19,000	2,22,000	
6,06,00,000	...		5,76,00,000	...	
26,45,45,000	1,70,000		28,76,80,000	1,70,000	
32,64,08,000	3,80,000	32,67,88,000	34,64,99,000	3,92,000	34,68,91,000
13,54,32,000	...		13,59,19,000	...	
8,12,23,000	...		8,36,63,000	...	
90,44,000	...		97,21,000	...	
6,50,000	...		4,04,29,000	...	
35,83,000	...		...	...
3,38,000	...		3,52,000	...	
...	79,04,74,000		...	45,00,67,000	
...	70,66,25,000		...	79,98,23,000	
4,82,000	...		4,83,000	...	
...	...		32,76,000	...	
78,31,07,000	...		78,12,87,000	...	
17,89,21,000	55,51,000		16,65,59,000	8,04,000	
1,64,60,000	2,32,47,000		1,68,31,000	1,66,48,000	
5,84,98,000	...		2,57,94,000	...	
1,81,70,000	49,47,000		1,01,95,000	13,30,000	
...	...		20,08,42,000	...	
1,28,09,08,000	1,53,08,94,000	2,81,17,52,000	1,47,53,51,000	1,27,00,72,000	2,74,54,23,000
14,44,65,000	...	14,44,65,000	14,01,94,000	...	14,01,94,000
3,53,92,49,000	1,58,16,84,000		3,84,21,97,000	1,30,29,24,000	

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

BUDGET FOR 1925-26.

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1923-24.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	8,74,93,40,885	1,90,90,04,299	
Loans and Advances by the Central Government—			
Advances to the Provincial Loans Fund	41,14,410	...	41,14,410
Other loans and advances . . . . .	...	...	...
TOTAL	41,14,410	...	41,14,410
Loans between Central and Provincial Governments	2,15,93,443	...	2,15,93,443
Remittances—			
Remittances within India—			
Inland Money Orders	84,87,90,877	...	
Other Local Remittances . . . . .	...	...
Other Departmental Accounts	48,423	...	
Net Receipts by Civil Treasuries from—			
Railways	17,08,89,835	...	
Posts and Telegraphs	3,85,80,769	...	
Net Receipts from Civil Treasuries by—			
Marine	72,76,387	...	
Army and Military Engineer Services	43,35,00,287	...	
Remittances between England and India—			
Remittance Account—			
Iraq drawings	100	2,41,60,960	
Sale of gold . . . . .	...	2,00,00,000	
Other transactions	2,49,67,081	5,14,23,926	
Remittances from India for financing Home Treasury . . . . .	...	23,14,16,640	
Transfers through the Paper Currency Reserve	14,02,03,794	5,84,77,728	
TOTAL	1,66,42,57,553	38,54,79,254	2,04,97,36,807
Balances of Provincial Governments	5,50,80,660	...	5,50,80,660
TOTAL RECEIPTS	5,49,43,86,951	2,29,44,83,553	
Opening Balance	25,95,80,424	(a) 9,82,19,688	
GRAND TOTAL	5,75,39,67,375	2,39,27,03,241	

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

(a) Of this amount, ₹36,584 represents the funds of the Gold Standard Reserve.

BUDGET FOR 1925-26.

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

REVISED ESTIMATE, 1924-25.			BUDGET ESTIMATE, 1925-26.		
India.	• England.	TOTAL.	India.	• England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
3,58,92,49,000	1,58,16,84,000	-	3,84,21,97,000	1,30,29,24,000	
38,87,000	...	38,87,000	76,34,000	...	76,34,000
38,87,000	...	38,87,000	76,34,000	...	76,34,000
1,27,18,000	...	1,27,18,000	...	...	...
86,00,00,000	...		87,00,00,000	...	
11,38,000	...		7,52,000	...	
3,90,14,000	...		3,68,43,000	...	
32,93,66,000	...		21,86,25,000	...	
3,91,05,000	...		3,27,15,000	...	
38,79,000	...		49,95,000	...	
39,32,23,000	...		39,06,29,000	...	
...	1,63,10,000		...	1,70,00,000	
96,19,000	2,63,67,000		91,63,000	2,02,10,000	
...	42,00,00,000		...	31,50,00,000	
6,00,00,000	...		...	...
1,73,61,49,000	46,27,77,000	2,19,89,26,000	1,56,37,22,000	35,22,10,000	1,91,59,32,000
2,13,000	...	2,13,000	3,37,85,000	...	3,37,85,000
5,34,22,16,000	2,04,44,61,000		5,44,73,38,000	1,65,51,34,000	
31,13,62,293	(b) 10,38,42,476		24,26,92,292	(b) 11,86,63,476	
5,65,35,78,292	2,14,83,03,476		5,69,00,30,292	1,77,37,97,476	

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

(b) Of this amount, Rs. 9,414 represents the funds of the Gold Standard Reserve.

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1923-24.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Expenditure (from Statement B)	83,47,13,054	32,52,94,277	1,16,00,07,331
Exchange charged as Expenditure	14,77,56,216	...	14,77,56,216
TOTAL	98,24,69,270	32,52,94,277	1,30,77,63,547
Irrigation, Posts and Telegraphs and other Capital not charged to Revenue—			
CONSTRUCTION OF IRRIGATION WORKS	10,883	2,221	13,104
CAPITAL OUTLAY ON POSTS AND TELE- GRAPHS	75,21,560	...	75,21,560
INITIAL EXPENDITURE ON NEW CAPITAL AT DELHI	1,48,67,055	6,06,597	1,54,73,652
RAILWAY CAPITAL NOT CHARGED TO REVENUE—			
As per Railway Budget	10,90,20,826	9,89,77,646	20,79,98,472
Public Debt Discharged—			
Permanent Debt—			
Sterling Debt—			
State Railway Annuities . . . . .	...	...	...
" " Sinking Funds . . . . .	...	...	...
Redemption of liabilities assumed in respect of British War Loan (192 . . . . .	...	...	...
Rupees Debt—			
5½ p. c. War Bonds, 1920	4,29,475	...	...
Do. Do. 1921	6,36,625	...	...
Do. Do. 1922	17,17,725	...	...
Do. Do. 1923	1,50,51,575	...	...
Do. Do. 1925	1,400	...	...
Do. Do. 1928	32,300	...	...
5 p. c. War Loan, 1929-47	41,07,300	...	...
5 p. c. Loan, 1945-55 . . . . .	...	...	...
4 p. c. Loans	2,78,15,700	...	...
3½ p. c. Loans	2,936	...	...
3 p. c. Loan	1,71,000	...	...
Government stock notes	260	...	...
TOTAL	4,99,66,236	...	4,99,66,236
Floating Debt—			
Treasury Bills—			
Issued to Public	26,09,85,000	...	...
Do. Paper Currency Reserve	55,25,00,000	...	...
Other Floating Loans	5,00,00,000	...	...
TOTAL	86,34,85,000	...	86,34,85,000
Unfunded Debt—			
Special Loans	23,027	...	...
Deposits of Service Funds	15,27,465	2,90,009	...
Post Office Cash Certificates	1,61,80,728	...	...
Savings Bank Deposits	20,89,79,691	72,224	...
TOTAL	22,67,10,911	3,62,233	22,50,73,144
Deposits and Advances—			
Deposits of Local Funds—			
District Funds	12,88,63,150	...	...
Other Funds	8,39,69,046	...	...
Sinking Funds for Central Loans	37,80,029	...	...
Sinking Fund Investment Account	35,82,696	...	...
Gold Standard Reserve . . . . .	...	1,23,66,95,596	...
Paper Currency Reserve . . . . .	...	42,25,32,032	...
Deposits of Branch Line Companies	2,92,694	...	...
Departmental and Judicial Deposits	73,84,67,053	...	...
Advances	12,69,66,418	-1,45,88,332	...
Suspense Accounts	2,94,35,673	1,65,98,594	...
Miscellaneous	6,18,483	2,06,14,902	...
Provincial Loans Fund . . . . .	...	...	...
TOTAL	1,16,59,75,290	1,68,88,52,742	2,84,98,28,032
Railway Depreciation and Reserve Funds as per Railway Budget . . . . .	...	...	...
Carried over	3,42,00,27,031	2,10,90,95,716	

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

BUDGET FOR 1925-26.

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

REVISED ESTIMATE, 1924-25.			BUDGET ESTIMATE, 1925-26.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
88,56,04,000	30,81,93,000	1,19,37,97,000	93,11,03,000	27,99,61,000	1,21,10,64,000
11,44,71,000	...	11,44,71,000	9,33,20,000	...	9,33,20,000
1,04,00,75,000	30,81,93,000	1,30,82,68,000	1,02,44,33,000	27,99,61,000	1,30,43,94,000
16,000	...	16,000	27,000	...	27,000
1,64,98,000	...	1,64,98,000	1,98,02,000	15,51,000	2,13,53,000
1,82,26,000	4,74,000	1,87,00,000	1,51,17,000	3,83,000	1,55,00,000
5,85,00,000	7,50,00,000	12,85,00,000	16,34,08,000	10,09,25,000	26,43,33,000
...	...	...	...	1,30,23,000	...
...	...	...	...	36,41,000	...
...	...	...	...	48,77,000	...
4,00,000	...	...	3,00,000	...	...
3,00,000	...	...	3,00,000	...	...
3,00,000	...	...	3,00,000	...	...
5,00,000	...	...	2,06,000	...	...
15,02,000	...	...	3,45,00,000	...	...
8,15,000	...	...	...	...	...
46,98,000	...	...	43,39,000	...	...
83,42,000	...	...	57,36,000	...	...
14,00,000	...	...	2,03,000	...	...
7,000	...	...	...	...	...
9,00,000	...	...	8,40,000	...	...
...
1,91,64,000	...	1,91,64,000	4,67,24,000	2,15,41,000	6,82,65,000
...
2,12,20,000	...	...	49,65,00,000	...	...
49,65,00,000	...	...	...	...	...
...
51,77,20,000	...	51,77,20,000	49,65,00,000	...	49,65,00,000
...
30,000	...	...	30,000	...	...
15,75,000	40,000	...	16,07,000	70,000	...
1,46,00,000	...	...	1,56,00,000	...	...
21,37,08,000	1,00,000	...	23,15,43,000	20,000	...
22,99,13,000	1,40,000	23,00,53,000	24,67,80,000	90,000	24,88,70,000
...
13,59,21,000	...	...	13,49,60,000	...	...
8,20,85,000	...	...	8,26,31,000	...	...
1,26,36,000	...	...	97,21,000	...	...
...
...	79,04,74,000	...	...	45,09,67,000	...
...	70,66,25,000	...	...	79,98,23,000	...
21,87,000	...	...	4,93,000	...	...
79,37,39,000	...	...	77,56,66,000	...	...
17,74,80,000	7,34,000	...	16,28,09,000	10,03,000	...
3,07,40,000	2,32,47,000	...	1,70,13,000	1,66,48,000	...
...	2,50,51,000	...	...	47,06,000	...
...	...	...	20,08,42,000	...	...
1,24,07,88,000	1,54,61,31,000	2,78,69,19,000	1,38,41,35,000	1,27,31,47,000	2,65,72,82,000
8,25,00,000	...	8,25,00,000	9,50,00,000	...	9,50,00,000
3,17,34,00,000	1,92,99,38,000	...	3,49,39,16,000	1,67,75,98,000	...

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

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1923-24.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	3,42,00,27,031	2,10,90,95,716	
Loans and Advances by the Central Government—			
Advances to the Provincial Loans Fund	44,39,340	...	44,39,340
Other loans and advances			
TOTAL	44,39,340	...	44,39,340
Loans between Central and Provincial Governments	12,28,05,246	...	12,28,05,246
Remittances—			
Remittances within India—			
Inland Money Orders	84,53,47,495	...	
Other Local Remittances	43,20,294	...	
Other Departmental Accounts	45,577	...	
Net Payments into Civil Treasuries by—			
Railways	17,49,17,959	...	
Posts and Telegraphs	8,86,25,724	...	
Net Issues from Civil Treasuries to—			
Marine	71,34,085	...	
Army and Military Engineering Services	43,51,46,069	...	
Remittances between England and India—			
Remittance Account—			
Iraq drawings	2,42,14,490	...	
Sale of gold	2,00,00,000	...	
Other transactions	5,14,78,412	2,14,75,680	
Remittances from India for financing			
Home Treasury	23,14,16,640	...	
Transfers through the Paper Currency Reserve	5,86,86,721	13,99,94,801	
TOTAL	1,89,53,33,466	16,14,70,481	2,05,68,03,947
Balances of Provincial Governments	...	1,82,94,568	1,82,94,568
TOTAL DISBURSEMENTS	5,44,26,05,083	2,28,68,60,765	
Closing Balance	- 31,13,62,292	(b) 10,38,42,476	
GRAND TOTAL	5,75,39,67,375	2,30,27,03,241	

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

(b) Of this amount, Rs. 86,584 represents the funds of the Gold Standard Reserve.

DELHI,
FINANCE DEPARTMENT.
The 28th March 1925.

M. F. GAUNTLETT,
Auditor General.

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

REVISED ESTIMATE, 1924-25.			BUDGET ESTIMATE, 1925-26.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
3,17,34,00,000	1,92,99,38,000		3,49,39,16,000	1,67,75,98,000	
1,55,88,000	...	1,55,88,000	13,81,82,000	...	13,81,82,000
1,55,88,000	...	1,55,88,000	15,55,64,000	...	15,55,64,000
10,66,38,000	...	10,66,38,000	...	...	...
86,01,00,000	...		87,00,00,000	...	
10,00,000	...		9,59,000	...	
3,39,78,000	...		3,77,91,000	...	
32,98,66,000	...		21,86,25,000	...	
3,91,05,000	...		3,27,15,000	...	
38,79,000	...		49,95,000	...	
39,35,28,000	...		39,06,29,000	...	
1,63,10,000	...		1,70,00,000	...	
1,74,94,000	1,34,09,000		2,14,88,000	76,95,000	
42,00,00,000	...		31,50,00,000	...	
...	6,00,00,000		...	...
2,11,52,60,000	7,34,09,000	2,18,86,69,000	1,90,92,02,000	76,95,000	1,91,68,97,000
...	2,62,93,000	2,62,93,000	...	3,06,03,000	3,06,03,000
5,41,08,86,000	2,02,96,40,000		5,55,86,82,000	1,71,58,69,000	
24,26,92,292	(b) 11,86,63,476		13,13,48,292	(c) 5,79,01,476	
5,65,35,78,292	2,14,83,03,476		5,69,00,30,292	1,77,37,97,476	

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

(b) Of this amount, Rs. 9,414 represents the funds of the Gold Standard Reserve.

H. DENNING,
Controller of the Currency.

A. C. McWATTERS,
Secretary to the Government of India.

D.—Abstract Statement of the Receipts and Disbursements of the

REVENUE AND EXPENDITURE.		ACCOUNTS, 1923-24.			
		Revenue.	Expenditure.	Net Receipts.	Net Charges.
		Rs.	Rs.	Rs.	Rs.
Principal Heads of Revenue	Customs	39,69,64,296	71,35,688	38,98,28,608	
	Taxes on Income	18,23,55,516	62,67,424	17,60,88,092	
	Salt	10,01,50,870	1,36,11,936	8,65,38,884	
	Opium	4,24,81,654	2,58,79,559	1,66,02,095	
	Other heads	2,28,56,225	15,09,457	2,13,46,768	
TOTAL		74,48,08,561	5,44,04,114	69,04,04,447	...
Forest and other Capital outlay charged to Revenue.	Capital outlay on Salt Works.	...	...	...	...
	Capital outlay on Security Printing Press.	...	...	...	...
Commercial Services	Irrigation	10,54,064	16,42,139	...	5,88,075
	Posts and Telegraphs	96,12,987	25,37,942	70,75,045	...
Debt Services	Interest	3,16,59,620	17,33,44,971	...	14,16,85,351
Civil Administration	Civil Administration	68,51,292	9,33,97,308	...	8,65,46,016
Currency and Mint	Currency	2,95,39,974	83,52,751	2,11,87,223	...
	Mint	17,34,017	15,54,647	1,79,370	...
Civil Works	Civil Works	37,05,245	1,70,31,590	...	1,33,26,345
Miscellaneous Civil Services	Famine Relief . . . . .	...	5,002	...	5,002
	Superannuation	35,44,461	2,97,59,844	...	2,62,15,383
	Miscellaneous	45,89,360	68,88,051	...	22,98,691
	Other Heads	13,44,365	79,96,985	...	66,52,620
Military Services	Army { Effective	3,43,33,000	46,55,12,695	...	43,11,79,695
		Non-effective	32,90,299	9,39,44,857	...	9,06,54,558
	Marine	24,73,367	96,54,425	...	71,81,058
	Military Eng. Services	80,59,731	4,13,19,783	...	3,32,60,052
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments		9,21,54,718	37,98,778	8,83,55,940	...
Extraordinary Items	2,59,65,851	3,40,96,207	...	81,30,356	
TOTAL		1,00,47,20,912	1,04,52,42,089	80,72,02,025	84,77,23,292
Railways (as per Railway Budget)		32,69,42,773	26,25,21,458	6,44,20,935	...
GRAND TOTAL		1,33,16,63,305	1,30,77,63,547	87,16,22,960	84,77,23,292
Surplus				2,33,99,758	
Deficit	

BUDGET FOR 1925-26.

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Central Government, in India and in England

REVISED ESTIMATE, 1924-25.		BUDGET ESTIMATE, 1925-26.	
Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
Rs.	Rs.	Rs.	Rs.
43,97,82,000		45,50,71,000	
15,86,88,000		16,68,31,000	
6,47,35,000		5,58,63,000	
1,30,73,000		1,75,56,000	
1,65,59,000		1,61,74,000	
69,28,37,000	...	71,14,95,000	...
...	10,06,000	...	14,93,000
...	11,05,000	...	18,00,000
...	13,03,000	...	7,37,000
91,76,000	...	96,28,000	...
...	14,12,45,000	...	14,57,62,000
...	9,56,17,000	...	10,25,33,000
2,99,05,000	...	3,26,42,000	...
22,68,000	...	8,18,000	...
...	1,81,15,000	...	1,58,29,000
...
...	2,64,00,000	...	2,51,87,000
...	79,55,000	...	57,01,000
...	70,90,000	...	49,88,000
...	43,08,71,000	...	43,88,54,000
...	8,76,04,000	...	8,56,99,000
...	64,57,000	...	73,67,000
...	3,83,68,000	...	3,05,80,000
8,68,84,000	...	6,06,40,000	...
2,55,89,000	...	13,33,000	...
84,66,59,000	86,31,36,000	81,65,56,000	86,65,29,000
5,64,85,000	...	5,23,86,000	...
90,80,94,000	86,31,36,000	86,89,42,000	86,65,29,000
3,99,58,000	...	24,13,000	...

BUDGET FOR 1925-26.

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

Revenue and Expenditure.	ACCOUNTS, 1923-24.		REVISED ESTIMATE, 19.4.26.		BUDGET ESTIMATE, 1925-26.	
	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Surplus	3,38,90,758	—	3,90,58,000	—	24,13,000	—
Deficit	—	—	—	—	—	—
Capital Account.						
(Irrigation, Posts and Telegraphs and other Capital not charged to Revenue:—						
Construction of Irrigation Works	—	13,104	—	16,000	—	27,000
Capital outlay on Posts and Telegraphs	—	75,21,560	—	1,64,08,000	—	2,13,53,000
Initial expenditure on new Capital at Delhi	—	1,54,73,662	—	1,37,00,000	—	1,55,00,000
Railway Capital not charged to Revenue—						
As per Railway Budget	—	21,82,08,156	—	40,50,43,000	—	31,37,06,000
Debt, Deposits, Advances and Remittances.						
Permanent Debt . . . (net)	37,13,70,540	—	30,05,83,000	—	8,95,14,000	—
Floating Debt . . . (net)	—	10,46,70,000	—	2,12,20,600	—	—
Unfunded Debt . . . (net)	9,80,06,571	—	9,67,35,000	—	9,80,21,000	—
Loans and Advances by Central Government . . . (net)	—	3,24,930	—	1,17,01,000	—	14,79,30,000
Loans between Central and Provincial Governments . . . (net)	—	10,12,11,803	—	9,39,20,000	—	—
Deposits and Advances . . . (net)	7,19,17,040	—	8,67,08,000	—	13,33,36,000	—
Remittances . . . (net)	—	70,67,140	1,02,57,000	—	—	9,85,000
Balances of Provincial Governments (net)	3,57,86,002	—	—	2,60,80,000	31,82,000	—
Cash Balance.						
Opening Balance	85,78,00,112	—	41,52,04,768	—	36,18,55,768	—
Closing Balance	—	41,52,04,768	—	86,13,55,768	—	18,97,49,768
Total	86,97,80,119	85,97,80,113	84,95,38,768	84,95,38,768	78,78,20,768	69,78,20,768

M. F. GAUNTLETT,

Auditor General.

