

EAST INDIA : ACCOUNTS AND ESTIMATES,  
1905-1906.

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EXPLANATORY MEMORANDUM

BY THE

SECRETARY OF STATE FOR INDIA.

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Presented to both Houses of Parliament by Command of His Majesty.

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## EAST INDIA: ACCOUNTS AND ESTIMATES, 1905-1906.

### Memorandum by the Secretary of State for India, relating to the Accounts of the Government of India for 1903-1904, and the Estimates for 1904-1905 and 1905-1906.

#### FORM OF ACCOUNTS AND ESTIMATES.

In the "Financial Statement" of the Government of India, which is annually presented to Parliament, the Accounts and Estimates are prepared so as to shew the transactions in India in rupees; the totals of these transactions are then shewn in pounds at the rate of £1 to 15 rupees; the sterling transactions in England are next stated; and the last two sets of figures are added together, so as to shew in pounds the combined transactions in India and in England. The comparatively small addition or deduction that has to be made on account of the facts that the remittances from India to England are not effected at exactly 16 pence to the rupee, and that the Government is under obligations to carry out certain transactions at specified rates, is shewn in a single line, under the head of Exchange.

#### GROSS REVENUE AND EXPENDITURE.

The Gross Revenue and Expenditure of the Government of India for the three years are as follows :—

Gross Revenue and Expenditure.	Accounts, 1903-1904.	Revised Estimate, 1904-1905.	Budget, 1905-1906.
	£	£	£
Revenue ... ..	83,756,155	84,699,100	83,433,000
Expenditure ... ..	80,759,755	81,213,600	82,529,200
Surplus ... ..	2,996,400	3,485,500	903,800

#### NET REVENUE AND EXPENDITURE.

Apart from other considerations, the Revenue and Expenditure of the country are continually increasing through the opening of additional railways and canals, and in certain years the figures of Gross Revenue and Expenditure are swollen by entries on both sides of the accounts relating to coinage operations. A clearer view of the financial condition than that afforded by the figures of Gross Revenue and Expenditure may therefore be obtained from a reference to the annual Return of Net Income and Expenditure (No. 178 of 1905), or to the tables on page 13 of the present Memorandum, in which the charges of certain revenue-earning departments are treated as deductions from Revenue, and the receipts of spending departments as an off-set against Expenditure.

The following table gives the Net Revenue and Expenditure for the three years as calculated in the manner indicated :—

Net Revenue and Expenditure.	Accounts, 1903-1904.	Revised Estimate, 1904-1905.	Budget, 1905-1906.
Net Revenue ... ..	£ 46,844,062	£ 49,688,700	£ 47,901,300
Net Expenditure ... ..	43,847,662	46,203,200	46,997,500
Surplus... ..	2,996,400	3,485,500	903,800

### 1903-1904.

The following are the net figures for the year 1903-1904, as shown in the Budget, Revised Estimate, and Accounts :—

Net Revenue and Expenditure.	Budget, March 1903.	Revised Estimate, as published in March 1904.	Accounts.
Net Revenue ... ..	£ 43,113,700	£ 46,569,500	£ 46,844,062
Net Expenditure ... ..	42,165,000	43,858,300	43,847,662
Surplus... ..	948,700	2,711,200	2,996,400

Comparison of Accounts with Budget Estimate.

As compared with the Budget Estimate, the Accounts show an increase of the net Revenue by £3,730,362, and of the net Expenditure by £1,682,662, or a net improvement of £2,047,700.

The increase of £3,730,362 in the net Revenue was due to improvements of £866,878 under Opium, £819,769 under Railways, £474,800 under Excise, £323,366 under Customs, £292,904 under Salt, £169,056 under Irrigation, £161,393 under Forests, £156,038 under Land Revenue, £136,681 under Mint, and minor improvements amounting to £329,477 under other heads.

The net increase of £1,682,662 in the net Expenditure is the result of increases and decreases under several heads, the most important variations occurring under Provincial Adjustments. The chief decreases occurred under Collection of Revenue £278,015, Debt Services £174,435, Education £147,114, Law and Justice £120,799, Military Works and Special Defence Works £113,075. On the other hand a considerable proportion of the increased receipts under certain heads of revenue, and of the saving under certain heads of expenditure, accrued to the Provincial Governments, to which also special grants were made during the year ; consequently, their balances, instead of being reduced, as had been anticipated, by £1,383,500 were increased by £1,195,259, and the adjustment is less favourable to the Government of India by £2,578,759.