H. DENNING,

Controller of the Currency.

A. C. McWATTEES,

Secretary to the Government of India.

DELHI,

FINANCE DEPARTMENT :

The 28th March 1925.

Explanatory Memorandum by the Financial Secretary.

The totals of revenue and expenditure charged to revenue, excluding all capital, debt and remittance transactions, for the last year, the current year and the next year are as follows:—

	Actuals, 1923-24.	Revised, 1924-25.	Budget, 1925-26.
Revenue	1,33,16,63,305	1,34,82,26,000	1,30,67,97,000*
Expenditure	1,30,77,63,547	1,30,82,68,000	1,30,43,81,000*
Surplus	2,38,99,758	3,99,58,000	24,13,000*

General Results.

2. The following table compares the Budget and Revised estimates of revenue and expenditure for 1923-24 with the actuals of the year.

	Revenue.	Expenditure.	Surplus.
Budget	1,34,90,43,000	1,34,09,57,000	80,86,000
Revised	1,31,96,04,000	1,29,89,97,000	2,06,07,000
Actuals	1,33,16,63,305	1,30,77,63,547	2,38,99,758

3. The actual surplus of the year does not differ considerably from the Revised; but two changes in accounting have contributed to this result. The first change is that the whole of the discount charges amounting to 82 lakhs on the 1923 Rupee loan, which it was intended originally to spread over a number of years, has been adjusted in the accounts of the year 1923-24. The second change is more important. Certain items of loans and advances to the Persian Government incurred before and during the Great War have hitherto been shown under Suspense in the accounts of the Government of India. As a rule, these advances were borne by the Government of India jointly with His Majesty's Government. From the accounts point of view it is open to objection to keep large amounts in suspense for an indefinite period without finally crediting or debiting them to revenue, and the practice of the British Treasury is to treat such outgoings at once as expenditure against the revenue of the year instead of keeping them in suspense. Following this example, these items have been written off against the revenue of 1923-24. The book adjustment does not, as has been pointed out in the Finance Member's speech, affect India's claim to recover from the Persian Government the full amount of these loans and advances, and negotiations are proceeding with them for repayment at an early date.

Actuals, 1923-24.

4. The main variation between the actual account figures and the Revised is a saving of 3.51 crores in Military expenditure as compared with Revised. Of this saving, about 66 lakhs occurred under English expenditure including exchange and was due to less expenditure on payments to surplus officers, on purchase of stores and on payments to the War Office. Of the savings in Indian expenditure the more important items are the following:—

	Lakhs.
(1) Sale proceeds of temporary war buildings and recoveries from the War Office	50
(2) Savings in Military Works expenditure	40
(3) Diminution of expenditure on account of shortage of troops	38
(4) Savings in freight charges	29
(5) Savings in pay and allowances	54

* These figures have been shown as in the Budget, in round thousands of rupees—vide foot-note in Statement I of the Budget.

5. The variations in the other heads were on the whole of much less importance. There was a large increase under Salt (1,31 lakhs) on account of heavy advance payments received in March 1924 immediately on the reduction of duty; but this was counterbalanced by decreases under Customs and Taxes on Income. There were also savings in individual heads of Civil expenditure which though individually small, came to an appreciable amount in the aggregate.

6. The details of the estimates for 1924-25 and 1925-26 are explained in the following pages.

*Revised,
1924-25 and
Budget,
1925-26.*

CUSTOMS.

(In lakhs of rupees.)

	Revenue (Receipts less Refunds.)	Expenditure.	Net Revenue.
1921-22, Actuals	34,40.98	65.83	33,75.10
1922-23 "	41,34.65	70.62	40,64.03
1923-24 "	39,69.64	71.36	38,98.28
1924-25 { Budget	45,01.82	82.23	44,19.59
{ Revised	44,76.44	78.62	43,97.82
1925-26, Budget	46,35.00	84.29	45,50.71

7. The Revised estimate of Customs revenue in 1924-25 amounts to Rs. 44,76.44 lakhs or Rs. 25.38 lakhs less than the Budget estimate. Most of the tariff heads show an increase; the largest increases are under sugar (1,00 lakhs), cotton piece-goods (1,10 lakhs), excise duty on cotton manufactures (35 lakhs) and yarn (30 lakhs). The only heads which show an appreciable decrease in revenue are tobacco (27 lakhs), mineral oils (10 lakhs), and cutlery and hardware, etc. (13 lakhs).

*Revised,
1924-25.*

8. The gross receipts are thus 2,72 lakhs more than the Budget. The fact that net receipts are 25 lakhs less than the Budget is mainly due to the refund of Customs duty of 2,80 lakhs to Railway Companies working State lines, the Privy Council having decided that stores imported by them came under the definition of Government stores which were, previous to the passing of the amendment to the Sea Customs Act, 1924 passed free of duty. Other refunds also show an increase of about 18 lakhs owing to the recent development of the re-export trade.

*Budget,
1925-26.*

9. The Budget estimate of gross Customs revenue is 1,21 lakhs less than last year. The receipts under certain of the tariff heads have been abnormally high this year. This has been taken into account in framing the estimates for 1925-26. The most important decreases are under import duty on sugar and cotton piecegoods the receipts of which have been put at 45 and 40 lakhs less respectively. A considerable decrease is also anticipated in the yield from protective duties. There is reason to believe that the market is fully stocked with iron and steel, and, moreover, as protection becomes increasingly effective, the yield from these duties will naturally tend to decrease progressively. The estimate has therefore been put at 1,80 lakhs. Most of the other heads are expected to show a small increase.

BUDGET FOR 1925-26.

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The details are as follows :—

REVENUE. SEA CUSTOMS.	Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25.		Budget, 1925-26.
				Budget.	Revised.	
IMPORTS.						
<i>Non-protective Special Duties.</i>	R	R	R	R	R	R
1. Liquors—						
(a) Ale, Beer, Porter, Cider and other fermented Liquors	11,44,000	13,49,000	14,08,205	14,40,000	16,50,000	16,50,000
(b) Spirits and Liqueurs	1,91,71,000	2,10,19,000	2,00,87,898	2,22,00,000	2,20,00,000	2,20,00,000
(c) Wines	12,58,000	10,78,000	11,22,709	12,00,000	13,00,000	14,00,000
2. Sugar, all sorts	6,50,69,700	4,40,95,000	3,32,23,856	4,55,00,000	5,55,00,000	5,10,00,000
3. Tobacco	1,01,36,000	1,54,76,000	1,67,62,852	1,75,00,000	1,48,00,000	1,36,00,000
4. Coal, coke and patent fuel	7,59,000	4,80,000	3,02,436	3,00,000	2,50,000	3,00,000
5. Mineral oils	80,97,000	1,10,89,000	1,27,78,444	1,45,00,000	1,35,00,000	1,40,00,000
6. Arms, Ammunition and Military Stores	7,51,000	8,27,000	8,20,192	8,40,000	8,00,000	9,00,000
7. Opium	2,000	2,000	2,505	3,000	3,000	3,000
8. Cotton yarn and thread	...	48,86,000	42,74,318	48,00,000	53,00,000	53,00,000
9. Cotton piece-goods	4,66,61,000	6,39,03,000	6,16,12,209	6,60,00,000	7,70,00,000	7,30,00,000
10. Matches	1,03,84,000	1,53,63,000	1,38,01,105	1,67,00,000	...	...
11. Match Splints and Veneers	...	...	...	...	1,30,00,000	1,20,00,000
<i>Duty at 2½ per cent.</i>						
12. Machinery	1,15,95,000	63,33,000	55,82,634	67,00,000	41,00,000	45,00,000
13. Other articles	2,66,000	2,00,000	1,54,159	2,15,000	1,20,000	2,00,000
<i>Duty at 10 per cent.</i>						
14. Metals—Iron and Steel	67,75,000	1,84,08,000	1,72,10,679	1,80,00,000	85,00,000	60,00,000
15. Railway plant and rolling stock	52,82,000	1,07,02,000	63,55,778	1,30,00,000	47,00,000	55,00,000
16. Other articles	1,79,000	2,89,000	6,52,684	4,62,000	2,07,000	3,00,000
<i>Duty at 15 per cent.</i>						
17. Articles of Food and Drink (excluding sugar and vinegar)	83,00,000	1,22,54,000	1,27,44,091	1,40,00,000	1,45,00,000	1,40,00,000
18. Raw materials and articles mainly unmanufactured	42,15,000	74,71,000	65,77,579	71,35,000	64,62,000	66,00,000
19. Articles wholly or mainly manufactured—						
(a) Cutlery, hardware, implements and instruments	1,27,24,000	1,33,40,000	1,13,50,111	1,35,00,000	1,22,00,000	1,32,00,000
(b) Metals other than Iron and Steel	61,55,000	1,07,34,000	95,58,142	1,00,00,000	1,15,00,000	1,25,00,000
(c) Yarns and textile fabrics (other than cotton manufactures)	55,03,000	75,88,000	1,03,87,107	1,20,00,000	1,50,00,000	1,40,00,000
(d) All other articles wholly or mainly manufactured	2,71,06,000	3,78,69,000	3,76,32,288	4,00,00,000	4,10,00,000	4,20,00,000
20. Miscellaneous	70,75,000	52,74,000	53,07,068	60,09,000	58,00,000	60,00,000
Carried over	25,86,57,000	31,00,29,000	28,96,03,459	33,19,95,000	32,91,92,000	31,99,50,000

BUDGET FOR 1925-26.

	Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25.		Budget, 1925-26.
				Budget.	Revised.	
	R	R	R	R	R	R
SEA CUSTOMS—contd.						
IMPORTS - contd.						
Brought forward	25,86,57,000	31,00,29,000	23,96,08,459	33,19,95,000	32,91,92,000	31,19,50,000
<i>Duty at 30 per cent.</i>						
21. Motor cars and cycles	51,50,000	56,08,000	74,13,060	80,00,000	80,00,000	80,00,000
22. Silk piece-goods and other manufactures of silk	51,60,000	60,62,000	81,54,421	80,00,000	90,00,000	90,00,000
23. Pneumatic rubber tyres and tubes	21,85,000	32,42,000	59,32,782	33,00,000	28,00,000	30,00,000
24. Other articles	58,67,000	96,82,000	96,71,975	1,05,00,000	1,00,00,000	1,05,00,000
<i>Protective Special Duties.</i>						
25. Coal tubs	}	...	...	...	2,25,00,000	1,80,00,000
26. Iron and Steel						
27. Railway track material						
<i>Government stores.</i>						
28. Railway plant and rolling stock imported by State Railways	}	...	...	53,50,000	65,00,000	85,00,000
29. Other stores						
TOTAL IMPORTS	27,70,19,000	33,66,23,000	31,77,60,667	36,71,45,000	38,79,92,000	37,69,50,000
30. Export duties—						
(a) Hides and skins, raw	51,42,000	42,60,000	25,33,111	25,00,000	25,00,000	25,00,000
(b) Jute (raw and manufactured)	2,71,99,000	3,29,25,000	3,57,80,056	3,60,00,000	3,75,00,000	3,75,00,000
(c) Rice	80,45,000	1,08,08,000	1,18,21,933	1,11,93,000	1,20,00,000	1,15,00,000
(d) Tea	46,26,000	44,41,000	60,06,089	49,04,000	50,00,000	50,00,000
(e) Government Stores	...	...	...	...	8,00	...
31. Sea Customs—Miscellaneous	12,67,000	11,66,000	11,10,286	12,00,000	13,18,000	14,00,000
32. Land Customs	14,60,000	20,76,000	18,67,010	23,00,000	22,00,000	24,00,000
33. Excise Duty on Cotton manufactures	2,19,17,000	1,87,34,000	1,56,51,903	1,75,00,000	2,10,00,000	2,15,00,000
34. Excise Duty on Motor Spirit	61,10,000	64,69,000	65,14,404	68,00,000	75,00,000	60,00,000
35. Excise Duty on Kerosene	...	92,32,000	95,15,917	98,00,000	68,35,000	1,00,00,000
36. Warehouse and wharf rents and Miscellaneous	8,46,000	4,79,000	5,29,335	8,58,000	5,54,000	5,50,000
TOTAL RECEIPTS	35,36,81,000	42,72,05,000	40,81,10,790	46,01,80,000	48,74,07,000	7,53,00,000
Deduct - Refunds	95,32,000	1,37,40,000	1,11,43,404	99,98,000	3,57,63,000	1,18,00,000
TOTAL REVENUE	34,40,98,000	41,34,65,000	39,69,64,296	45,01,82,000	44,78,44,000	16,35,00,000
EXPENDITURE.						
India	64,49,533	69,30,458	69,47,200	80,37,000	76,36,000	81,61,000
England	91,196	88,613	1,29,010	1,30,000	1,65,000	2,01,000
Exchange	46,903	44,129	59,478	56,000	6,000	67,000
TOTAL	65,87,632	70,62,000	71,35,688	82,23,000	78,62,000	84,29,000

TAXES ON INCOME.

(In lakhs of rupees.)

	Revenue (Receipts less refunds and Provincial Government's share of Income-tax revenue.)	Expenditure.	Net Revenue.
1921-22, Actuals	18,74.13	22.51	18,51.62
1922-23 "	17,99.41	44.56	17,54.85
1923-24 "	18,23.56	62.67	17,60.89
1924-25, { Budget	18,21.97	65.19	17,56.78
{ Revised	16,47.26	60.38	15,83.88
1925-26, Budget	17,34.87	66.56	16,68.31

10. The gross revenue collected in the year 1923-24 included a large amount of arrears of previous years. The arrears outstanding at the beginning of the year were 3.43 lakhs. By the end of the year these had been reduced to 1.97 lakhs. It is expected that the arrears outstanding at the end of 1924-25 will be somewhat less, but the increase in actual collections due to this cause cannot be as great as in the preceding year.

11. The Budget estimate for 1925-26 has been put 87 lakhs higher than Revised after taking into account the fact that the year 1924-25 on the income in which the assessments for 1925-26 are based, has been on the whole a more prosperous year for trade than the previous one.

*Budget,
1925-26.*

12. The expenditure has been more or less steady since 1923-24. It will be noticed that as the direct expenditure expands, the payments to Provincial Governments are decreasing. The details of revenue and expenditure are given in the statement below:—

	Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25.		Budget, 1925-26.
				Budget.	Revised.	
	R	R	R	R	R	R
REVENUE.						
EXCESS PROFITS DUTY.						
1. N.-W. Frontier	30,755	...	...	...	...	...
2. Madras	8,24,357	3,171	...	...	1,000	...
3. Bombay	11,21,569	99,876	...	...	1,000	...
4. Bengal	5,60,260	46,986	4,959	...	3,000	...
5. United Provinces	28,323	...	623	...	4,000	...
6. Punjab	51,453	...	13,669	...	...	...
7. Bihar and Orissa	13,881	...	...	...	...	...
TOTAL	26,30,563	1,50,033	19,256	...	9,000	...
SUPER-TAX.						
1. India	2,64,293	15,056	2,62,266	1,90,000	2,25,000	2,26,000
2. N.-W. Frontier	96,959	24,466	39,530	45,000	55,000	26,000
3. Madras	54,37,980	34,43,753	32,79,420	27,00,000	21,00,000	27,00,000
4. Bombay	3,80,66,807	3,58,31,830	2,03,90,259	1,39,58,000	1,30,63,000	1,35,01,000
5. Bengal	3,03,34,671	1,90,62,584	2,64,94,625	2,72,25,000	2,25,99,000	2,48,00,000
6. United Provinces	38,64,123	27,78,946	22,49,356	16,61,000	16,00,000	20,00,000
7. Punjab	10,06,091	10,24,217	9,77,079	8,12,000	9,16,000	8,56,000
8. Burma	56,21,223	59,08,474	51,40,545	70,46,000	61,53,000	55,00,000
9. Bihar and Orissa	10,63,680	16,49,696	9,85,225	21,51,000	18,67,000	13,00,000
10. Central Provinces	18,42,103	25,70,834	17,83,793	12,85,000	10,85,000	13,70,000
11. Assam	13,713	6,037	1,11,661	80,000	2,30,000	1,50,000
TOTAL	8,76,61,852	7,23,15,293	6,17,15,809	5,71,51,000	4,98,63,000	5,23,29,000

BUDGET FOR 1925-26.

	Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25.		Budget, 1925-26.
				Budget.	Revised.	
				R	R	
INCOME-TAX.						
1. India General—						
Civil	25,57,762	31,22,107	31,63,763	31,28,000	30,60,000	30,64,000
Non-Civil Departments	62,43,377	62,61,412	55,00,372	58,76,000	53,22,000	57,19,000
2. Delhi	13,60,514	8,27,430	8,26,821	8,00,000	9,60,000	9,60,000
3. Baluchistan	48,153	85,617	95,395	83,000	1,08,000	1,03,000
4. North-West Frontier	5,22,787	9,86,200	11,46,516	11,79,000	9,12,000	9,14,000
5. Madras	1,51,91,114	1,32,11,878	1,57,17,260	1,47,00,000	1,30,00,000	1,35,00,000
6. Bombay	5,59,19,576	5,81,71,938	4,08,79,250	3,11,81,000	3,17,38,000	3,13,83,000
7. Bengal	4,36,23,020	3,19,68,701	3,62,24,910	4,13,03,000	3,60,97,000	3,78,21,000
8. United Provinces	90,67,961	84,47,341	70,73,067	71,53,000	70,79,000	77,78,000
9. Punjab	50,81,329	76,36,881	77,19,438	71,12,000	67,62,000	77,05,000
10. Burma	1,29,71,221	1,23,74,691	1,26,95,995	1,39,86,000	1,41,24,000	1,45,71,000
11. Bihar and Orissa	32,48,551	45,24,277	29,98,954	46,33,000	38,96,000	38,88,000
12. Central Provinces	41,06,582	45,52,645	46,34,607	38,10,000	40,88,000	40,10,000
13. Assam	8,86,404	9,81,510	13,84,493	15,00,000	18,15,000	19,85,000
14. Coorg	21,000	19,000	19,000	22,000	23,000	23,000
TOTAL	16,08,59,371	15,31,13,018	14,10,79,881	13,64,66,000	12,89,84,000	13,33,24,000
Total Receipts from Taxes on Income	25,11,51,791	22,55,78,344	20,28,12,946	19,36,20,000	17,68,56,000	18,56,53,000
Deduct—Refunds—						
India	2,93,96,968	4,41,83,859	1,59,00,588	99,62,000	1,17,50,000	80,32,000
England . . . . .	...	...	...	...	2,00,000	4,00,000
Exchange . . . . .	...	...	...	...	74,000	1,34,000
	22,17,54,823	18,13,94,485	18,49,12,358	18,56,58,000	16,68,52,000	17,00,37,000
Deduct—Share of Provincial Governments in Income-tax revenue under the Devolution Rules	3,43,41,309	14,53,335	25,56,842	14,61,000	21,26,000	25,50,000
Total Revenue of the Central Government	18,74,13,424	17,99,41,150	18,23,55,516	18,21,97,000	16,47,26,000	17,34,87,000

(a) This is the amount which, under rule 15 of the Devolution Rules as it was in force in 1921-22, was credited to Provincial Governments as their share of Income-tax revenue; they made, however, assignments to the Central Government amounting to Rs. 14,80,933 in consideration of the allocation of Income-tax revenue; the net revenue which the Provincial Governments received in that year on account of Income-tax thus amounted to Rs. 28,60,466.

BUDGET FOR 1925-26.

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	Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25.		Budget, 1925-26.
				Budget.	Revised.	
EXPENDITURE.	R	R	R	R	R	R
1. India General	51,467	6,81,252	1,01,996	43,000	54,000	66,000
2. Delhi . . . . .				...	...	...
3. Baluchistan . . . . .	...	6,202	10,420	13,000	11,000	14,000
4. North-West Frontier	22,511	53,004	57,437	60,000	50,000	59,000
5. Madras	3,30,627	4,77,082	15,78,081	10,03,000	10,15,000	9,45,000
6. Bombay	4,97,945	8,46,593	15,84,185	17,31,000	13,50,000	16,85,000
7. Bengal	2,87,409	5,21,739	6,59,683	9,23,000	8,04,000	10,46,000
8. United Provinces	3,63,044	5,61,572	5,76,155	6,97,000	5,83,000	6,54,000
9. Punjab	3,04,785	4,77,579	4,91,733	5,55,000	5,22,000	5,56,000
10. Burma	1,31,931	2,19,494	4,87,248	6,58,000	6,33,000	6,62,000
11. Bihar and Orissa	78,269	2,20,719	2,33,977	2,53,000	2,53,000	3,09,000
12. Central Provinces	1,53,508	3,00,938	3,28,133	3,90,000	3,69,000	3,81,000
13. Assam	5,327	13,510	99,810	90,000	2,72,000	1,62,000
14. Coorg . . . . .	...	...	...	...	...	1,000
TOTAL	22,26,823	43,94,778	62,26,438	64,53,000	59,16,000	65,40,000
England	15,947	40,095	28,021	46,000	89,000	87,000
Exchange	8,202	21,263	12,955	20,000	33,000	29,000
TOTAL EXPENDITURE R	22,50,972	44,56,136	62,67,424	65,19,000	60,38,000	66,56,000
Distributed as follows—						
Payments to Provincial Governments . . . . .	...	6,37,071	19,54,923	8,07,000	9,88,000	5,61,000
Direct expenditure of Central Government	22,50,972	38,19,560	43,12,501	57,12,000	50,50,000	60,95,000

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

(In lakhs of rupees.)