Comparison of Accounts with Revised Estimate.

Compared with the Revised Estimate, the net Revenue was better by £274,400, or about one-half per cent., and the net Expenditure less by £10,600, or about one-fortieth of 1 per cent. Of the increase in net Revenue, £91,004 occurred under Salt, £57,500 under Excise.

## 1904-1905.

The following table gives a comparison of the Revised Estimate for 1904-1905 with the Budget Estimate published in March 1904 :—

Net Revenue and Expenditure.	Budget.	Revised Estimate.	Difference.
	£	£	£
Net Revenue ... ..	45,773,500	49,688,700	+3,915,200
Net Expenditure ... ..	44,845,800	46,203,200	+1,348,400
Surplus ... ..	918,700	3,485,500	2,566,800 Better

The improvement of £3,915,200 in the net Revenue is the result of the following increases and decreases under the several heads :—*Increases* : Railways £1,900,300, Opium £1,121,400, Customs £448,800, Excise £253,200, Salt £213,900, Telegraph £137,400, Forest £133,100, other heads £376,600. *Decreases* : Land Revenue (Madras and Bombay) £618,800, other heads £50,700. Comparison of Revised Estimate with Budget.

The most important change contributing to the increase in the net Expenditure occurs under Provincial Adjustments. A portion of the benefit arising from the improvement in Revenue and the reduction of Expenditure shewn in the Revised Estimates goes to strengthen the position of the Provincial Governments, and special Grants of £667,000 were made during the year to Bombay and the Punjab on the occasion of the introduction of new settlements with the Government of India. The balances of Provincial Governments have thus been reduced in the aggregate by only £24,100 as against a reduction of £1,316,800 anticipated in the Budget; and the Adjustment is less favourable to the Government of India by £1,292,700. The Army charges have increased by £1,137,700, mainly in consequence of the Reorganisation Scheme and the additional cost of the Tibet Mission. There are decreases of £311,300 under Civil Works, £196,000 under Political, £184,600 under Military Works and Special Defence Works, £183,000 under Collection of Revenue, and £207,100 (net) under other heads.

## 1905-1906.

In preparing the Budget for 1905-1906 the Government of India have, with the sanction of the Secretary of State in Council, made provision for the following special measures :—

1. *Reduction of the Salt Tax.*—This tax has been levied at a uniform rate throughout practically the whole of India (except Burma and Aden) since 10th March, 1882. The rates in force from that date up to the time of the present remission have been as follows :—

10th March, 1882, to 18th January, 1888	...	...	2 rupees per maund of 82 $\frac{2}{7}$ lbs.
19th January, 1888, to 17th March, 1903	...	...	2 $\frac{1}{2}$ " " "
18th March, 1903, to 21st March, 1905	...	...	2 " " "

With effect from 22nd March, 1905, the rate has been reduced from 2 to 1 $\frac{1}{2}$  rupees per maund.

The cost of this measure is estimated at £1,220,000, but it is anticipated that a portion of the loss will be made up by increase of consumption.

2. *Abolition of Famine Cesses.*—Since 1878 certain local rates, known as Famine Cesses, have been levied in the United Provinces, the Punjab, and the Central Provinces at approximately 2 per cent on the Land Revenue. These cesses have now been remitted at an estimated cost of £151,000 a year.

3. *Alteration of Postal Rates.*—Hitherto the rates for Inland Letters have been as follows :—

Weight not exceeding $\frac{1}{2}$ tola ( $\frac{3}{8}$ ounce)	...	$\frac{1}{2}$ anna (one halfpenny).
" " $1\frac{1}{2}$ tolas ( $1\frac{1}{8}$ ounce)		1 anna (one penny).
Every additional $1\frac{1}{2}$ tolas or fraction thereof		" "

The weight to be carried for a halfpenny has now been raised to  $\frac{3}{4}$  tola. The cost of this concession is estimated at £47,000 a year.