	Actuals, 1923-24.	Budget, 1924-25.	Revised, 1924-25.	Budget, 1925-26.
	R	R	R	R
Madras	1.60	1.60	1.41	1.52
Bombay	5.34	4.35	4.99	4.57
Bengal	6.03	6.50	5.74	6.11
United Provinces	89	84	81	92
Punjab	72	72	64	77
Burma	1.49	1.82	1.67	1.65
Bihar and Orissa	15	62	49	43
Central Provinces	55	48	47	51
Assam	10	12	15	14
Minor Administrations and Non-Civil Departments	1.08	1.11	1.03	1.08
England (including Exchange) . . . . .	...	...	-3	-6
TOTAL	18.24	18.22	16.47	17.35

SALT.

(In lakhs of rupees.)

	Revenue (Receipts less Refunds.)	Expenditure.	Net Revenue.
1921-22, Actuals	6,34.38	1,56.49	4,77.89
1922-23 "	6,82.46	1,51.36	5,31.10
1923-24 "	10,01.51	1,36.12	8,65.39
1924-25 { Budget	9,04.62	1,45.35	7,59.27
{ Revised	7,73.78	1,36.49	6,37.29
1925-26, Budget	6,95.00	1,51.30	5,43.70

Revenue.

14. It was estimated last year that as a result of the reduction of duty from Rs. 2-8-0 to Rs. 1-4-0 a maund with effect from 1st March 1924, the gross collections (deducting refunds) would be 8,70 lakhs in 1923-24 and 9,05 lakhs in 1924-25. It was expected that a rapid replenishment of stocks would follow the reduction, and that there would consequently be increased receipts in 1924-25. The reduction of duty had however a much more rapid effect than expected and the rush of traders to replenish stocks took place in March when advance indents were received to an extraordinary extent. The collections in March alone amounted to 2,56 lakhs. Thus part of the increased revenue expected in 1924-25 accrued in the previous financial year. On the other hand, the amount of refunds in 1924-25 has been much heavier than usual. The actual receipts (less refunds) of 1923-24 are 1,31 lakhs higher than the Revised estimate, and the Revised estimate of revenue for 1924-25 is correspondingly lower than the Budget.

15. For 1925-26, there are no disturbing factors at work, so far as can be seen at present, as the rate of duty remains the same. The consumption is estimated to be normal (roughly five crores of maunds) and the receipts (less refunds) 6,95 lakhs.

16. A commercialised system of accounting has been introduced since *Expenditure.* 1924-25 in the Northern India Salt Revenue Department, according to which a depreciation fund to provide for renewals and replacements has been started and interest on the capital outlay is added to the expenditure. Outlay of a capital nature has now been separated from other expenditure and is shown under a separate major head "3-A—Capital Outlay on Salt Works charged to revenue." The amount provided is 10 lakhs in 1924-25 and 15 lakhs in 1925-26. Details of revenue and expenditure are given below:—

	Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25.		Budget, 1925-26.
				Budget.	Revised.	
	R	R		R	R	R
REVENUE.						
Northern India (a)	1,89,25,023	2,06,11,339	3,24,43,977	2,52,11,000	1,64,50,000	1,70,71,000
Madras (a)	1,39,10,320	1,55,77,764	2,14,16,644	2,21,27,000	2,01,19,000	1,48,10,000
Bombay (a)	1,25,87,566	1,52,80,467	2,28,97,704	1,77,16,000	1,77,16,000	1,64,55,000
Bengal (b)	1,56,42,365	1,81,63,244	1,83,03,450	2,30,49,000	2,44,08,000	1,77,40,000
Burma (b)	33,52,444	31,80,258	61,75,952	31,10,000	34,37,000	34,27,000
Bihar and Orissa	2,082	520	278	1,000	1,000	1,000
Assam	---	---	---	---	1,000	1,000
TOTAL RECEIPTS	6,44,19,800	7,31,46,593	10,12,38,005	9,12,14,000	8,21,32,000	7,04,65,000
<i>Deduct—Refunds</i>	<i>9,81,952</i>	<i>49,00,430</i>	<i>10,87,135</i>	<i>7,52,000</i>	<i>47,54,000</i>	<i>9,05,000</i>
TOTAL REVENUE	6,34,37,848	6,82,46,112	10,01,50,870	9,04,62,000	7,73,78,000	6,95,00,000
EXPENDITURE.						
Cost of salt purchased by Government	21,16,621	17,76,320	21,27,936	17,54,000	15,66,000	16,50,000
Assignments and compensations	36,84,090	40,09,267	37,53,481	37,20,000	36,48,000	38,35,000
Other charges	97,34,977	92,62,067	76,54,379	89,42,000	73,29,000	80,56,000
Capital outlay on salt works	---	---	---			
Total India	1,55,36,588	1,50,47,654	1,35,35,796	1,44,46,000	1,35,49,000	1,50,34,000
England	74,296	57,471	52,399	62,000	73,000	72,000
Exchange	38,213	31,022	23,791	27,000	27,000	24,000
TOTAL	1,56,49,096	1,51,36,147	1,36,11,986	1,45,35,000	1,36,49,000	1,51,30,000

(a) Chiefly excise on local manufacture.

(b) Chiefly duty on imported salt.

OPIUM.

(In lakhs of rupees.)

	Revenue (Receipts less Refunds.)	Expenditure.	Net revenue.
1921-22, Actuals	3,07.25	1,80.05	1,27.20
1922-23, Actuals	3,78.92	1,86.61	1,92.31
1923-24, Actuals	4,24.82	2,58.80	1,66.02
1924-25 { Budget	4,33.60	2,09.08	2,24.52
{ Revised	3,68.30	2,37.57	1,30.73
1925-26, Budget	3,55.85	1,80.29	1,75.56

Revenue. 17. The revenue under this head is derived partly from sales to foreign countries and partly from excise opium sold to Provincial Governments for internal consumption. Of the opium sold to foreign countries which is called 'provision opium' much the greater part is taken by certain foreign Governments which have concluded agreements with the Government of India for direct purchases for a definite period. A smaller part is sold by auction in Calcutta and bought by traders for export to foreign countries whose Governments have not made arrangements for direct purchase from the Government of India. In no case, however, are exports permitted without an import certificate by the Government of the country of import as prescribed by the League of Nations. The total number of chests offered for sale by auction in 1924-25 and 1925-26 is 3,000 chests each. This is only a maximum, as the Government fix before the beginning of the year the amount to be sold and undertake not to sell more. The total number of chests sold in the financial year 1924-25 is 1,860 only.

18. Excise opium is supplied to Provincial Governments from the Opium Factory at Ghazipur according to their indents. Hitherto the cost was being recovered by means of a book adjustment at the time of sale, when the cost price of the opium to Provincial Governments was credited to Central revenues and the excise duty to Provincial revenues. The accounts procedure has been changed from 1925-26, in consultation with the Auditor General, and from the 1st April 1925, the Provincial Governments will pay for the opium when it is supplied to them and will also take over on payment all stocks in treasuries on that date. This change of procedure has resulted in the Excise opium revenue for the next year being abnormally increased by about 20 lakhs.

Expenditure. 19. The Revised estimate exceeds Budget by 28½ lakhs on account of the amount provided for payments to cultivators in the United Provinces having proved insufficient owing to the crop having been much better than anticipated. In 1925-26, the expenditure is expected to be 57 lakhs less. The reduction is due to partly to restriction in the area cultivated and partly to the reduction in the price paid to cultivators from Rs. 15 to Rs. 13 per seer.

20. The details of revenue and expenditure are given below :—

	Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25.		Budget, 1925-26.
				Budget.	Revised.	
	₹	₹	₹	₹	₹	₹
REVENUE.						
Sale of provision and medical opium	2,36,83,908	2,93,09,450	3,17,36,741	3,29,46,000	2,63,66,000	2,34,09,000
Excise opium and other revenue	70,41,284	85,83,042	1,07,45,385	1,04,15,000	1,05,14,000	1,21,76,000
TOTAL RECEIPTS	3,07,25,192	3,78,92,492	4,24,82,126	4,33,61,000	3,68,80,000	3,55,85,000
Deduct—Refunds	394	424	472	1,000	50,000	...
TOTAL REVENUE	3,07,24,798	3,78,92,068	4,24,81,654	4,33,60,000	3,68,80,000	3,55,85,000
EXPENDITURE.						
Purchase of Opium (including payments to cultivators)	1,61,14,979	1,67,34,623	2,39,12,033	1,89,30,000	2,16,30,000	1,58,74,000
Other Charges	18,10,228	18,67,280	18,97,195	18,71,000	20,38,000	20,80,000
TOTAL INDIA	1,79,25,207	1,86,01,903	2,58,09,228	2,08,01,000	2,36,68,000	1,79,54,000
England	52,605	38,402	47,722	75,000	65,000	56,000
Exchange	27,055	20,278	22,609	32,000	24,000	19,000
TOTAL	1,80,04,867	1,86,60,643	2,58,79,559	2,09,08,000	2,37,57,000	1,80,29,000

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

	(In lakhs of rupees.)		
	Revenue.	Expenditure.	Net revenue.
1921-22, Actuals	2,20.17	1,02.20	1,17.97
1922-23 "	2,34.00	68.90	1,65.10
1923-24 "	2,28.56	15.10	2,13.46
1924-25 { Budget	2,22.32	52.27	1,70.05
{ Revised	2,08.21	53.67	1,54.54
1925-26, Budget	2,23.14	79.40	1,43.74

21. These comprise the following heads—Land Revenue, Excise, Stamps (including Capital Outlay), Forest, Registration and Tributes from Indian States.

22. The revenue is fairly constant. The decrease in Revised is explained mainly by the fact that the North Andamans New Mill was not in operation for six months in the year.

23. The increase in expenditure in Budget is due to larger provision for development of forests in the Andamans and to the expenditure on the Security Printing Press at Nasik. The expenditure on the last (including expenditure of a capital nature) is expected to be 11 lakhs in 1924-25 and 33 lakhs in 1925-26.

IRRIGATION.

(In lakhs of rupees.)

	Revenue (Receipts less Working Expenses).	Expenditure charged to Revenue (including interest on capital outlay).	Net expenditure charged to Revenue.	Capital outlay charged to Revenue.	Capital outlay not charged to Revenue.
1921-22, Actuals .	5.94	13.74	7.80	.74	1.18
1922-23, " .	10.91	13.45	2.54	.30	2.25
1923-24, " .	10.54	15.17	4.63	1.25	.13
1924-25, { Budget	12.47	21.64	9.17	1.21	...
{ Revised	8.91	20.78	11.87	1.16	.16
1925-26, Budget .	10.42	15.89	5.47	1.90	.27

24. The increase in 1924-25 under Revenue Expenditure is due to works connected with the erosion of the river Indus at Dera Ismail Khan.

POSTS AND TELEGRAPHS.

(In lakhs of rupees.)

	Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25.		Budget, 1925-26.
				Budget.	Revised.	
INDIAN POSTAL AND TELEGRAPH DEPARTMENT.						
GROSS RECEIPTS .	9,05.93	9,67.03	9,90.73	10,14.54	10,06.87	10,11.32
WORKING EXPENSES—						
India	8,61.78	8,55.58	8,81.96	8,99.25	9,05.72	9,64.29
England	1.81	2.57	16.37	14.13	12.01	8.73
Exchange . . . . .	.93	1.37	7.15	6.12	4.46	2.91
TOTAL	8,64.52	8,59.52	9,05.48	9,19.50	9,22.19	9,75.92
NET RECEIPTS .	41.40	1,07.51	85.24	95.04	84.68	65.40
EXPENDITURE CHARGED TO REVENUE.						
Interest	58.81	59.16	63.89	71.00	70.75	66.00
NET REVENUE .	-15.41	48.35	21.35	24.04	13.93	-60

INDIAN POSTAL AND TELEGRAPH DEPARTMENT.

Gross receipts.

25. The estimated amount of gross receipts in Revised is 8 lakhs less than the amount in the original Budget estimate. This decrease is only apparent, as, in the Budget, 19 lakhs were taken as the amount payable to the Provincial Governments as their share of the revenue from unified stamps whereas, in Revised, 42 lakhs have been so included. The question of increasing the assignment to Provincial Governments has been under consideration for some time and it has recently been decided to give them additional assignments based on the growth in the revenue from General Stamps since 1906. It has been roughly estimated that the increase will be about 23 lakhs. Excluding this increase in the assignment, the gross receipts are about 15 lakhs better, as a result partly of trade recovery and partly of the enhancement of charges for various services, e.g., charge for redirection of parcels and increase in insurance.

Working expenses.

26. The increase of about 3 lakhs in Revised as compared with the Budget of the current year is explained chiefly by the fact that the pensionary charges are now expected to be 5 lakhs more. In the Budget for 1925-26 the working expenses show an increase of 54 lakhs over the Revised estimate for the current year. Of this increase, 15 lakhs are due to pensionary charges being estimated on a liability basis and about 15 lakhs more on account of the fact that the Department has to make a specific provision for a depreciation fund and that the amount provided on a theoretical basis worked out on a consideration of the life of existing assets is more than the amount spent in the current year on renewals and replacements. The rest is due to some new items of expenditure (6 lakhs) approved by the Standing Finance Committee and to the ordinary annual increase in establishment charges due partly to further increments accruing in the case of clerks on a time scale of pay.

Interest on debt.

27. In the Budget and Revised estimates for the current year interest has been taken on the block capital value of the assets as in the Finance and Revenue Accounts. In the Budget for 1925-26 interest is based on the capital outlay after allowance has been made for depreciation.

Capital outlay charged to revenue.

28. The minus figures under this head are due to the fact that the value of stores issued from stock which is taken as a deduction from the debits under this head, has been for some years, greater than the outlay on fresh stores and on post office buildings, the expenditure on which is debited to this head. The stores issued from stock during the current year were, owing to the postponement of certain capital works, less than anticipated, and the credits to this head are therefore less. The system of keeping stores in a suspense account under revenue which is responsible for these fluctuations in expenditure is now being abandoned and from 1926-27 onwards, there will be no minus entries under this head. During 1925-26, however, the value of the stores in stock on the 1st April 1925 will, in the course of the year, be credited to revenue as they are issued, fresh purchases being taken to capital. This accounts for the fact that the credits in the next year are more than in the current year, in spite of increased expenditure on postal buildings.

Capital outlay not charged to revenue.

29. The decrease in Revised is due to the postponement of certain capital works already referred to. The increase in Budget is partly due to the change in the system of accounting for stores and also to the fact that in the first few years when the depreciation fund will be slowly built up, all renewals and replacements will be allowed to be met out of capital.

INDO-EUROPEAN TELEGRAPH DEPARTMENT.

30. The Revised estimate for the current year is about 6 lakhs less than the Budget estimate which was based on inaccurate data. *Gross Receipts.*

31. The increase in Budget 1925-26 as compared with Revised 1924-25 is due partly to the increase in pensionary charges as a result of the introduction of the new system of accounting and partly to payment of arrears of rental of the Central Persia Telegraph line (1.87 lakhs). *Working expenses.*

32. The provision in Budget represents interest on the capital assets of the department after allowing for depreciation. *Interest on Debt.*

33. The difference between Revised 1924-25 and Budget 1925-26 is due to the fact that payments on account of the new cable ship are £63,000 and £12,000 in Revised and Budget respectively. *Capital outlay charged to revenue.*

34. As in the Indian Postal and Telegraph department the debits for the purchases of new stores will be taken to "56—Capital" with effect from 1925-26. *Capital outlay not charged to revenue.*

INTEREST RECEIPTS.

	Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25.		Budget, 1925-26.
				Budget.	Revised.	
INDIA.						
1. Interest on loans and advances by the Central Government	R 35,21,554	R 35,55,304	R 34,02,021	R 34,07,000	R 37,79,000	R 44,22,000
2. Interest on overdrawn Capital of Railway Companies in India	37,107	54,490	76,047	38,000	38,000	38,000
3. Interest on advances to Railway Companies charged to Capital	4,51,974	8,32,283	10,61,848	14,95,000	16,83,000	18,16,000
4. Interest on Securities of Railway Companies' Provident Funds	30,95,271	44,00,462	36,58,254	34,26,000	34,26,000	34,26,000
5. Gain from purchase of Government of India securities for Depreciation Fund at less than nominal value				9,00,000		
6. Miscellaneous items	2,05,763	91,488	76,214	94,000	1,05,000	89,000
TOTAL	73,11,669	89,34,027	82,74,384	93,60,000	90,30,000	97,91,000
Deduct—Refunds	...	...	1,900	...	...	...
NET TOTAL INDIA	73,11,669	89,34,027	82,72,484	93,60,000	90,30,000	97,91,000
ENGLAND.						
1. Interest realised from investment of Cash Balances, etc.	25,02,143	17,40,666	40,91,674	14,05,000	47,10,000	27,10,000
2. Assets of Gold Standard Reserve in excess of £40 millions	...	...	1,19,91,250	1,42,04,000	1,63,84,000	1,69,80,000
TOTAL	25,02,143	17,40,666	1,60,83,154	1,56,09,000	2,10,94,000	1,96,90,000
EXCHANGE	12,86,888	8,96,003	73,03,882	67,56,000	78,35,000	65,63,000
TOTAL RECEIPTS	1,11,04,700	1,15,70,696	3,16,59,620	3,17,25,000	3,79,59,000	3,60,44,000

India.

35. It was proposed in the Budget of the current year to credit to revenue a sum of 9 lakhs representing the difference between the full nominal value and the purchase price of the securities purchased for the sinking funds of the 5 per cent. rupee loans. On the advice of the Auditor General, who considered that this procedure was open to objection from an accounts point of view, it has been decided to revert to the old procedure and not to take a credit to revenue on this account. The consequent decrease in the Revised is partly set off by increased receipts from interest on loans by the Central Government.

England.

36. The increase in Revised is due partly to larger cash balances available for investment and partly to changes in investments of the Gold Standard Reserve. It is not expected that the former cause will operate to such a large extent next year.

EXPENDITURE ON ACCOUNT OF INTEREST AND REDUCTION OR AVOIDANCE OF DEBT.

	Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25.		Budget, 1925-26.
				Budget.	Revised.	
	R	R	R	R	R	R
Interest on Debt other than that charged to Commercial Departments and Provincial Governments—						
Interest on total Debt—						
1. India	19,05,17,484	17,66,53,811	20,10,52,772	20,00,00,000	20,13,26,000	20,58,96,000
2. England	7,23,92,711	8,65,97,278	10,26,95,582	10,48,90,000	12,55,54,000	13,07,64,000
3. Exchange	3,70,80,095	4,55,69,437	4,65,79,673	4,54,00,000	4,66,84,000	4,35,88,000
TOTAL	29,99,90,290	30,88,20,526	35,03,28,027	35,02,90,000	37,35,14,000	38,02,48,000
Deduct—Amounts charged to—						
(a) Salt . . . . .	...	...	...	...	2,76,000	3,38,000
(b) Railways:						
(i) India	9,22,00,832	9,83,68,192	11,22,14,021	12,41,63,000	12,58,17,000	13,64,44,000
(ii) England	4,24,61,280	4,24,28,620	4,34,72,394	4,59,97,000	6,51,39,000	7,29,17,000
(iii) Exchange	2,16,85,938	2,26,50,537	2,00,03,722	1,99,09,000	2,41,94,000	2,43,05,000
	15,63,48,048	16,34,47,349	17,56,90,137	19,00,69,000	21,51,50,000	23,36,66,000
(c) Irrigation :	12,18,481	12,18,882	11,92,750	12,41,000	12,41,000	12,50,000
(d) Posts and Telegraphs.	56,81,015	59,16,003	63,88,844	71,00,000	70,75,000	69,66,000
(e) Provincial Govern- ments	2,58,41,800	3,02,00,692	3,75,47,098	4,46,08,000	4,30,33,000	4,95,34,000
Total Deduction	18,90,89,344	20,07,82,925	22,08,18,829	24,30,18,000	26,67,75,000	29,17,54,000
Interest on Ordinary Debt.	11,09,00,946	10,80,37,601	12,55,09,198	10,72,72,000	10,67,39,000	8,84,94,000

BUDGET FOR 1925-26.

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	Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25.		Budget, 1925-26.
				Budget.	Revised.	
				R	R	
Brought forward	11,09,00,946	10,80,37,601	12,95,09,198	10,72,72,000	10,67,39,000	8,84,94,000
Interest on other Obligations—						
1. India—						
On Savings Bank Balances	2,17,99,453	2,21,36,336	2,34,25,963	2,66,82,000	2,59,59,000	2,82,58,000
Other items	42,98,044	84,82,701	66,40,918	96,24,000	85,65,000	1,47,77,000
2. England	2,60,97,497	3,06,19,037	3,00,66,881	3,63,06,000	3,45,24,000	4,30,35,000
3. Exchange . . . . .	...	51,860	70,519	70,000	83,000	95,000
	...	25,231	30,901	80,000	31,000	32,000
TOTAL	2,60,97,497	3,06,95,628	3,01,68,301	3,64,06,000	3,46,38,000	4,31,62,000
Reduction or Avoidance of Debt—						
1. India	1,54,00,600	1,54,00,000	73,61,000	59,31,000	94,81,000	5,01,50,000
2. England	50,00,000	50,00,000	44,26,026	2,06,88,000	2,06,69,000	...
3. Exchange	25,71,571	24,56,311	18,80,446	89,54,000	76,77,000	...
TOTAL	2,29,71,571	2,28,56,311	1,36,67,472	3,95,73,000	3,78,27,000	5,01,50,000
TOTAL	15,99,70,014	16,15,69,540	17,33,44,971	18,32,51,000	17,92,04,000	18,18,06,000

INTEREST ON ORDINARY DEBT.

37. The gross charges on account of interest on debt in India in the Revised estimate for 1924-25 show an increase of 13 lakhs as compared with the Budget on account of the higher rates of discount at which Indian Treasury bills in the Paper Currency Reserve were renewed. The increase in the English figure (including Exchange) is only apparent, being due to a change in the system of accounting following the separation of Railway from General Finances. Under the new system the capital portion of the annuities outstanding on the 31st March 1924 is treated as a debt of the Central Government who are accordingly debited in the first instance with the interest portion of the annuities paid. The amount payable by Railways will be a fixed charge based on the capital outstanding on the 31st March

Revised,
1924-25.

1924. If allowance is made for this, the interest charges in England including exchange are really 6½ lakhs better than Budget, the saving being due to exchange.

Budget,
1925-26.

38. In the Budget for 1925-26 provision has been made for a full year's interest on the rupee loans raised in the current year. A sum of Rs. 50 lakhs has also been provided for the service of a new rupee loan and Rs. 42 lakhs for discount on replacement of Indian Treasury bills in the Paper Currency Reserve. The increase in interest charges in England is due to the transfer of the liability for the 18½ millions of East Indian Railway debenture stock to Government, the interest on this capital which was formerly charged direct to Railways being shown in the first instance as an addition to gross interest charges. The transfers to Railways are increased correspondingly.

Transfers to
Commercial
Departments.

39. The amount of interest transferred to the accounts of the commercial departments depends, firstly, on the capital expenditure; secondly, on the actual payment of interest on that portion of the debt which has been incurred specifically on account of the construction or purchase of Railways; and thirdly, on the rate at which interest is charged on that portion of the debt which has not been specifically raised for the above or other purpose. The present procedure is to charge to Railways, Posts and Telegraphs and Irrigation works, in respect of that portion of the debt which has not been incurred specifically for these works, interest on capital expenditure incurred to the end of 1916-17 at the rate of interest specified in the Devolution Rules and interest on capital outlay in subsequent years at the average rate paid on borrowings in that period.

40. The net saving of 51 lakhs under gross interest charges in Revised referred to in para. 37 above is almost wiped out by the lesser transfers to Railways and Provincial Governments, due in the former case to lapses in the capital programme and in the latter to a reduction in their loan requirements. The transfers include for the first time interest chargeable to the Salt Department on the capital outlay on the Northern India Salt works, the accounts having been commercialised with effect from the current year. The increase in the transfers in Budget is due to the progress of the capital expenditure in the case of Commercial Departments and to the increase in the debt owed to the Central Government in the case of Provincial Governments.

INTEREST ON OTHER OBLIGATIONS.

41. The saving in Revised as compared with Budget occurs chiefly under bonus on cash certificates, the Revised estimate for which is now put at 12 lakhs less than was originally budgeted for. The Budget for 1925-26 besides providing for the usual increases allows for the following special items:—

- (1) interest on the Railway Depreciation and Reserve funds and the Posts and Telegraphs Depreciation fund (33 lakhs),
- (2) interest payable on property returned to non-enemy nationals (12 lakhs), and
- (3) provision for interest payable to Provincial Governments on their surplus balances (10 lakhs).

REDUCTION OR AVOIDANCE OF DEBT.

42. The Revised estimate of 3,78.27 lakhs includes—

Revised,
1924-25.

- (1) 88.31 lakhs for sinking funds for 5 per cent. rupee loans,
- (2) 1,72.65 " capital portion of Railway annuities,
- (3) 47.07 " Railway Sinking funds,
- (4) 63.73 " capital portion of annual payments in redemption of liabilities assumed in respect of British War loan (1929-47), and
- (5) 6.50 " customs duty on State Railway capital stores.

The decrease as compared with Budget is due to savings in exchange and to the fact that the Customs duty on Railway capital stores originally taken at 11 lakhs is now taken at 6½ lakhs.

43. The provision for 1925-26 includes 24 lakhs on account of Customs duty on Railway Capital stores. It is larger than Revised on account of the fact that the East Indian Railway has, and the Great Indian Peninsula Railway will soon, become State-managed.

Budget,
1925-26.

44. The balance is calculated according to the terms of the Government of India, Finance Department Resolution, No. F. 13-II-F., dated the 9th December 1924 which prescribes the amount to be set apart for this purpose as 4 crores plus $\frac{1}{10}$ th of the excess of the debt outstanding on the 31st March of the preceding year over that outstanding on the 31st March 1923.

The excess is arrived at as follows:—

	Lakhs.
Debt outstanding on the 31st March 1925	9,08.78
" " 1923	8,46.78
	62.00

45. Out of the total of 4,77.50 lakhs, the following obligatory payments are to be made:—

- (1) 97.21 lakhs for 5 per cent. rupee loans.
 - (2) 1,73.64 " capital portion of Railway annuities.
 - (3) 43.55 " Railway Sinking Funds, and
 - (4) 65.02 " capital portion of annual payments in redemption of liabilities assumed in respect of British War Loan (1929-47).
- 3,84.42 "

CIVIL ADMINISTRATION.

(In lakhs of rupees.)

	Revenue.	Expenditure.	Net Expenditure.
1921-22, Actuals	77.29	9,40.80	8,63.51
1922-23, "	44.34	9,94.32	9,49.98
1923-24, "	68.51	9,33.97	8,65.40
1924-25 { Budget	72.01	9,80.28	9,08.27
{ Revised	70.50	10,26.87	9,56.17
1925-26, Budget	72.60	10,97.98	10,25.38

Expenditure. 46. The increase in Revised is mainly due to bounties (62 lakhs) under the Steel Protection Act and the additional bounties on finished steel voted by the Assembly in January. The increases on account of pay, pension and passage concessions to the Superior Civil Services are covered by savings.

47. The increase in Budget is spread over most of the heads in this group. The expenditure on bounties is expected to be about 6 lakhs more. Among other causes that have contributed to the increase may be mentioned a revision of pay in the Audit Department, the taking over of direct relations by the Central Government with Western India States and additional expenditure in connection with the reorganisation of the administration of the Burma Frontier, reconditioning of pilot vessels, expansion of the Indian Stores Department and increased expenditure in the Archaeological Department, including provision for further excavations and for a museum at Taxila. Included under this group are the items of expenditure on beneficial services referred to in paragraph 54 of the Finance Member's speech.

CURRENCY AND MINT.

	(In lakhs of rupees.)		
	Revenue.	Expenditure.	Net Revenue.
1921-22, Actuals	4,37.42	1,07.48	3,29.94
1922-23, "	3,62.03	1,03.10	2,58.93
1923-24, "	3,12.74	99.07	2,13.67
1924-25 {	Budget	77.31	2,86.55
	Revised	3,94.93	73.20
1925-26, Budget	4,08.07	73.47	3,34.60

Revenue. 48. The increase in Revised is due partly to greater profits on circulation of nickel and bronze coin and partly to increased interest receipts in respect of Paper Currency Reserve investments in England.

49. The increase in Budget 1925-26 is due to larger interest receipts (40 lakhs) in India on account of Treasury Bills issued to the Paper Currency Reserve, the rates of discount being higher this year, partly counterbalanced by a reduction in the profits from the circulation of nickel coin and in the interest receipts in respect of loans to the Imperial Bank against internal Bills of exchange.

EXCHANGE.

50. Since the 1st April 1920, the accounts have been 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 has however stood at a lower level in recent years, the average rate for the current year being expected to work out at 1s. 5½d. In consequence of this variation from the 2s. rate, large sums have to be 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.

51. The following table shows the debits for exchange in respect of remittance and allied transactions which are expected to be brought to account, the estimates being based on assumption of an average rate of exchange of 1s. 5½d. and 1s. 6d. during the current and the next year, respectively :—

	(In lakhs of rupees.)	
	1924-25.	1925-26.
(i) Remittances from India for financing the Home Treasury	15,06	10,50
(ii) Bills and telegraphic transfers drawn by Iraq for payment in India against recoveries in England	62	57
(iii) Sterling money order and other miscellaneous transactions	35	50
TOTAL	16,03	11,57

52. The procedure for the allocation of exchange gains and losses is as follows. All exchange gains and losses arising in respect of remittance transactions are 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 is 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 expenditure of Provincial Governments is similarly debited to the Provincial Governments concerned; and it is considered with reference to the circumstances of each year whether the balance remaining under the suspense head after these transfers are made should be written off to revenue or kept in suspense against the possibility of opposite results in succeeding years.

53. Excluding the book adjustments in connection with the liabilities taken over by the Secretary of State on the expiry of the contracts with the East Indian and Great Indian Peninsula Railways, the following table shows the amounts chargeable to revenue, capital and other heads during the current and next years on account of losses from exchange and the net credits remaining under the suspense head after such allocation :—

	(In lakhs of rupees.)	
	1924-25.	1925-26.
Revenue heads (net as detailed in Statements A and B)	9,48	8,33
Capital heads (Railways, Posts and Telegraphs and Delhi)	2,85	3,42
Provincial Governments	98	1,02
Total transfers	13,31	12,77
Total loss (vide para. 51 above)	16,03	11,57
Net Credit + Debit - under the suspense head	--2,72	+1,20

54. The credit balance outstanding under the suspense head at the close of 1923-24 was Rs. 8,55 lakhs. On the basis of the above estimates, the balance at the end of the years 1924-25 and 1925-26 will be Rs. 5,83 and 7,03 lakhs respectively. The question of the accounts adjustments necessary on account of the liabilities taken over in connection with the assumption of direct State management in the East Indian and Great Indian Peninsula Railways is at present under consideration in consultation with the Auditor General; and the estimates are subject to variation on this account, as also with reference to the actual remittance programme of the next year.

CIVIL WORKS.

(In lakhs of rupees.)

	Revenue.	Expenditure.	Net expenditure.
1921-22, Actuals	11.34	1,54.20	1,42.83
1922-23, "	14.38	1,34.81	1,20.43
1923-24, "	37.05	1,70.31	1,33.26
1924-25 { Budget	12.36	2,06.50	1,94.14
{ Revised	12.12	1,93.27	1,81.15
1925-26, Budget	10.18	1,68.47	1,58.29

Expenditure. 55. The estimate of expenditure for 1925-26 is considerably lower than the Budget and Revised Estimates for the current year owing to the fact that the latter contained much larger provision for special expenditure in Waziristan. The amount provided in the Budget for 1924-25 was 48 lakhs. The provision in next year's Budget is only 7½ lakhs.

MISCELLANEOUS.

(In lakhs of rupees.)

	Revenue.	Expenditure.	Net expenditure.
1921-22, Actuals	7,18.57	5,58.91	—1,59.66
1922-23 "	62.47	5,20.56	4,58.09
1923-24 "	94.78	4,46.50	3,51.72
1924-25 { Budget	67.48	4,88.73	4,21.25
{ Revised	33.50	4,47.95	4,14.45
1925-26, Budget	43.21	4,01.91	3,58.70

56. The decrease under net expenditure in Budget is mainly due to the cost of stationery supplied to the Army being borne by the Army, estimates from 1925-26 and the total amount of pension being reduced on account of the greater liability assumed by the Posts and Telegraphs Department as a result of the introduction of a commercialised system of accounting.

BUDGET FOR 1925-26.

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ARMY.

	Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25.		Budget, 1925-26.
				Budget.	Revised.	
	R	R	R	R	R	R
EXPENDITURE.						
India—						
Part A—Standing Army.						
<i>Effective Services.</i>						
Maintenance of the Standing Army.	31,54,57,826	30,29,54,305	28,59,49,583	28,40,46,320	26,95,37,000	27,37,35,360
Cost of Educational, etc., establishments and working expenses of Hospitals, Depots, etc.	11,86,56,841	9,40,69,632	9,02,53,323	8,27,19,750	8,46,28,000	8,24,17,860
Army Headquarters, Staff of Commands, etc.	2,50,64,010	2,14,89,704	2,03,41,847	2,05,19,510	2,04,70,000	2,02,73,730
Stock Account	-7,32,55,862	-2,98,64,230	-3,64,03,308	-1,47,38,490	-2,57,04,000	-1,16,69,650
Special Services	8,40,35,980	5,45,82,360	1,58,49,069	57,94,730	49,84,000	58,85,280
Miscellaneous Charges	1,09,57,648	1,94,78,050	23,47,396	1,83,86,130	2,22,83,000	90,77,420
Unadjusted Expenditure	15,30,802	-24,84,020	-13,51,602	...	...	...
TOTAL—EFFECTIVE	R 48,24,47,145	46,01,74,801	37,99,86,308	38,67,28,000	37,61,98,000	37,97,20,000
<i>Non-effective Services—</i>						
Non-effective charges	R 3,65,55,901	5,92,75,452	5,74,71,540	5,38,86,000	5,29,51,000	5,11,09,000
<i>Exchange on English expenditure</i>						
Part B.—Auxiliary and Territorial Forces—Effective	R 5,96,05,751	...	...	...	...	...
Part C.—Royal Air Force	Effective R 69,40,941	95,45,770	1,05,41,555	1,11,95,000	1,05,45,300	1,09,32,000
	Non-effective R 71,28,591	1,10,55,114	1,46,13,236	1,29,97,000	1,27,27,000	1,41,11,000
	R ..	...	3,479	5,000	1,000	21,000
	R 71,28,591	1,10,55,114	1,46,16,715	1,30,02,000	1,27,28,000	1,41,32,000
TOTAL INDIA { Effective R 55,61,22,428	48,07,75,665	40,51,41,099	42,09,20,000	39,94,70,000	40,47,63,000	
{ Non-effective R 3,65,55,901	5,92,75,452	5,74,75,019	5,38,91,000	5,29,52,000	5,11,30,000	
	R 59,26,78,329	54,00,51,137	46,26,16,118	47,48,11,000	45,24,22,000	45,58,93,000
EXPENDITURE.						
England—						
Part A—Standing Army.						
<i>Effective Services</i>						
Maintenance of the Standing Army	4,051,609	3,196,815	2,875,730	2,694,500	2,490,000	2,476,000
Cost of Educational, etc., establishments and working expenses of Hospitals, Depots, etc.	669,788	235,000	214,700	196,500	298,500	245,700
Army Headquarters, Staff of Commands, etc.	2,508	51,168	40,665	42,000	47,000	44,000
Stock Account	2,011,176	1,813,415	1,115,552	1,575,900	1,840,800	1,036,700
	£ 6,735,081	5,299,398	4,246,647	4,509,900	4,676,300	3,802,400
Carried over	R 59,26,78,329	54,00,51,137	46,26,16,118	47,48,11,000	45,24,22,000	45,58,93,000

BUDGET FOR 1925-26.

ARMY—*contd.*

	Actuals, 1921-22.	Actuals, 1922-23	Actuals, 1923-24.	1924-25.		Budget, 1925-26.
				Budget.	Revised.	
Brought forward	59,26,78,329	54,00,51,137	46,26,16,118	47,48,11,000	45,24,22,000	45,58,93,000
Special Services	6,735,081	5,296,398	4,246,647	4,508,900	4,676,300	3,802,400
Miscellaneous Charges	241,184	474,904	611,573	1,050,000	820,000	1,200,000
	930,082	740,124	659,894	638,000	548,800	631,000
TOTAL—EFFECTIVE	£ 7,906,347	6,491,426	5,518,114	6,196,900	6,045,100	5,633,400
NON-EFFECTIVE SERVICES— Non-effective charges	£ 3,336,836	3,421,204	3,646,934	3,748,200	3,721,000	3,695,300
Part C.—Royal Air Force (Effective).	£ 346,183	788,271	519,045	454,800	602,700	554,100
	£ 11,589,366	10,700,901	9,684,143	10,399,900	10,368,800	9,882,800
TOTAL { Effective	R 8,25,25,297	7,27,96,971	6,03,71,596	6,65,17,000	6,64,78,000	6,18,75,000
ENGLAND { Non-effective	R 3,33,68,358	3,42,12,042	3,64,69,828	3,74,82,000	3,72,10,000	3,69,53,000
	R 11,58,93,655	10,70,09,013	9,68,41,424	10,39,99,000	10,36,88,000	9,88,28,000
TOTAL EXPENDITURE { Effective	R 63,86,47,725	55,35,72,656	46,55,12,695	48,74,37,000	46,59,48,000	46,66,38,000
{ Non-Effective	R 6,99,24,259	9,34,87,494	9,39,44,857	9,13,73,000	9,01,62,000	8,80,83,000
	R 70,85,71,984	64,70,60,150	55,94,57,552	57,88,10,000	55,61,10,000	55,47,21,000
REVENUE.						
India { Effective	R 4,81,93,444	3,74,90,393	3,07,32,065	1,78,21,000	3,01,14,000	2,47,91,000
{ Non-effective	R 9,93,678	18,75,003	20,91,011	14,47,000	14,93,000	13,09,000
TOTAL	R 4,91,87,122	3,93,65,396	3,28,23,076	1,92,68,000	7,000	2,61,00,000
England	£ 2,323,538	900,750	480,022	467,000	602,800	406,800
{ Effective	R 1,04,37,770	74,81,527	36,00,985	35,85,000	49,63,000	29,93,000
{ Non-effective	R 1,27,97,609	15,25,970	11,99,288	10,85,000	10,65,000	10,75,000
TOTAL	R 2,32,35,379	90,07,497	48,00,273	46,70,000	60,28,000	40,68,000
TOTAL REVENUE. { Effective	R 5,86,31,214	4,49,71,920	3,43,53,000	2,14,06,000	3,50,77,000	2,77,84,000
{ Non-effective	R 1,37,91,287	34,00,973	32,30,299	25,32,000	25,58,000	23,84,000
TOTAL	R 7,24,22,501	4,83,72,893	3,76,23,299	2,39,38,000	3,76,35,000	3,01,68,000
NET EXPENDITURE { India	R 54,34,91,207	50,06,85,741	42,97,93,042	45,55,43,000	42,08,15,000	42,97,93,000
{ England	R 9,26,58,276	9,80,01,516	9,20,41,211	9,93,29,000	9,76,60,000	9,47,60,000
{ Effective	R 58,00,16,511	50,86,00,736	43,11,79,695	46,00,31,000	43,08,71,000	43,88,54,000
{ Non-effective	R 5,61,32,972	9,00,86,521	9,06,54,578	8,89,41,000	8,76,04,000	8,56,99,000
TOTAL	R 63,61,49,483	59,86,87,257	52,18,34,273	55,48,72,000	51,84,75,000	52,45,53,000

*Revised,
1924-25.*

57. The net Army expenditure in 1924-25 is now estimated at Rs 51,84.75 lakhs against a corresponding Budget provision of Rs 55,48.72 lakhs. The reduction of Rs 3,63.97 lakhs is made up of a decrease of Rs 3,47.28 lakhs in expenditure in India and Rs 16.69 lakhs in expenditure in England.

BUDGET FOR 1925-26.

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58. The decrease of Rs. 3,47.28 lakhs in India is the net result of the following important variations :— India.

<i>Decreases.</i>	
(Lakhs of rupees.)	
(i) Shortages in authorised establishments of fighting and ancillary services and economies and retrenchments in various directions	1,70
(ii) Savings in the provision for loss by exchange	67
(iii) Larger credits by consumption and disposal of surplus stores	45
(iv) Arrear receipts	42
(v) Savings in the grant for Auxiliary and Territorial Forces.	7
(vi) Smaller purchase of stores in India, by increase of the grant for purchases in England.	31
(vii) Other savings, chiefly in rail and other transportation charges, and credits by greater utilisation of Government transport	15
	3,77

<i>Increases.</i>	
(i) Rise in prices of food stuffs	15
(ii) Growth in pension charges	14
(iii) Retirement of surplus officers of the Indian Army	1
	30
Net decrease	3,47

59. The principal items contributing to the decrease of Rs. 16.69 lakhs in England are :— England.

<i>Decreases.</i>	
(Lakhs of rupees 1 £=Rs.10.)	
(i) Smaller payments to War Office for British Forces serving in India, etc.	26
(ii) Gratuities and allowances to surplus officers of the Indian Army, due to officers deferring drawing their gratuities till the end of the full period for which allowances are payable	28
(iii) Saving in the provision for pension charges, owing mainly to reduction in the rates of pension of officers	3
	57
<i>Increases.</i>	
(i) Larger purchase of stores in England by reduction of the grant for purchases in India	31
(ii) Miscellaneous and arrear charges	9
	40
Net decrease	17

*Budget,
1925-26.*

60. Of the sum of R56.25 crores allotted in the Budget for 1925-26 to meet the net expenditure on Military services, R52,45.53 lakhs will be available for expenditure under the "Army" head, which is made up of R42,97.93 lakhs for expenditure in India and R9,47.60 lakhs in England. The former figure includes (i) R3,15.87 lakhs for exchange on net expenditure in England, (ii) R12.5 lakhs being the cost of stationery and forms supplied to, and printing work done for, the Army by the Civil Department which from 1925-26 will be borne by Military estimates, (iii) R10.5 lakhs for payments in India of gratuities and allowances to surplus officers of the Indian Army and (iv) R51.9 lakhs on account of cost of water and electricity, etc., supplied by Military Engineer services to Army units and establishments, which will be charged under the appropriate heads in the Army Estimates from 1925-26. It also allows for a credit to "Army" of R11.0 lakhs representing the present value of the Dera-Ismail Khan-Tank Decauville Railway to be taken over from Army by the Railway Department. The English expenditure includes R1,20.0 lakhs for payments in England of gratuities and allowances to surplus officers of the Indian Army.

MARINE.

		Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25.		Budget, 1925-26.
					Budget.	Revised.	
EXPENDITURE.							
India	R	1,31,11,067	1,13,49,218	71,46,317	66,76,000	56,36,000	62,11,000
England	£	406,556	264,940	250,811	219,200	209,600	208,900
	R	40,65,559	24,49,400	25,08,108	24,92,000	20,96,000	20,89,000
Total Expenditure	R	1,71,76,626	1,39,98,618	96,54,425	91,68,000	77,32,000	83,00,000
REVENUE.							
India	R	55,91,868	32,72,538	24,73,367	14,92,000	12,75,000	9,33,000
England	£	53,379	...	...	...	...	...
	R	5,33,787	...	...	...	...	...
Total Revenue	R	61,25,655	32,72,538	24,73,367	14,92,000	12,75,000	9,33,000
NET EXPENDITURE	{ India . R { England R { Total . R	75,19,199	80,76,680	46,72,950	51,84,000	43,61,000	52,78,000
		35,31,772	26,49,400	25,08,108	24,92,000	20,96,000	20,89,000
		1,10,50,971	1,07,26,080	71,81,058	76,76,000	64,57,000	73,67,000

BUDGET FOR 1925-26.

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61. The reduction of R12·19 lakhs in net expenditure in the Revised estimate as compared with Budget for 1924-25 is made up of (i) lapse of the bulk of the provision for retrenchment (R6·40 lakhs), (ii) retrenchments in expenditure on establishments and outlay on stores (R2·78 lakhs) and (iii) saving in Exchange (R3·01 lakhs). Revised,
1924-25.

62. The Budget for 1925-26 has been fixed at R73·67 lakhs. It is R3·09 lakhs less than the Budget estimate for 1924-25, which is due mainly to saving in Exchange and to fall in receipts. But it exceeds the Revised estimate for 1924-25 by R9·10 lakhs owing partly to fall in receipts and partly to special provision made for purchase and replacement of vessels. Budget,
1925-26.

MILITARY ENGINEER SERVICES.

		Actuals, 1921-22.	Actuals, 1922-23.	Actuals, 1923-24.	1924-25.		Budget, 1925-26.
					Budget.	Revised.	
EXPENDITURE.							
India	R	5,18,30,288	4,74,71,301	4,05,97,269	4,15,60,000	4,05,99,000	3,91,42,000
England	£	121,944	152,889	72,242	47,800	55,500	45,400
	R	12,19,442	15,28,886	7,22,414	4,78,000	5,55,000	4,54,000
TOTAL	R	5,30,49,730	4,90,00,187	4,13,19,783	4,20,38,000	4,11,54,000	3,95,56,000
REVENUE.							
India	R	21,45,676	57,33,434	80,59,731	20,86,000	27,86,000	90,16,000
NET EXPENDITURE.	India	R	4,96,84,612	4,17,37,867	3,25,37,638	3,94,74,000	3,78,18,000
	England	R	12,19,442	15,28,886	7,22,414	4,78,000	5,55,000
	TOTAL	R	5,09,04,054	4,32,66,753	3,32,60,052	3,99,52,000	3,83,68,000	3,05,80,000

63. The decrease of R15·84 lakhs in net expenditure in the current year as compared with the Budget is due partly to increased receipts from rent, sales, etc., of buildings and partly to reduction in expenditure. Revised,
1924-25.

64. The Budget Estimate of net expenditure in 1925-26 has been taken at R3,05·80 lakhs. It is less than the Budget, 1924-25, by R93·72 lakhs, and Revised, 1924-25 by R77·88 lakhs. Apart from a decrease in expenditure, it takes into account a credit of R51·9 lakhs for cost of water and electricity, etc., supplied to Army units and establishments which will be charged to the appropriate heads in the Army estimates from 1925-26. Budget,
1925-26.

MILITARY SERVICES: SUMMARY.

		Actuals, 1921-1922.	Actuals, 1922-1923.	Actuals, 1923-1924.	1924-1925.		Budget, 1925-1926.	
					Budget.	Revised.		
EXPENDITURE.								
India	R	65,76,19,664	59,88,71,656	51,03,19,804	52,30,47,000	49,86,57,000	50,12,46,000	
England	£	12,117,866	11,118,730	10,007,196	10,636,900	10,633,900	10,137,100	
	R	12,11,78,656	11,11,87,299	10,00,71,956	10,69,69,000	10,63,39,000	10,13,71,000	
Total Expenditure	R	77,87,98,340	71,00,56,955	61,04,31,760	63,00,16,000	60,49,96,000	60,26,17,000	
REVENUE.								
India	R	5,69,24,666	4,83,71,368	4,33,56,174	2,28,46,000	3,56,68,000	3,60,49,000	
England	£	2,376,917	900,750	480,622	467,000	602,800	406,800	
	R	2,37,69,166	90,07,497	48,00,223	46,70,000	60,28,000	40,68,000	
Total Receipts	R	8,06,93,832	5,73,78,865	4,81,56,397	2,75,16,000	4,16,96,000	4,01,17,000	
NET EXPEN- DITURE.	India	R	60,06,95,018	55,05,00,288	46,70,03,630	50,02,01,000	46,29,89,000	46,51,97,000
	England	R	9,74,09,490	10,21,79,803	9,52,71,733	10,22,99,000	10,03,11,000	9,73,03,000
	Total	R	69,81,04,508	65,26,80,090	56,22,75,363	60,25,00,000	56,33,00,030	56,25,00,000

Revised,
1924-25.

65. In the Budget estimate for 1924-25, a grant of R60.25 crores was allotted for net expenditure on Military services, inclusive of sterling expenditure in England converted at 16½d. the rupee. This figure was made up as follows:—

	Lakhs of rupees.
(1) For loss by exchange on expenditure in England	4.43
(2) For retirement of surplus officers of the Indian Army— terminal charges	85
(3) For established charges of the Army, etc. (net)	55.62
(4) Deduct—Credit from consumption and disposal of surplus stores	—65
	<u>60.25</u>

66. The Revised estimate of net expenditure is less than the Budget provision by R3.92 lakhs. Of this reduction, about R70 lakhs represents saving on exchange by the conversion of sterling expenditure into rupees at 17½d. instead of at 16½d. the rupee, R27 lakhs occurs under payments to surplus officers of the Indian Army, R45 lakhs is due to larger consumption or disposal of surplus stores and R42 lakhs is obtained by an arrear credit.

Apart from these savings, the reduction in net expenditure amounts to Rs 2,08 lakhs which is due wholly to shortages and reductions in authorised establishments of fighting and ancillary services, retrenchments and economies in India in various directions. The payments to War Office in respect of British Forces serving in India will be Rs 26 lakhs less than the Budget anticipation. On the other hand, the growth of pension charges in India will cause an excess of Rs 11 lakhs and the recent rise in prices of foodstuffs, of another Rs 15 lakhs.

67. A grant of Rs 56.25 crores has been allotted for net expenditure on Military Services in 1925-26, inclusive of sterling expenditure in England converted at 18d. the rupee. It is made up as follows:—

	Crores of rupees.
(1) For retirement of surplus officers and personnel	1.70
(2) For special works expenditure in Waziristan and for the Royal Air Force . . . . .	.43
(3) For established charges of the Army, etc. (net)	55.00
	57.13
4) Deduct—Credits from consumption and disposal of surplus stores . . . . .	.70
(5) Deduct—Credit for frontier railway, etc. . . . .	.18
	.88
	56.25

PROVINCIAL CONTRIBUTIONS AND MISCELLANEOUS ADJUSTMENTS BETWEEN CENTRAL AND PROVINCIAL GOVERNMENTS.

	(In lakhs of rupees.)		
	Revenue.	Expendi- ture.	Net Revenue.
1921-22, Actuals	10,19.79	35.88	9,83.91
1922-23 "	9,26.86	3.93	9,22.93
1923-24 "	9,21.55	37.99	8,83.56
1924-25 { Budget	9,22.11	22.65	8,99.46
{ Revised	9,25.16	56.32	8,68.84
1925-26, Budget	6,22.14	15.74	6,06.40

68. These represent mainly the amounts payable by the Provincial Governments to the Central Government under the Devolution Rules. The balance is due to miscellaneous adjustments, such as repayment by Provincial Governments of expenditure initially incurred on their behalf by the Central Government. The receipts in 1925-26 are lower, on account of the remission of Rs 3 crores in contributions of which Rs 2½ crores are recurring and the balance is non-recurring.

69. The charges represent payments to Provincial Governments on account of services rendered to the Central Government.

70. The provision in 1924-25 (Budget) and 1925-26 (Budget) represents mainly assignments on account of customs duty on stores imported by the Provincial Governments. In Budget 1925-26 no provision has been made for assignments to Provincial Governments who receive a recurring remission in their contributions. The increase in Revised 1924-25 is due to provision being made to meet certain arrear claims of the Bombay Government for expenditure incurred as agents of the Central Government since 1921-22. The claim is at present under investigation.

EXTRAORDINARY RECEIPTS AND PAYMENTS.

	Actuals. 1923-24.	1924-25.		Budget. 1925-26.
		Budget.	Revised.	
	Ra.	Ra.	Ra.	Rs.
Receipts—				
India	18,75,963		81,000	...
England	1,67,50,000	17,50,000	1,86,00,000	28,75,000
Exchange	73,39,833	7,50,000	69,08,000	9,58,000
TOTAL	2,59,65,851	25,00,000	2,55,89,000	38,33,000
Payments—				
India		25,00,000	...	25,00,000
England	2,37,07,519	...	...	...
Exchange	1,03,88,688	...	...	...
TOTAL	3,40,96,207	25,00,000	..	25,00,000

71. The above major heads were opened for the first time in the accounts for 1923-24 for the record of special receipts and charges of a non-recurring character which it was considered desirable to distinguish from the ordinary revenue and expenditure of the Government.

Accounts,
1923-24.

72. The receipts in India represent the sale proceeds (including profit thereon) of German reparation dyes while those in England represent the portion of the earnings of enemy ships for which credit was taken in the Revised estimate of the year. The payments represent the amount of loans and advances to the Persian Government hitherto held in suspense charged off to revenue in the accounts of the current year (*vide* paragraph 11 of the Finance Member's speech).

Estimates,
1924-25 and
1925-26.

73. Of the balance of the windfall from the profits from the control of enemy ships, credit was originally taken in the Budget of the current year only for 25 lakhs, equivalent to the *ex gratia* payments which were expected to be made in the current year on account of compensation to private individuals who suffered from enemy action during the war. The balance of the windfall was left under the Suspense head to provide for the refunds of Customs duty to Railway Companies in the event of the Privy Council decision being unfavourable to Government. Such a decision has now been given and it is estimated that the total amount necessary is 2,80 lakhs which will appear as a deduction from Customs receipts on this account. The *ex gratia* payments, on the other hand, are expected to be made only in 1925-26 instead of in the current year as originally intended. The latest estimate of the available balance of enemy ships' earnings excluding the amount adjusted in the accounts of 1923-24 but including profits on the working of the ships till their final disposal in 1925-26 is 2,94 lakhs of which 2,56 lakhs will be credited to revenue in Revised and 38 in Budget.

WAYS AND MEANS.

HOME TREASURY.

74. The bulk of the payments made in England on account of the Government of India consist normally of expenditure chargeable to the Indian revenues; and, if the transactions of the Home Treasury were restricted only to such payments, the Ways and Means programme would be a simple arrangement, as the whole of the expenditure would ordinarily be met by remittance of funds from India. The capital outlay on the construction of Railways, 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 being effected by the Secretary of State against the drawings of the Iraq administration on India, and to a smaller extent against disbursements made in India on behalf of His Majesty's Government. 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.

75. The following is a summary of the transactions appearing in the Budget and Revised estimates of the Home Treasury for 1924-25, and in the Budget Estimate of 1925-26:—

	Budget, 1924-25.	Revised, 1924-25.	Budget, 1925-26.
RECEIPTS.	£	£	£
(1) Discount on loans raised in previous years brought to account as debt incurred	185,500	185,500	205,900
(2) Liabilities assumed by the Secretary of State in connection with the purchase of Railways	18,500,000	18,500,000	3,500,000
(3) Remittances between England and India—			
(a) Recoveries on account of drawings by Iraq administration on India	2,560,000	1,631,000	1,700,000
(b) Other transactions	2,269,900	1,305,800	1,251,500
Total Receipts, excluding direct remittances and loans	23,515,400	21,632,300	6,657,400

	Budget, 1924-25.	Revised, 1924-25.	Budget, 1925-26.
	£	£	£
Total Receipts—Brought forward	23,515,400	21,622,300	6,657,400
DISBURSEMENTS.			
(4) Excess of Expenditure of the Central Government over Revenue.	23,265,500	25,532,800	24,981,000
(5) Expenditure incurred on behalf of Provincial Governments.	3,017,000	2,629,300	3,061,300
(6) Capital Expenditure not charged to Revenue—			
(a) Outlay on State Railways	11,568,400	7,500,000	7,517,500
(b) Redemption of liabilities involved in purchase of Railways.	...	...	2,575,000
(c) Discharge of Railway debentures	18,951,000	18,923,000	3,475,000
(d) Outlay on Irrigation, Posts and Telegraphs and Delhi.	53,800	47,400	193,400
(7) Discharge of Debt . . . . .	...	...	2,154,100
(8) Deposits and Advances	454,800	1,504,700	277,300
Total Disbursements	62,340,500	56,140,200	44,233,000
NET DISBURSEMENTS	38,825,100	34,517,900	37,576,200
Financed as follows—			
Remittances from India (net)	36,000,000	36,000,000	31,500,000
Reduction (+) or increase (—) of cash balance	2,825,100	—1,482,100	6,076,200
TOTAL	38,825,100	34,517,900	37,576,200
Opening Balance	7,630,600	10,384,200	11,866,300
Closing Balance	4,805,500	11,866,300	5,790,100

*Revised,
1924-25.*

76. The Revised estimate for the current year provides for a total disbursement by the Secretary of State and the High Commissioner for India of £56·1 millions including £18½ millions of the East Indian Railway Debentures taken over by the Secretary of State as State liability on the termination of the contract with the Company. After elimination of this item the actual expenditure will amount to £37·6 the main items being £25·5 millions on account of net expenditure of the Central Government in England in excess of revenue, £2·6 millions representing expenditure on behalf of Provincial Governments chargeable to their balances on deposit with the Central Government in India, £7·5 millions on account of Railway capital outlay and 2·0 millions for discharge of debentures and issues under Deposits and Advances.

77. The resources available for meeting the above disbursements total £3·1 millions, namely, (i) £1·6 million recovered from the Air Ministry and the Colonial Office against drawings on India by the Iraq Administration and (ii) £1·5 million representing various miscellaneous receipts.

78. The disbursements mentioned above exceed the resources by £34·5 millions, and the deficiency will be met by actual remittances from India. It is anticipated that the total remittances during the current year will amount to £36 millions, the excess over the requirements going to increase the balances at the beginning of 1924-25 by 1½ million to 11·9 millions.

79. The disbursements by the Secretary of State and the High Commissioner in the coming year exclusive of the amount of Great Indian Peninsula Railway debenture stock to be taken over by the Secretary of State are now estimated at £40·7 millions, namely, excess of expenditure of the Central Government over revenue £25·1 millions, expenditure on behalf of Provincial Governments £3·1 millions, Railway capital outlay £7·5 millions, discharge of ordinary Debt, Railway Debentures and Great Indian Peninsula Railway Capital Stock £4·7 millions, and capital outlay on Posts and Telegraphs and Delhi and issues under Deposits and Advances £0·4 million.

80. It is expected that the Secretary of State will recover £1·7 millions from the Air Ministry and the Colonial Office on account of disbursements made in India on their behalf while miscellaneous receipts will amount to £1·4 million—a total of £3·1 million.

81. The deficiency in resources is thus £37·6 millions. The estimates provide for its being met to the extent of (i) £31½ millions by remittances from India in one form or another, and (ii) £6·1 millions by a reduction of the cash balances from £11·9 millions at the beginning of 1925-26 to £5·8 at its end. It is not possible to indicate at present the precise form which the remittances from India aggregating £31·5 millions will take as this must depend on circumstances during the year.

82. The following are the details of the transactions of the Gold Standard Reserve in England :—

	1924-25.		Budget. 1925-26. £
	Budget. £	Revised. £	
RECEIPTS.			
Dividends on investments, discount on treasury bills, interest on loans at short notice, etc.	1,504,100	1,603,100	1,740,100
Exchequer Bonds, British treasury bills and Colonial Government securities, etc., paid off	102,403,100	77,444,300	43,356,600
TOTAL	103,907,200	79,047,400	45,096,700
CHARGE.			
Investments made	102,186,800	77,409,000	43,398,700
Appropriation to Revenue	1,420,400	1,638,400	1,698,000
TOTAL	103,907,200	79,047,400	45,096,700

*Budget,
1925-26.*

*Gold
Standard
Reserve.*

BUDGET FOR 1925-26.

83. The following statement shows the transactions and balances of the fund in the two years taken together :—

	1924-25.		Budget. 1925-26.
	Budget.	Revised.	
OPENING BALANCE—			
(a) Invested (cost price)	£ 39,952,000	£ 39,971,200	£ 39,942,900
(b) Uninvested—			
Cash at the Bank of England	3,700	900	900
	<u>39,955,700</u>	<u>39,979,100</u>	<u>39,943,800</u>
 CLOSING BALANCE—			
In England—			
(a) Invested (cost price)	40,035,700	39,942,900	39,985,000
(b) Uninvested—			
Cash at the Bank of England	3,700	900	900
	<u>40,039,400</u>	<u>39,943,800 (a)</u>	<u>39,985,000 (a)</u>
 Difference between opening and closing balances representing Interest, etc., on investments in England less appropriation to Revenue (<i>vide</i> preceding paragraph)	53,700	—35,300	42,100

(a) These figures are based on the cost price of investments for the Reserve. The excess over £40 millions on the basis of current market prices will be appropriated to revenue.

INDIA.

84. The following is a summary of the estimates of Ways and Means in India during 1924-25 and 1925-26 :—

	Budget, 1924-25.	Revised, 1924-25.	Budget, 1925-26.
RECEIPTS.	R	R	R
1. Excess of Revenue of the Central Government over Expenditure charged to Revenue	23,45,02,000	29,52,86,000	25,22,23,000
2. Capital contributed by Railway Companies towards outlay on State Railways	-8,76,55,000	-8,72,85,000	-1,37,13,000
3. Unfunded Debt incurred—			
(a) Post Office Cash Certificates (net)	1,50,00,000	4,60,00,000	4,20,00,000
(b) Savings Bank deposits (net)	5,99,33,000	5,04,95,000	5,57,19,000
4. Other Deposits and Remittances (net)	15,87,70,000	10,71,59,000	13,52,55,000
5. Transfers from the Paper Currency Reserve		6,00,00,000	
6. Balances of Provincial Governments	4,47,000	2,13,000	3,37,85,000
TOTAL RECEIPTS EXCLUDING LOANS	42,09,97,000	47,18,68,000	50,52,69,000
DISBURSEMENTS.			
6. Capital Expenditure not charged to Revenue—			
(a) State Railways	18,43,16,000	5,35,00,000	15,48,25,000
(b) Redemption of liabilities involved in purchase of Railways . . . . .	...	...	85,68,000
(c) Irrigation Work . . . . .	...	16,000	27,000
(d) Posts and Telegraphs	1,73,95,000	1,64,98,000	1,98,02,000
(e) Initial expenditure on new Capital at Delhi	1,41,62,000	1,32,36,000	1,51,17,000
7. Permanent Debt discharged (net)	1,82,93,000	1,83,94,000	4,60,04,000
8. Floating Debt discharged—			
Treasury bills issued to the public (net)	2,13,00,000	2,13,20,000	...
9. Loans by the Central Government including loans to Provincial Governments and the Provincial Loans Fund	12,65,92,000	10,56,21,000	14,79,30,000
10. Remittances between England and India—			
(a) Remittances from India for financing Home Treasury	86,00,00,000	42,00,00,000	3,50,00,000
(b) Drawings by the Iraq administration recoverable in England	2,56,00,000	1,63,10,000	1,70,00,000
(c) Other transactions (net)	2,23,04,000	78,75,000	1,23,25,000
TOTAL DISBURSEMENTS	78,99,69,000	67,26,61,000	73,66,15,000
NET DISBURSEMENTS	35,89,65,000	20,07,92,000	23,13,44,000
FINANCED AS FOLLOWS :			
Debt incurred	20,00,00,000	13,21,22,000	12,00,00,000
Reduction of Treasury Balances	15,89,65,000	6,86,70,000	11,13,44,000
TOTAL	35,89,65,000	20,07,92,000	23,13,44,000
Opening Balance	29,77,01,000	31,13,62,000	24,26,92,000
Closing Balance	13,87,36,000	24,06,92,000	13,13,48,000

BUDGET FOR 1925-26.

85. The following table shows the estimates of total capital outlay of the Central Government, net expenditure of the Central Government charged to revenue, and net transactions of Provincial Governments in the current and next years, and their distribution between India and England :—

	(In lakhs of rupees.)					
	Revised, 1924-25.			Budget, 1925-26.		
	India inclusive of adjustment for exchange.	England.	Total.	India inclusive of adjustment for exchange.	England.	Total.
(i) Capital outlay not charged to Revenue—						
(a) Railways	5.35	7.50	12.85	15.48	7.52	23.00
(b) Discharge of Great Indian Peninsula Railway capital stock	—	—	—	86	2.58	3.44
(c) Posts and Telegraphs, Irrigation and Delhi	2.97	5	3.02	2.49	19	3.63
TOTAL	8.32	7.15	15.87	19.83	10.29	30.12
(ii) Net expenditure of Central Government charged to revenue	-29.53	25.63	-4.00	-25.22	24.93	-24
(iii) Net drawings of Provincial Governments	-2	2.63	2.61	-3.38	3.06	-32
GRAND TOTAL	-21.23	35.71	14.48	-8.77	38.33	29.56

86. The estimates relating to England shown in the above table have been dealt with in connection with the Ways and Means position of the Secretary of State. Those relating to India will be found in the table in paragraph 84 summarising the Ways and Means position in India.

87. The following table summarises the disbursements in India in the current and next years as at present estimated :—

	(In lakhs of rupees.)	
	Revised, 1924-25.	Budget, 1925-26.
(i) Discharge of debt other than treasury bills	1.84	4.60
(ii) Discharge of treasury bills held by the public	2.12	—
(iii) Loans to Provincial Governments in Revised and the Provincial Loans Fund in Budget (net)	9.39	13.82
(iv) Remittances from India for financing the Home Treasury (net)—see paragraphs 78 and 81	36.00	31.50
(v) Iraq drawings	1.63	1.70
(vi) Loans by Central Government	1.17	98
(vii) Miscellaneous deposits, advances and remittances	3.26	14
TOTAL	55.41	52.74

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88. The details of the entries against item (i) in the preceding paragraph are as follows :—

	(In lakhs of rupees.)	
	Revised, 1924-25.	Budget, 1925-26.
(a) Discharge of debt through purchases for sinking funds	1,30	1,01
(b) Annual instalment in repayment of Gwalior 4 per cent. loan of 1887	2	...
(c) War Bonds, etc., converted into current loan or discharged	62	14
(d) Discharge of 1925 War Bonds . . . . .	...	3,45
TOTAL	1,84	4,60

89. The resources available in the two years for meeting the above disbursements are estimated as follows :—

	(In lakhs of rupees.)	
	Revised, 1924-25.	Budget, 1925-26.
(i) Proceeds of rupee loan in India	13,21	12,00
(ii) Net receipts from Savings Bank deposits	5,05	5,57
(iii) Net receipts from Post Office cash certificates	4,60	4,20
(iv) Net credits from exchange adjustments— <i>vide</i> paragraph 53	-2,72	1,20
(v) Railway Depreciation and Reserve Funds and Posts and Telegraphs Depreciation Fund	6,20	4,84
(vi) Appropriation for reduction or avoidance of Debt	97	5,02
(vii) Excess of revenue in India over expenditure including Provincial drawings (net)— <i>vide</i> paragraph 85	21,23	8,77
TOTAL	48,54	41,60

90. The total receipts from the new rupee loan, subscriptions for which were received from the 28th July 1924 amounted to R13,21 lakhs. The receipts consisted of R7,28 lakhs from the 5 per cent. Bonds, 1933, and R5,93 lakhs from the 5 per cent. Income-tax free loan, 1945-55. War Bonds, 1925 and 1928 of a total value of R23 lakhs were received in payment of subscriptions to the loan. The gross receipts and payments on account of cash certificates are expected to amount to R6,06 lakhs and R1,46 lakhs respectively during the current year, the net receipts thus amounting to R4,60 lakhs. *Rupee loan and cash certificates.*

91. The entry of R12 crores relating to the proceeds of the rupee loan to be raised next year is as usual provisional and Government reserve discretion to vary the borrowing programme during the year. The net receipts from cash certificates next year are expected to amount to R4,20 lakhs.

92. The Budget estimate assumed that there would be a net deposit of R1,00 lakhs into postal savings banks in the current year; the net deposit is now expected to amount to R42 lakhs. The Budget estimate for 1925-26 provides for a net deposit of R75 lakhs. *Post office Savings Banks.*

BUDGET FOR 1925-26.

93. The disbursements enumerated in paragraph 87 are in excess of the available resources detailed in paragraph 89 by Rs. 6,87 lakhs in the current year and Rs. 11,14 lakhs for next year. The cash balance in India at the end of 1924-25 is expected to be Rs. 24,27 lakhs against Rs. 1,14 lakhs at the beginning of the year and will be reduced to Rs. 13,13 lakhs by the end of 1925-26.

A. C. McWATERS.

The 30th March 1925.

STATEMENT SHOWING THE GROSS EXPENDITURE
OF THE CENTRAL GOVERNMENT AS IN THE
BUDGET ESTIMATES FOR 1925-26, PRESENTED TO THE
LEGISLATURE, DIVIDED BETWEEN VOTED
AND NON-VOTED.

(*vide* paragraph 57 of the Finance Member's Budget speech).

(In lakhs of rupees.)

	Voted.	Non-voted.	Total.
<i>Expenditure charged to Revenue.</i>			
Railways	72,34	25,62	97,96
Customs	72	10	82
Taxes on Income	62	3	65
Salt	1,11	39	1,50
Opium	1,79	1	1,80
Stamps	37	...	37
Forest	7	3	10
Irrigation	14	14	28
Posts and Telegraphs	8,95	92	9,87
Interest on Debt (excluding amounts charged to Commercial Departments)	21	13,59	13,80
Interest on other obligations	23	4,09	4,32
Reduction or Avoidance of Debt	1,17	3,85	5,02
General Administration	71	27	98
Audit	88	6	94
Police	2	...	2
Ports and Pilotage	19	11	30
Scientific Departments	75	13	88
Education	2	...	2
Medical	9	3	12
Public Health	6	1	7
Agriculture	20	4	24
Industries	27	43	70
Miscellaneous Departments	20	2	22
Currency	54	1	55
Mint	16	1	17
Civil Works	1,39	30	1,69
Superannuation Allowances and Pensions	30	2,38	2,68
Stationery and Printing	51	1	52
Miscellaneous (including Extraordinary Payments)	39	27	66
Miscellaneous Adjustments between the Central and Provincial Governments	16	...	16

BUDGET FOR 1925-26.

		(In lakhs of rupees.)		
		Voted.	Non-voted.	Total.
<i>Expenditure charged to Revenue—contd.</i>				
North-West Frontier Province		1,12	1,10	2,22
Baluchistan		23	44	70
Delhi		31	1	32
Ajmer-Merwara		14	1	15
Andamans and Nicobars		41	2	43
Rajputana		5	8	13
Central India		6	8	14
Hyderabad		3	3	6
Secretary of State		19	31	50
High Commissioner		23	54	80
Ecclesiastical		...	55	55
Political		...	1,77	1,77
Territorial and Political Pensions		...	31	31
Military Services		...	60,26	60,26
Bangalore		...	13	13
Western India States		...	13	13
	TOTAL	97,39	1,18,42	2,15,81
<i>Expenditure not charged to Revenue—</i>				
Railways		22,96	4	23,00
Posts and Telegraphs		2,14	...	2,14
Delhi		1,55	5	1,60
	TOTAL	26,65	9	26,74

APPENDIX I.

MEMORANDUM ON THE MILITARY ESTIMATES FOR 1925-26.

The information given in the detailed estimates has been amplified by the addition of the actual figures for 1923-24, and the revised estimates for the current year, instead of the comparison between budget figures only given in the previous year's statement. A comparison with actuals of previous years has now some value. The accounts of years immediately prior to 1923-24 were still affected by the abnormal conditions prevailing in the aftermath of the Great War and were especially disorganised by miscellaneous adjustments of war expenditure, but from the year 1923-24, in which the recommendations of the Indian Retrenchment Committee were carried into effect, the accounts may be taken as expressive of expenditure on a scale approaching that of a normal post-war establishment. The actuals for 1923-24 and the revised estimate for the current year have been given for the major heads of account. Under the detailed heads the comparison is between the budget for the current year and that for 1925-26 in order to bring out the considerable reductions proposed for the latter year. Actuals for 1923-24 have been added for complete minor heads without going into further detail.

2. The record of the years 1920-21 to the present day is one of continuous and substantial reduction in military expenditure. The actual net expenditure finally recorded in the Finance and Revenue Accounts of the Government of India is as follows:—

	Rs.
1920-21	87.4 crores.
1921-22	65.8 "
1922-23	65.26 "
1923-24	56.23 "

In 1920-21 expenditure was swollen by abnormal charges of Rs. 7 crores on the North-West Frontier and of Rs. 13 crores on the occupation of Waziristan, while in the following year Rs. 6½ crores were expended on Waziristan operations. In November 1922, the Indian Retrenchment Committee commenced their review of the expenditure of the Central Government. They had then before them the net military estimates for 1922-23 which amounted to Rs. 67½ crores and the result of their exhaustive examination of every aspect of military administration was a recommendation 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 delay which must necessarily ensue in carrying out the proposed changes. 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. They were careful to note that the Commander-in-Chief was unable to accept this latter estimate. The Legislative Assembly have been, from time to time, apprised of the progress of retrenchment operations and the record of the actual cumulative effect of these reductions must be of interest. The budget estimate for 1923-24 amounted to Rs. 62 crores after allowing for retrenchments agreed upon and for the necessary "lag" in carrying them into effect. It

was a budget prepared under extreme difficulty. Past actuals gave little help and, as the retrenchment report was presented while the budget was in preparation, the reductions in the estimates were necessarily made on a provisional basis. The actual expenditure for 1923-24 has proved to be under Rs. 56½ crores. The reduction of Rs. 5½ crores is largely due to the rapidity with which retrenchments were carried into effect under the orders of His Excellency the Commander-in-Chief. The consumption and disposal of surplus stores, a matter on which the Retrenchment Committee laid great stress, resulted in credits which exceeded the estimate by Rs. 75 lakhs. Unforeseen credits on account of sale-proceeds of temporary war buildings and other arrear adjustments of war expenditure amounted to Rs. 95 lakhs, while a more favourable exchange improved the position to the extent of Rs. 45 lakhs. The balance is made up of savings due to shortages of authorised establishment and the cumulative effect of rapid retrenchment, the effect of which had been under-estimated in the difficult conditions which have been described.

3. The net estimates for the current year 1924-25 amounted to Rs. 60½ crores framed on the evidence of the budget of the previous year and modified by information then available as to the progress of current expenditure which, over an organisation so widespread and varied as the Army in India, cannot be compiled actually up to the time of preparation of the estimates for the ensuing year. The actual figures for 1923-24, which are now available, also justify a revised forecast of Rs. 56½ crores and the difference between this figure and the budget estimate may be attributed to the following causes. Shortages in establishment and further economies should produce a saving of Rs. 170 lakhs. Unexpected adjustments of war expenditure have given credits of Rs. 42 lakhs, while a benefit of Rs. 70 lakhs should result from the higher average rate of exchange on Home expenditure. The estimated credit for consumption and disposal of surplus stores has been exceeded by Rs. 45 lakhs due to the special attention paid to reduction of excess stocks. Gratuities to surplus officers and payments to the War Office are likely to prove less by Rs. 53 lakhs and under Military Works the progress of expenditure indicates probable underspending to the extent of Rs. 15 lakhs. At least half a crore more should be saved by miscellaneous reductions throughout the whole field of military expenditure. On the other hand, some extra provision is necessary to meet the increased cost of certain ration and forage articles and the contemplated revision of pay and allowances of officers of the Army with effect from 1st July of the current financial year.

4. In framing the estimates for 1925-26 it has been possible to rely upon records of past actual expenditure which has acquired a fairly normal character. There have been no material changes in the organisation of the Army since the statement of the latest position given in the recent publication on the evolution of the Army in India. All reductions in establishment of the fighting services recommended by the Retrenchment Committee have been carried into effect save the third regiment of British Cavalry. Notice has been given for the withdrawal of this regiment during the trooping season of 1925-26 and credit will be taken for consequent savings in that year. For the current year a contribution of £75,000, or approximately half the cost, has been made by the Home Government towards the maintenance of this unit in India. When the Incheape Committee reported, the total strength of the fighting services in India was 233,801 men, including 68,686 British troops and 144,017 Indian troops.

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The corresponding sanctioned strength for 1925-26 is approximately 220,000 men, including 60,831 British troops and 138,000 Indian troops. Certain reductions in troops in Aden have been provided for in the 1925-26 estimates, namely, the withdrawal of a British Pack Battery and the disbandment of the Yemen Battalion, a saving of about Rs. 10 lakhs.

The following comparison may now be made:—

	Rs.	
1922-23, Actuals	65½	crores.
1923-24, "	56½	"
1924-25, Revised	56½	"
1925-26, Budget	56½	"

The similarity of the figures for the last three post-retrenchment years is striking, but it should be noted that in 1925-26 provision has been made for heavy final charges on account of demobilised officers amounting to Rs. 170 lakhs (or nearly a crore more than the revised estimate of 1924-25), for a new charge of Rs. 12½ lakhs on account of printing and stationery now put for the first time against Army Estimates, for Rs. 27 lakhs for customs duty not charged previous to 1924-25 and finally for an additional sum of nearly half a crore for the proposed revision of pay and passage allowances for officers of the Indian Army and the I. M. S. These additional charges far outweigh the advantage obtained from the rate of exchange adopted for the budget of the ensuing year.

5. It is also of interest to compare the established or regular charges of the Army as estimated for 1925-26 with the similar charges in the estimate of the Retrenchment Committee. The figures are as follows:—

Retrenchment Committee's Budget for 1923-24.

	Rs.	
Established charges	59.38	crores.
Demobilised officers . . . . .	.62	"
	60.00	"
Credit for surplus stores	2.25	"
	57.75	"

Estimates for 1925-26.

	Rs.	
(a) Established charges	55	crores.
(b) Demobilised officers	1.7	"
(c) Building schemes in Waziristan and for the Royal Air Force . . . . .	.43	"
	57.13	"
Credit for surplus stores . . . . .	.70	"
Credit for frontier railway, etc. . . . .	.18	"
	58.25	"

The charge for demobilised officers should disappear in 1926-27, save for a few lakhs, while the building schemes for the Royal Air Force and at Razmak will be approaching completion. On the other hand, with the exhaustion of surplus stores the credit from that source can no longer be relied upon.

6. The following brief remarks are now for consideration regarding the major heads of the estimates:—

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

	Rs.	
1925-24, Accounts	30.6	crores.
1924-25, Revised	28.7	"
1925-26, Estimates	26.26	"

This is the most important head in the estimates. It covers the pay and allowances, including travelling allowances, provisions, animals, clothing, equipment, etc., of the various fighting units constituting the Standing Army in India.

The main cause of the excess over the revised estimate of the current year is the addition, for the first time, of charges for services rendered by the Military Engineering Services for the supply of electricity and water to the various units. This is the result of the further elaboration of the cost accounting system which seeks to charge to each unit the actual cost of its maintenance. A corresponding credit is made to the receipts of the Military Engineering Services. A lump addition of Rs. 40 lakhs has been made for probable expenditure on the revision of pay and allowances (including passages) of officers of the Army for which the proposals have not yet been finally determined. Reductions in several directions have been obtained by a careful revision of *per capita* rates upon which the allowances for provisions, clothing, and equipment, etc., are estimated; while a lump cut of Rs. 20 lakhs has been made under this head in anticipation of further reductions which cannot as yet be definitely made under detailed heads but which appear to be justified by the progress of past actuals. Full credit has been taken for probable shortages in establishment. For example, on 1st January 1925, there was a shortage of nearly 2,000 in British other ranks, of nearly 7,000 in Indian other ranks and of some 14,000 in the Indian Army Reserve. These shortages fluctuate from time to time throughout the year according to trooping arrangements and other causes inherent in the system of Army organisation. There is a saving of Rs. 56 lakhs in payments in England including capitation charges and savings on exchange.

7. (b) *Part A.-II—Cost of Educational Establishments and Working Expenses of Hospitals and Depôts—*

	Rs.	
1923-24, Actuals	7.4	crores.
1924-25, Revised	6.9	"
1925-26, Budget	6.7	"

Under this head are recorded the charges connected with the various subsidiary establishments maintained for the services of the Army in India. These consist chiefly of the cost of military training and education of soldiers, British and Indian; of supervision and working of military hospitals, arsenals and other store depôts, and of the various factories which produce munitions of war, equipment, etc., the cost of the Military Accounts and Audit Offices and other miscellaneous charges. Compared with the original estimate for the current year, savings of Rs. 9 lakhs have been obtained under the heads of education and of Rs. 11 lakhs under hospital charges, mainly due to the improved health of the Army. Provision has also been made for further reductions in the number of officers of the Medical Services. On the other hand, provision has been made for improvements of the pay and passage concessions of the Indian Medical Service (Rs. 5 lakhs) and for services rendered by the Military Engineering

Services for reasons already given. Other variations are mainly due to the extension of the cost accounting system and to the further commercialisation of the factory and depôt accounts. In this connection it may be noted that the cost accounting system in the Army has been much improved with experience, but it appears capable of simplification and further adaptation to the needs of the administrative authorities to whom it must prove of considerable assistance in the estimation and control of expenditure of the various units and formations of the Army.

8. (c) *Part A.-III—Army Headquarters, Staff of Commands, etc.—*

	Rs.
1923-24, Actuals	2'07 crores.
1924-25, Revised	2'09 "
1925-26, Budget	2'07 "

The various retrenchments proposed under this head have been carried into effect, but a few reductions remain for consideration during the ensuing year. The effect of reductions has been partly obscured by the transfer of expenditure from other heads of the estimates, but as regards Army Headquarters it will be noticed that there is a reduction of Rs. 2½ lakhs as compared with the recorded expenditure of 1923-24. Provision is made for the new organisation of the Master-General of Supply, the cost of which is met from reductions under the Quartermaster-General's Branch and the Ordnance Branch.

9. (d) *Part A.-IV—Stock Account—*

This is practically a suspense head intended for the reception of charges connected with the purchase of all varieties of military stores, pending their issue and allocation to the services of the Army concerned. The net debits or credits under the several heads indicate increases or decreases in stock. For the ensuing year, for example, credits are anticipated from consumption of existing stocks of clothing and provisions. It may be observed that surplus stocks will be practically exhausted after next year and further credits cannot be anticipated in the future. A notable feature is the smaller expenditure on purchase of stocks in 1925-26, partly due to lower prices and partly to smaller requirements to complete equipment.

10. (e) *Part A.-V—Special Services—*

	Rs.
1923-24, Actuals	2'5 crores.
1924-25, Revised	1'3 "
1925-26, Budget	1'7 "

The main cause of the increase for next year is the heavy terminal charge for gratuities to surplus officers which will be practically complete with this payment.

11. (f) *Part A.-VI—Miscellaneous Charges and Receipts—*

	Rs.
1923-24, Actuals	21'3 Lakhs.
1924-25, Revised	181'6 "
1925-26, Budget	123'4 "

The charges under this head consist mainly of expenditure incurred in connection with the general movements of troops and stores. Travelling allowances other than those incurred in connection with general movements are debited to the services concerned. The small net expenditure in 1923-24 is due to special accounting adjustments under this head. The reduction in 1925-26, as compared with the current year, is due partly to

smaller provision (Rs. 40 lakhs) for trooping charges based on actuals and partly to adjustment of expenditure under other heads. There is an addition of Rs. 12½ lakhs for stationery and printing now charged for the first time to Army Estimates and a special receipt of Rs. 11 lakhs for the transfer of a frontier railway to the Railway Department as a strategic line.

12. (g) Part A-VII—Non-effective charges—

These are generally pensions and rewards for military services and payments to the War Office for the share of retired pay of British services.

The figures are—

	Rs.
1923-24, Actuals	9.03 crores.
1924-25, Revised	8.76 "
1925-26, Budget	8.57 "

The saving is mainly due to exchange on Home charges but partly to the reduction in the scale of officers' pensions (Rs. 10 lakhs).

13. Marine—

	Rs.
1923-24, Actuals	71.8 Lakhs.
1924-25, Revised	64.5 "
1925-26, Budget	73.6 "

The increase in net expenditure in 1925-26 is mainly due to special provision of Rs. 6 lakhs for replacement of the "Elphinstone" recently lost at sea, while receipts will be less by over Rs. 3 lakhs due to smaller services rendered to other Departments and the absence of special receipts obtained for surplus vessels sold in the current year.

14. Military Engineering Services—

	Rs.
1923-24, Actuals	3.82 Lakhs.
1924-25, Revised	3.83 "
1925-26, Budget	3.06 "

The reduced net provision for 1925-26 is mainly due to a reduction in the grant for new works and a very considerable increase in the receipts resulting from the extension of cost accounting. Charges are now allocated to the various formations for supply of electricity and water and, as already stated, this has increased the expenditure of the fighting and administrative services, arsenals, depôts and hospitals, while a corresponding credit has been taken under the present head.

A new feature is the opening of a suspense account to which will be credited receipts from the disposal of military lands and buildings which have become surplus owing to changes in the conditions which govern the distribution of the Army in India and to other causes. These receipts will be devoted to accelerating the provision of better hospital and barrack accommodation for troops of all classes. For next year an allotment of Rs. 11 lakhs has been made for this purpose from accumulated funds.

15. If Honourable Members should require any further information on the details of the Military Budget, they are invited to obtain it by applying to the Financial Adviser, Military Finance, in person.

DELHI;
The 28th February 1925. }

A. F. L. BRAYNE,
Financial Adviser, Military Finance.

APPENDIX II.

PRO FORMÁ ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PREFATORY NOTE.

I.—Scope of pro formá account.

The following *pro forma* account, with its supporting statements, exhibits the expenditure, initial and annual, on Delhi and the Delhi Province and also any receipts and savings which form a direct set-off to that expenditure. The account has been prepared in consultation with the Auditor General and carries his approval as regards both its form and its substantial completeness at the present date subject to the qualifications implied in the following prefatory remarks; it will be added to, or amplified later, if experience should show this to be necessary.

2. The main item of the account, as regards non-recurring expenditure, is the Delhi project proper, the figures for which appear against item 1 of Part I.—*Initial Outlay*. The principal recurring charge is that representing the expenditure in the new province, which appears as item 1 of Part II.—*Annual Expenditure*.

3. The account necessarily exhibits any expenditure occurring under the named heads, without qualification on account of contributory causes. It must, therefore, be clearly understood that the increase of expenditure, including that in the Delhi Province, is not wholly due to the change of Capital. Thus, an increase of the garrison at Delhi on strategic grounds had been already independently and strongly recommended to the Government of India by the Chief of the General Staff and endorsed by His Excellency the Commander-in-Chief in July 1911, before the transfer of the Capital had been officially proposed, and the construction of the accommodation of the troops already there had long been recognised as pressing. Similarly the recent advance in the policy relating to education and sanitation, particularly the latter, would, under any circumstances, have involved increased expenditure in the city. For practical purposes, these considerations must be ignored in the figured statements, as well as various similar points of minor pecuniary significance. The same principle will be applied to the Railway expenditure, *i.e.*, the cost of any remodelling of the railway system which is connected with the constitution of the new Capital will be exhibited in full in the *pro formá* account. A wholly independent railway requirement, such as the permanent marshalling yard which will eventually replace the temporary yard now in use, will not be shown.

II.—Relation between the pro formá account and the regular accounts.

4. A brief explanation is added below connecting the various items in the *pro formá* account with the entries in the published accounts and estimates. Some further explanations are also to be found in the account itself and in its supporting statements.

Item 1 of
Part I of
pro forma
account.

5. The capital expenditure directly incurred on the construction of the new Imperial Capital at Delhi is shown in the regular accounts under the special head "57—Initial Expenditure on the new Capital at Delhi." The only other item of expenditure which will be recorded in the capital section of the regular accounts is that arising from diversions or re-arrangements of the railway system, which will appear under the head "53—State Railways."

Item 3 (b),
ibid.

6. The initial expenditure incurred during the years 1911-12 and 1912-13 in connection with the provision of temporary accommodation for the Government of India at Delhi, pending the construction of the new Capital, has been treated, on the advice of the Auditor General, as a revenue charge, under a special minor head styled "Temporary Delhi" subordinate to the major head "41—Civil Works". Any non-recurring receipts which may eventually be obtained in connection with these temporary works, *e.g.*, from the sale of lands and buildings when no longer required by the Government of India, will be similarly credited under a special head subordinate to the major head "XXX—Civil Works".

Item 2, *ibid.*

Item II, *ibid.*

Items I and I
of Part II of
pro forma
account.

7. The remaining expenditure is mainly brought to account in one of two ways: either, first, as expenditure of the new Province; or secondly as departmental expenditure chargeable to the Department in which it is incurred.

8. The expenditure and receipts appertaining to the *quasi*-provincial administration of the Imperial area are brought to account in the same way as in the case of other minor administrations and are eventually published separately, like the figures for Baluchistan, in an appendix to the Civil Estimates. It will be noted that any grants which may be specially given from Imperial revenues in aid of the Delhi Municipality or other local funds will be brought into the regular accounts and consequently, into the *pro forma* account also, since they will appear as charges of the Delhi administration.

Items 3 (a)
and III of
Part I of
pro forma
account.

9. Expenditure which does not appertain to provincial administration is recorded, as in the case of other provinces, under its appropriate departmental head in the regular accounts. Thus expenditure on the land and buildings required for the new Cantonment, and any corresponding receipts, appear under the Army and Military Works heads respectively, under both of which a special Delhi sub-head has been opened. Railway capital outlay has already been referred to. Railway revenue charges and receipts similarly come under the Railway account head. In these cases, the *pro forma* account necessarily exhibits only initial expenditure and non-recurring receipts, as Military expenditure is not being permanently increased and the influence of the new Capital on the ordinary daily receipts and working expenses of the Railways cannot evidently be satisfactorily isolated. This latter consideration also applies to the case of Postal and Telegraph expenditure, which moreover represents ordinary administrative expenditure of the department, and is relatively insignificant in amount. For these reasons, in the case of this department neither the initial outlay nor the recurring receipts and expenditure have been included.

Items 4 to 7
and I and IV
of Part I, and
Items 2 and 3
and II to V
of Part II of
pro forma
account

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— Item I of Miscellaneous" and "XXX—Civil Works", and the *pro formâ* account will ^{Part I.} take credit only for actual Imperial receipts. No account will be taken, in the statements themselves, of book transactions, or of the considerable savings obtained from the vacation of rented accommodation, *i.e.*, of relief in respect of rental payments which the Local Government obtains by giving up private buildings previously leased for provincial establishments, and moving the latter into offices formerly occupied by the Government of India. Any reference made to such saving will, therefore, be found in an explanatory footnote. [See Part I, Note 5.]

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 FORMÁ ACCOUNT OF EXPENDITURE ON DELHI AND THE
DELHI PROVINCE.**

PART I.—INITIAL OUTLAY.

[Figures in thousands of Rupees.]

Expenditure.	Actuals to end of 1923-24.	Revised Esti- mate, 1924-25.	Budget Esti- mate, 1925-26.	Receipts.	Actuals to end of 1923-24.	Revised Esti- mate, 1924-25.	Budget Esti- mate, 1925-26.
1. DELHI PROJECT:				I.—Receipts which may be obtained on account of Imperial buildings vacated by the Government of India or attached offices in consequence of the move (a) †			
Capital outlay on permanent Delhi chargeable to Head "57" (for details see Statement I-A)	9,56 83	1,45,00	1,45,00				
2. Temporary Delhi*	54,33	...	..		
3. Initial expenditure of non Civil Departments :—					19,00	...	...
(a) Military Services†	99,61	5,19	5,13				
(b) Railways‡	77,97	13,68	2,49				
4. Non-recurring grant to the Panjab Government in compensation for expenditure incurred on new headquarters buildings for the Commissionariat transferred from Delhi	1,36	...	..	II.—Non-recurring receipts on account of Temporary Works	2	...	...
5. Cost of withdrawal to Delhi of Imperial offices previously located at Calcutta or elsewhere	2,03	1,03	35	III.—Recoveries on account of land or buildings vacated in the old Cantonment of Delhi . . . . .	...	...	...
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	6,71	53	50	IV.—Miscellaneous items	8,07	16	16
7. Miscellaneous items§	8,66	72	73				
TOTAL	12,07,67	1,66,15	1,54,20	TOTAL	27,09	16	16
Total Expenditure to end of 1925-26	15,28,02			Total Receipts to end of 1925-26	27,41		
Net Expenditure to end of 1925-26	15,00,61						

* 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 1923-24.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
Acquisition of land	13,20	...	...
Cost of buildings	77,96	4,76	4,88
Establishment charges	6,60	16	25
Tools and Plant	2,05	27	...
TOTAL	99,81	5,19	5,13

‡ NOTE 3.—The figures relate to charges for the acquisition of land and outlay on railway facilities at Nagal Raya and they include transactions on account of Delhi New Capital Railway Works also.

§ NOTE 4.—The expenditure shown against item 7 represents mainly the proportionate cost of the Office of the Deputy Accountant General, Central Revenues, Delhi, and the cost of temporary establishments employed in the Secretariats and Government Central Press in connection with the change of Capital.

|| NOTE 5.—These heads will record only actual receipts obtained from the sale of the vacated buildings and land. As explained in paragraph 10 of the prefatory note, this procedure has the effect of excluding a substantial true saving in respect of rented accommodation. Thus from 1913-14 to 1923-24 the Government of Bengal, by moving its offices into the vacated Imperial buildings in Calcutta, saved Rs. 13,800 partly by being enabled to dispense with private accommodation previously leased, and partly by being relieved from the necessity of renting further accommodation.

(a) The amount represents value of premises No. 3 Kailaghat Street sold to E. B. Railway, which was adjusted under XXX.—Civil Works.

PRO FORMA ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART II.—ANNUAL EXPENDITURE.

[Figures in thousands of Rupees.]

Expenditure.	Actuals, 1923-24.	Revised Esti- mate, 1924-25.	Budget Esti- mate, 1925-26.	Receipts.	Actuals, 1923-24.	Revised Esti- mate, 1924-25.	Budget Esti- mate, 1925-26.
1. Expenditure of Delhi Province*	56.25	64.90	61.60	I.—Revenue of Delhi Province*	32.69	31.62	31.97
2. Miscellaneous items	63	67	96	II.—Saving under Calcutta house allowances*	47	44	44
				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
				IV.—Miscellaneous items.	3	3	3
Total Expenditure	56.88	65.57	62.56				
Net Expenditure	21.19	30.98	27.62	Total Receipts	35.69	34.59	34.94

*NOTE 1.—The details of this item are given in Statement II-A.

*NOTE 2.—The figures shown against item II will be subject to increase as additional offices are successively transferred from Calcutta to Delhi.

†NOTE 3.—The figure shown against item III is a minimum figure calculated once for all on the assumption that all 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 larger 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 1923-24.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
A.—Salaries and allowances—			
(a) Preliminary Investigation—			
(i) Gazetted officers	2,04	...	...
(ii) Non-gazetted officers	14	...	...
(b) Public Works and Electrical officers ¹ employed on the Project—			
(i) Gazetted officers	67,19	8,86	8,33
(ii) Non-gazetted officers	42,90	7,96	8,32
(c) Miscellaneous officers (including all others) employed on the Project—			
(i) Gazetted officers	4,57	61	41
(ii) Non gazetted officers	3,46	23	51
B.—Travelling allowances of Officers and Establishment—			
(a) Preliminary Investigation—			
(i) Gazetted officers	23	...	...
(ii) Non-gazetted officers	2	...	...
(b) Public Works and Electrical officers employed on the Project—			
(i) Gazette ¹ officers	6,07	67	67
(ii) Non-gazetted officers	3,41	55	55
(c) Miscellaneous officers (including all others) employed on the Project—			
(i) Gazetted officers	54	9	9
(ii) Non-gazetted officers	28	4	4
C.—Supplies, Services and Contingencies—			
(a) Preliminary Investigation	51	...	...
(b) Public Works and Electrical officers employed on the Project	4,91	64	64
(c) Miscellaneous officers employed on the Project	43	1	1
Less on account of Exchange . . . . .	...	1,04	88
Total A, B and C	1,36,70	20,75	20,45
Deduct—Credits from other heads of accounts	26,70	4,11	3,84
Net Total A, B and C carried over	1,10,00	16,64	16,61

BUDGET FOR 1925-26.

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Details of Capital outlay on the Delhi Project working up to the total figures shown against item I in Part I of pro forma account—contd.

[Figures in thousands of Rupees.]

Items.	Actuals to end of 1923-24.	Revised Estimate, 1924-25.	Budget Estimate, 1925-26.
Brought forward	1,10,00	16,64	16,61
<i>D.—Works Expenditure—</i>			
(i) Buildings—			
(a) Government House	51,36	15,50	50,00
(b) Secretariats	91,37	24,50	30,00
(c) Other buildings	1,61,23	35,24	52,19
(d) Legislative Chambers	20,50	17,35	25,00
(ii) Communications	23,90	3,29	6,00
(iii) Miscellaneous Public Improvements	11,31	3,43	5,00
(iv) Electric Light and Power	37,59	16,80	4,00
(v) Irrigation	37,02	2,55	1,00
(vi) Sanitation including storm-water drains, sewerage and sewage disposal, water-supply, and conservancy	34,50	14,00	16,00
(vii) Tools and plant	33,19	4,10	3,00
(viii) Stock and Suspense	80,07	-19,60	-21,14
(ix) Miscellaneous including surveys camps and general preliminary expenditure connected with works	88,54	5,00	-3,00
(x) Maintenance during construction	55,29	12,00	12,99
Railway diversion	16,41	-2,33	-54
<i>E—Acquisition of land taken up for the Project</i>	33,63	6	...
<i>F—Other Miscellaneous expenditure</i>	6	...	...
Reserve for fluctuations in Exchange . . . . .	...	1,50	90
Minus Reserve . . . . .	...	...	48,01
Deduct—Receipts on Capital Account	29,17	5,00	5,00
TOTAL	9,56,20	1,45,00	1,45,00

BUDGET FOR 1925-26.

STATEMENT II-A.

Revenue and Expenditure of Delhi Province.

[Figures in thousands of Rupee.]

RECEIPTS.				EXPENDITURE.			
Major heads of Account.	Actuals, 1923-24.	Revised Esti- mate, 1924-25.	Budget Esti- mate, 1925-26.	Major heads of Account.	Actuals, 1923-24.	Revised Esti- mate, 1924-25.	Budget Esti- mate, 1925-26.
I.—Customs	1,43	1,48	1,48	2. Taxes on Income	18	24	26
II.—Taxes on Income	8,27	9,60	9,60	5. Land Revenue	86	40	39
IV.—Opium	30	35	...	6. Excise	11	11	49
V.—Land Revenue	3,53	3,04	3,34	7. Stamps	8	13	13
VI.—Excise	4,41	4,42	4,83	9. Registration	9	9	9
VII.—Stamps	7,40	7,25	7,26	15. Miscellaneous Irriga- tion Expenditure	28	43	20
IX.—Registration	47	48	48	22. General Administra- tion	3,25	3,17	3,34
XIV.—Works for which no capital ac- counts are kept	5	4	4	23. Audit (a)	50	48	53
XVI.—Interest	3	18	18	24. Administration of Justice	1,65	1,74	1,74
XVII.—Administration of Justice	41	48	48	25. Jails and Convict settlements	1,14	1,40	1,22
XVIII.—Jails and con- vict settlements	23	23	21	26. Police	7,78	7,30	8,21
XIX.—Police	11	16	16	28. Ecclesiastical	95	30	25
XXI.—Education	18	18	19	29. Political	1	1	1
XXII.—Medical	6	8	6	30. Scientific Depart- ments	1	1	1
XXVI.—Miscellaneous Departments	3	4	4	31. Education	5,55	5,23	5,97
XXX.—Civil works	2,59	2,50	2,50	32. Medical	3,38	3,39	4,94
XXXIII.—Receipts in aid of Superannua- tion,	5	6	6	33. Public Health	44	69	79
XXXIV.—Stationery and Printing	6	7	7	34. Agriculture	19	13	18
XXXV.—Miscellaneous	3,28	1,00	1,10	35. Industries	5	3	5
				38. Currency	4	4	4
				41. Civil Works	21,48	28,04	21,80
				41. Civil Works—Vicere- gal Estates Delhi	1,58	1,68	1,68
				44. Territorial and Poli- tical Pensions	48	48	48
				45. Superannuation, allo- wance and pensions	2,02	2,45	2,11
				46. Stationery and Print- ing	6	7	5
				47. Miscellaneous	3,19	4,99	4,78
				Refunds	2,30	1,88	1,86
TOTAL	32,69	31,63	31,97	TOTAL	56,25	61,90	61,00

(a) Excludes proportionate cost of the office of the Deputy Accountant General, Centra. Revenues, Delhi, debitabte to Part I.

APPENDIX III.
COMMERCIAL AND FINANCIAL STATISTICS.

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COMMERCIAL AND

TABLE I—

Recorded revenue compared with recorded expenditure excluding Capital Expenditure on Railways, Irrigation works, Telegraphs and the Delhi Capital not charged against Revenue—	1916-1917.	1917-1918.	Item Number.
Surplus R	11,31,73,550	12,13,06,110	1
Deficit R	...	...	2
Capital Expenditure on Railways and Irrigation works not charged against Revenue R	3,57,66,465	5,91,66,825	3
Capital charge involved in the purchase of Railways R	...	...	4
Capital outlay on the Indian Postal and Telegraph Department not charged against Revenue R	...	...	5
Initial Expenditure on New Capital at Delhi R	36,64,455	37,53,145	6
India's Financial Contribution to the War R	...	1,50,00,00,000	7
Net Public Debt incurred R	11,56,72,620	1,73,76,00,090	8
Net Public Debt incurred, including Capital transactions with Railway Companies R	11,29,52,367	1,72,94,94,174	9
Value of commodities exported, excluding Gold and Silver R	2,47,37,70,000	2,44,90,40,000	10
Value of commodities imported, excluding Gold and Silver R	1,00,24,80,000	1,84,35,50,000	11
Excess of Exports over Imports, excluding Gold and Silver R	87,12,80,000	80,54,90,000	12
Net Imports of Gold R	13,23,50,000	25,17,80,000	13
Ditto of Silver R	18,80,60,000	19,04,20,000	14
TOTAL NET IMPORTS OF GOLD AND SILVER R	32,03,50,000	44,22,00,000	15
Excess of Exports over Imports including Gold and Silver R	55,09,30,000	36,32,90,000	16
Net Imports of Currency Notes* R	...	...	17
Excess of Exports over Imports including Gold, Silver and Currency Notes R	55,09,30,000	36,32,90,000	18
Secretary of State's Bills sold (Rupees) R	₹ 49,04,34,264 (a)	₹ 59,63,67,176 (a)	19
Sterling Equivalent received £	₹ 32,568,005 (c)	₹ 34,590,682 (a)	20
Silver coined at the Indian Mints R	30,77,07,326	23,97,07,387	21
Maximum price in pence of an oz. troy standard Silver in London	38 $\frac{7}{16}$ 13th Feby. 1917)	55 (21st to 24th Sept. 1917)	22
Minimum price in pence of an oz. troy standard Silver in London	28 $\frac{1}{16}$ (10th July 1916)	38 $\frac{0}{16}$ (13th to 17th April 1917)	23
Average Exchange upon Secretary of State's Bills sold per rupee	1s. 4'148d.	1s. 4'236d.	24

*Recorded from
†Represents net
‡Includes remittance of the
(a) Includes remittance of the
(b) Figures for 11 months
(c) Net
§ Net exports.

Item Number	1918-1919.	1919-1920.	1920-1921.
1	...	...	...
2	5,73,06,135	23,65,28,825	26,00,85,276
3	7,64,13,315	14,42,90,228	26,55,72,106
4	...	...	...
5	...	...	...
6	42,86,895	50,35,427	1,25,76,011
7	...	...	...
8	11,47,30,575	8,90,70,517	52,34,07,408
9	10,22,06,861	8,22,22,306	51,76,01,284
10	2,55,30,60,000	3,36,02,20,000	2,67,76,80,000
11	1,88,56,50,000	2,21,70,30,000	3,47,57,40,000
12	66,74,70,000	1,14,32,00,000	(c)—79,80,60,000
13	†—5,58,40,000	35,33,00,000	2,10,80,000
14	67,01,80,000	29,22,00,000	48,40,000
15	62,35,50,000	64,55,90,000	8,59,20,000
16	4,39,20,000	49,76,10,000	(c)—88,39,80,000
17	...	...	...
18	4,39,20,000	49,76,10,000	(c)—88,39,80,000
19	(a) 28,65,41,000	34,54,08,000	...
20	(a) 20,946,314	31,228,219	...
21	52,06,35,809	37,72,19,758	3,41,30,039
22	50 (28th March 1919).	89† (11th Feb. 1920).	72† (7th April 1920).
23	45† (8th to 10th Apl. 1916).	48† (4th April and 6th May 1919).	30† (5th March 1921).
24	1s. 5-544d.	1s. 9-601d.	...

1921-1922.	1922-1923.	1923-1924.	Item Number
...	...	2,36,99,758	1
27,64,01,700	15,01,76,392	...	2
22,97,57,115	18,45,67,524	20,60,11,576	3
...	...	...	4
81,61,617	65,62,006	75,21,560	5
1,35,27,418	1,64,79,432	1,54,73,652	6
...	...	...	7
49,19,30,108	25,61,19,053	17,67,00,540	8
49,75,33,002	25,26,11,589	16,64,06,856	9
2,46,65,80,000	3,16,07,20,000	3,63,37,60,000	10
2,82,59,80,000	2,44,19,20,000	2,37,18,30,000	11
(c)—33,94,00,000	69,88,00,000	1,26,19,30,000	12
†—2,86,40,000	41,19,10,000	29,19,70,000	13
15,09,60,000	18,35,40,000	18,69,80,000	14
12,23,20,000	59,54,50,000	47,88,50,000	15
(c)—46,17,20,000	10,33,50,000	78,30,90,000	16
...	1,01,70,000	1,64,00,000	17
(c)—46,17,20,000	9,31,80,000	76,66,20,000	18
...	3,75,00,000	12,68,50,000	19
...	2,570,025	8,738,704	20
1,60,86,638	62,75,446	50,00,791	21
43† (27th Sept. 1921).	37† (22nd May 1922).	34 $\frac{1}{16}$ (3rd and 5th Jan., 13th and 14th Feb. 1924).	22
52† (28th Feb. & 3rd Mar. 1922).	34† (15th Dec. 1922).	30 $\frac{11}{16}$ (13th July 1923).	23
...	...	...	24

Part II.

FINANCIAL STATISTICS.

MISCELLANEOUS.

Item Number.	1924-1925, Revised.	1925-1926, Budget.	
1	3,99,58,000	24,13,000	Recorded revenue compared with recorded expenditure excluding Capital Expenditure on Railways, Irrigation works, Telegraphs and the Delhi Capital not charged against Revenue—
2	...	...	Surplus
3	12,85,16,000	23,00,27,000	Deficit
4	...	3,47,33,000	Capital Expenditure on Railways and Irrigation Works not charged against Revenue
5	1,64,98,000	2,13,53,000	Capital charge involved in the purchase of Railways
6	1,37,00,000	1,55,00,000	Capital outlay on the Indian Postal and Telegraph Department not charged against Revenue
7	...	...	Initial Expenditure on new Capital at Delhi
8	27,93,63,000	8,95,14,000	India's Financial Contribution to the War
9	28,18,000	4,10,51,000	Net Public Debt incurred
10	(b) 3,53,97,90,000		Net Public Debt incurred, including Capital transactions with Railway Companies
11	(b) 2,32,66,80,000		Value of commodities exported, excluding Gold and Silver
12	(b) 1,21,31,60,000		Value of commodities imported, excluding Gold and Silver
13	(b) 55,60,10,000		Excess of Exports over Imports, excluding Gold and Silver.
14	(b) 18,02,10,000		Net Imports of Gold
15	(b) 73,62,20,000		Ditto of Silver
16	(b) 47,69,40,000		TOTAL NET IMPORTS OF GOLD AND SILVER
17	(b) † -3,70,000		Excess of Exports over Imports including Gold and Silver
18	(b) 47,73,10,000		Net Imports of Currency Notes*
19	9,05,00,000		Excess of Exports over Imports, including Gold, Silver and Currency Notes
20	67,93,162		Secretary of State's Bills sold (Rupees)
21	33,28,125		Sterling Equivalent received
22	36 ¹ / ₁₈ (9th Oct. 1924).		Silver coined at the Indian Mints
23	31 ¹ / ₂ (30th Dec. 1924).		Maximum price in pence of an oz. troy standard Silver in London.
24	...		Minimum price in pence of an oz. troy standard Silver in London.
			Average Exchange upon Secretary of State's Bills sold per rupee.

April 1922.
 *Exports of gold.
 †Gold Standard Reserve.
 Currency Department.
 (April to February).
 †Imports.

Appen
COMMERCIAL AND

TABLE I—

	1916-1917.	1917-1918.	Item Number.
Average of the daily telegraphic transfer rates from Calcutta on London . . . . .	..	..	25
Rate of Exchange for the adjustment of transactions between the Indian and Imperial Governments	1s. 4d.	1s. 4d. and 1s. 5d.	26
Maximum rate of discount on Loans on demand at the Imperial Bank of India, Calcutta	8 (1st to 13th April 1916 and 9th Nov. 1916 to 21st Feb. 1917).	6 (1st April to 6th Sep. 1917 and 3rd Jany. to 31st March 1918).	27
Minimum rate of discount on Loans on demand at the Imperial Bank of India, Calcutta	5 (22nd June to 13th Sept.).	5 (7th Sept. 1917 to 2nd Jany. 1918).	28
Maximum rate of discount at the Bank of England	6 (13th July 1916 to 17th Jany. 1917).	5½ (2nd to 4th April, 1917).	29
Minimum ditto ditto	5 (1st April to 12th July 1916).	5 (5th April 1917 to 31st March 1918).	30
Maximum Government balances at the Imperial Bank of India R	10,11,66,000 (Mar.)	22,65,24,000 (June)	31
Minimum Government balances at the Imperial Bank of India R	4,84,33,000 (May)	7,37,68,000 (Nov.)	32
Maximum price in Calcutta of 5 per cent. War Loan 1920-47 . . . . .	..	..	33
Minimum price in Calcutta of 5 per cent. War Loan, 1920-47 . . . . .	..	..	34
Maximum price in Calcutta of 5 per cent. income-tax free loan, 1945-55 . . . . .	..	..	35
Minimum price in Calcutta of 5 per cent. income-tax free loan, 1945-55 . . . . .	..	..	36
Maximum price in Calcutta of Government 3½ per cent. Rupee Securities (Guaranteed)	89 (7th and 11th to 14th April 1916).	70 (6th to 14th Sep. and 8th Oct. 1917 to 17th Feb. 1918).	37
Minimum price in Calcutta of Government 3½ per cent. Rupee Securities (Guaranteed)	69 (22nd Feb. to 2nd March and 20th to 31st March 1917).	67 (20th June to 2nd Aug. 1917).	38
Maximum price in Calcutta of 3 per cent. Rupee Securities	70 (5th to 20th April 1916).	60 (6th to 14th Sep. and 31st Oct. to 16th March 1918).	39
Minimum price in Calcutta of 3 per cent. Rupee Securities	59 (22nd Feb. to 2nd March and 20th to 31st March 1917).	67 (20th June to 2nd Aug. 1917).	40

Item Number	1918-1919.	1919-1920.	1920-1921.
25	...	...	1s. 6'66d.
26	1s. 5d. and 1s. 6d.	1s. 6d., 1s. 8d., 2s. 4d. and 2s. 9d.	2s. 8d., 2s. 4d., 2s. 2½d., 2s., 1s. 11d., 1s. 10½d., 1s. 8½d., 1s. 5½d., 1s. 6d. & 1s. 4½d.
27	7 (16th Jan. to 26th Mar. 1919).	7 (12th to 31st Mar. 1920).	7 (1st Apl. to 8th June 1920, 18th Nov. 1920 to 2nd Mar. 1921).
28	5 (23rd May to 6th Nov. 1918).	5 (5th June 1919 to 14th Jan. 1920).	5 (1st July to 3rd Nov. 1920).
29	5 (1st Apl. 1918 to 31st Mar. 1919).	6 (6th Nov. 1919 to 31st Mar. 1920).	7 (15th April 1920 to 31st Mar. 1921).
30		5 (1st April 1919 to 5th Nov. 1919).	6 (1st to 14th April 1920).
31	18,60,47,000 (Sept.)	18,26,33,000 (Feb.)	20,38,41,000 (July)
32	6,54,59,000 (Apl.)	7,04,52,000 (Sept.)	5,84,98,000 (Feb.)
33	93	95	90
34	90	90	77
35	...	95½ to 96	95½ to 96
36	...		78½
37	81 (7th to 21st Nov. 1918).	71 (1st April to 17th May 1919).	60 (1st to 16th April 1920 and 5th to 15th January 1921).
38	65 (3rd May to 24th June 1918).	69 (27th Feb. to 31st Mar. 1920).	52 (1st Nov. to 22nd Dec. 1920).
39	69 (5th to 22nd Nov. 1918).	62 (1st April to 17th May 1919).	50 (1st April to 5th Oct. 1920 and 5th to 15th January 1921).
40	56 (11th Apl. to 24th June 1918).	50 (27th Feb. to 31st Mar. 1920).	42 (1st Nov. to 22nd Dec. 1920).

1921-1922.	1922-1923.	1923-1924.	Item Number
1s. 3'95d.	1s. 3'78d.	1s. 4'46d.	25
1s. 3'7d., 1s. 3'1d., 1s. 3'1d., 1s. 4'7d., 1s. 4'1d., 1s. 5'1d., and 1s. 5'3d.	1s. 3'7d., 1s. 3'1d., 1s. 3'1d., 1s. 4'1d., and 1s. 4'1d.	1s. 4'1d., 1s. 4'1d., 1s. 4'1d., 1s. 5'1d., 1s. 5'1d.	26
8 (16th Feb. to 31st Mar. 1922).	9 (1st to 26th April 1922 and from 11th Jan. to 31st March 1923).	9 (14th Feb. 1924 to 31st March 1924).	27
5 (2nd June to 14th Dec. 1921).	4 (6th July to 25th Oct. 1922).	4 (28th June to 14th Nov. 19'3).	28
7 (1st Apl. to 1st May 1921).	4½ (1st to 12th April 1923).	4 (since 5th July 1923).	29
4½ (16th Feb. to 31st March 1922).	3 (13th July 1922 to 31st March 1923).	3 (1st April to 4th July 19'3)	30
25,67,46,000 (31st July).	33,19,07,000 (28th July).	29,74,54,000 (20th July).	31
5,94,64,000 (18th Nov.).	6,22,54,000 (10th Nov.).	6,22,69,000 (6th Nov.)	32
87	88-8	83-10	33
78	81-6	87-12	34
89	83-8	88-14	35
80	87	83-3	36
62 (30th & 31st May 1921).	61-4 (22nd and 23rd March 1923).	67-3 (6th Mar. 1924.)	37
55-10 (from 3rd March 1922).	55-8 (1st to 17th April 1922).	61 (3rd to 5th April 1923)-	38
53 (31st May & 1st June 1921).	52-9 (22nd and 23rd March 1923).	57-12 (6th Mar. 1924).	39
47 (1st to 4th April 1921).	47-12 (1st to 18th April 1922).	61-14 (3rd to 5th April 1923).	40

Part II.

FINANCIAL STATISTICS—*contd.*MISCELLANEOUS—*contd.*

Item Number.	1924-1925, Revised.	1925-1926, Budget.	
25	1s. 5½d. (estimate).		Average of the daily telegraphic transfer rates from Calcutta on London.
26	1s. 4½d., 1s. 5d., 1s. 5½d. 1s. 5½d., 1s. 6d.		Rate of Exchange for the adjustment of transactions between the Indian and Imperial Governments.
27	9 (1st April to 9th April).		Maximum rate of discount on Loans on demand at the Imperial Bank of India, Calcutta.
28	4 (31st July to 20th Aug. 1924).		Minimum rate of discount on Loans on demand at the Imperial Bank of India, Calcutta.
29	5 (5th March).		Maximum rate of discount at the Bank of England.
30	4 (1st April 1924 to 4th March 1925).		Minimum ditto ditto.
31	31,92,00,000 (29th Aug.).		Maximum Government balances at the Imperial Bank of India.
32	7,47,75,000 (31st Dec.)		Minimum Government balances at the Imperial Bank of India.
33	94-10		Maximum price in Calcutta of 5 per cent. War Loan 1929-47.
34	82-14		Minimum price in Calcutta of 5 per cent. War Loan 1929-47.
35	99-8		Maximum price in Calcutta of 5 per cent. income-tax free loan, 1945-55.
36	97		Minimum price in Calcutta of 5 per cent. income-tax free loan, 1945-55.
37	68-6 10th July.		Maximum price in Calcutta of Government 3½ per cent. Rupee Securities (Guaranteed).
38	62-6 18th September.		Minimum price in Calcutta of Government 3½ per cent. Rupee Securities (Guaranteed).
39	58-10 (10th July).		Maximum price in Calcutta of 3 per cent. Rupee Securities.
40	53-6 (18th September).		Minimum price in Calcutta of 3 per cent. Rupee Securities.

Appen.
COMMERCIAL AND

TABLE I—

	1916-1917.	1917-1918.	Item Number.
Maximum amount outstanding on London Register of Rupee Securities encased for Interest Drafts . . . R	8,76,76,000 (Apl.)	8,06,06,000 (Apl.)	41
Minimum amount outstanding on London Register of Rupee Securities encased for Interest Drafts . . . R	8,30,42,000 (Mar.)	7,47,56,000 (Mar.)	42
Maximum price in London of 3½ per cent. (Rupee Securities in Gold)	No quotation.		43
Minimum price in London of 3½ per cent. (Rupee Securities in Gold)		53	44
Maximum price in London of India 3½ per cent. Stock	80½	44½	45
Minimum ditto ditto	62½	69½	46
Maximum price in London of India 3 per cent. Stock	69½	61½	47
Minimum ditto ditto	55½	60½	48
Maximum price in London of India 2½ per cent. Stock	57½	53	49
Minimum ditto ditto	47	50	50
Maximum price in London of 7 per cent. Stock	...	46½	51
Minimum ditto ditto	...	...	52
Maximum price in London of 8½ per cent. Stock	...	...	53
Minimum ditto ditto	...	...	54
Maximum price in London of 4½ per cent. Stock	...	...	55
Minimum ditto ditto	...	...	56
Maximum Government Paper Currency outstanding . . . R	86,37,52,000 (Mar.)	11,47,67,000 (Oct.)	57
Minimum ditto ditto . . . R	65,46,00,000 (Apl.)	82,72,35,000 (Apl.)	58
Number of Post Office Savings Banks	10,431	10,975	59
Number of accounts in Post Office Savings Banks	1,647,419	1,637,800	60
Amount deposited in Savings Banks R	16,50,53,401	16,58,46,470	61
Average of each deposit	100.73	101.27	62
Net addition to deposits R	1,27,40,864	-1,06,931	63

Item Number.	1918-1919.	1919-1920.	1920-1921.
41	8,17,24,000 (Mar.)	8,16,74,000 (Apr.)	6,65,19,000 (Apr.)
42	7,84,70,000 (July)	7,43,58,000 (Dec.)	6,13,12,000 (Sept.)
43	54	74	63½
44	44	40½	33½
45	74	60½	61
46	63	54½	51½
47	64	60½	53
48	53½	47½	43½
49	53½	50½	43
50	44½	40	37½
51	---	---	---
52	---	---	---
53	---	---	---
54	---	---	---
55	---	---	---
56	---	---	---
57	1,53,46,46,000 (Mar.)	1,85,14,79,000 (Jan.)	1,70,73,89,000 (Apr.)
58	1,05,96,05,000 (Apr.)	1,53,72,07,000 (Apr.)	1,57,62,82,000 (Sept.)
59	10,567	10,670	10,713
60	16,77,407	1,760,443	16,77,957
61	18,62,44,749	21,34,64,628	22,66,21,716
62	112·23	121·76	121·73
63	2,23,98,279	2,52,39,767	1,51,37,088

1921-1922.	1922-1923.	1923-1924.	Item Number.
7,844,08,000 (Feb.)	10,50,48,000 (Nov.)	10,80,02,000 (Oct.)	41
8,38,30,000 (Apr.)	8,68,10,000 (May)	10,08,94,000 (Mar.)	42
42½	39	45	43
34½	34	39	44
63½	60½	72½	45
55½	62½	61½	46
55½	59½	62½	47
47½	53½	52½	48
46½	50½	52½	49
39½	44½	44½	50
108½	119½	124	51
102½	108	107½	52
94½	102½	106	53
89½	93½	99	54
...	88½	93	55
...	83½	82½	56
1,79,71,40,000 (Oct.)	1,82,28,25,000 (Aug.)	1,86,18,98,000 (Feb.)	57
1,67,31,85,000 (Apr.)	1,71,76,07,000 (Apr.)	1,71,23,35,000 (May.)	58
10,768	10,730	10,535	59
19,59,324	20,43,502	20,69,314	60
22,26,24,825	23,10,96,761	24,78,63,170	61
113'68	113'58	118'64	62
-59,96,891	93,73,436	1,59,84,409	63

Part II.

FINANCIAL STATISTICS—concl'd.

MISCELLANEOUS—concl'd.

Item Number.	1924-1925, Revised.	1925-1926, Budget.	
41	10,20,98,000 (Apr.)		Maximum amount outstanding on London Register of Rupee Securities encased for interest Drafts.
42	9,72,99,000 (Dec.)		Minimum amount outstanding on London Register of Rupee Securities encased for interest Drafts.
43	40		Maximum price in London of 3½ per cent. (Rupee Securities in Gold).
44	45		Minimum price in London of 3½ per cent. (Rupee Securities in Gold).
45	68½		Maximum price in London of India 3½ per cent. Stock.
46	63		Minimum ditto ditto.
47	59		Maximum price in London of India 3 per cent. Stock.
48	54		Minimum ditto ditto.
49	40		Maximum price in London of India 2½ per cent. Stock.
50	45		Minimum ditto ditto.
51	115½		Maximum price in London of 7 per cent. Stock.
52	105		Minimum ditto ditto.
53	103½		Maximum price in London of 5½ per cent. Stock.
54	100		Minimum ditto ditto.
55	89½		Maximum price in London of 4½ per cent. Stock.
56	85½		Minimum ditto ditto.
57	1,81,33,42,000 (Apr.)		Maximum Government Paper Currency outstanding.
58	1,72,49,20,000 (June)		Minimum ditto ditto.
59			Number of Post Office Savings Banks.
60			Number of accounts in Post Office Savings Banks.
61			Amount deposited in Savings Banks.
62			Average of each deposit.
63			Net addition to deposits.

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