4. *Grants to Provincial Governments for Expenditure on Police.*—In accordance with the recommendations of a Commission appointed in India to report on the organisation of the Police, it has been decided to introduce certain changes in the pay, numbers, and grading of the force with a view to increasing its efficiency. In all Provinces in India with which Provincial settlements have been made, the Police charges are borne by the Provincial Governments; and, in order to enable them to defray the cost of the proposed improvements, the Government of India have in the present Budget provided grants amounting to £333,000, which will be repeated in future years and increased in due course so as to enable further reforms to be carried out.

3. *Grants to Provincial Governments for Expenditure on Primary Education.*—Permanent grants of £233,000 a year have been made to the Provincial Governments for expenditure in increasing the number of primary schools, increasing the number and efficiency of the staff, and improving the buildings and appliances.

4. *Grants to Provincial Governments for Agricultural Development.*—Permanent grants of £133,000 a year have been made for expenditure on the establishment of experimental and demonstration farms and agricultural colleges.

5. *Grants to District and Local Boards.*—Permanent grants amounting to £377,000 a year (to be distributed by Local Governments) have been made to District and Local Boards. The expenditure of District Boards is mainly on roads, buildings, hospitals, dispensaries, schools, water supply, sanitation, and veterinary aid for cattle. It is intended that in the expenditure of the grants now made special attention shall be given to the improvement of means of communication.

6. *Army Expenditure.*—It has been decided that for the next few years provision shall be made annually for expenditure on measures for improving the efficiency of the Army in India, including artillery re-armament, the redistribution of the troops, an increase in the number of officers, and the supply of additional stores. The expenditure on these measures will be shewn under the special sub-head "Reorganisation" in the Accounts and Estimates. The first expenditure was incurred in 1904–1905, and provision has been made for £2,439,900 in the Estimates for 1905–1906. The Government of India are not yet in a position to give a final estimate of the cost of the measures which will be required.

The following table compares the Net Revenue and Expenditure as estimated in the Budget for 1905–1906 with the figures of the Revised Estimate for the preceding year :—

	Revised Estimate, 1904–1905.	Budget, 1905–1906.	Difference.
	£	£	£
Net Revenue ... ..	49,688,700	47,901,300	–1,787,400
Net Expenditure ... ..	46,203,200	46,997,500	+ 794,300
Surplus ... ..	3,485,500	903,800	2,581,700 Worse

The decrease of £1,787,400 in the Net Revenue is due to the following causes :—

Decreases are anticipated in—	£	£
Salt (owing to the reduction of the Salt Tax mentioned above) ... ..	1,087,900	
Railways (chiefly owing to the anticipation that the exceptionally large traffic on the North-Western State Railway in 1904–1905 will not be maintained in 1905–1906) ...	690,300	
Opium (prices in 1904–1905 having been abnormally high) ... ..	432,300	
Telegraph (owing to increased capital expenditure) ... ..	99,200	
Mint, Irrigation, Provincial Rates, Exchange, Post Office, Tributes, and Customs ...	266,600	
Total decreases ... ..	—————	2,576,300
Increases are anticipated in—		
Land Revenue (chiefly in Madras, Bombay, and Burma)... ..	513,700	
Excise ... ..	142,400	

	£	£
Stamps, Forest, Assessed Taxes, and Registration ... ..	132,800	
Total increases ... ..	—————	788,900
Net decrease of Revenue ... ..	...	<u>1,787,400</u>

The increase of £794,300 in Net Expenditure is expected to occur as follows :—

Increases are anticipated in—	£	£
Civil Works (owing to larger expenditure by Provincial Governments, and by District and Local Boards, partly from the special grants mentioned above) ... ..	758,300	
Police (chiefly from special grants) ... ..	405,100	
Education „ „ „ ... ..	352,700	
Collection of Revenue (chiefly in Land Revenue charges) ... ..	308,700	
Military Works and Special Defence Works (largely owing to Reorganisation Scheme)	266,800	
Scientific and Minor Departments (chiefly for expenditure from special grants for agricultural development) ... ..	214,300	
Other heads ... ..	312,700	
Total increases ... ..	—————	2,618,600
Decreases are anticipated in—		
Provincial Adjustments (owing to payments by Provincial Governments from their balances towards the expenditure of the year) ... ..	1,346,200	
Debt Services (owing to transfer of Interest Charges from Ordinary Debt to Public Works Debt) ... ..	209,200	
Other heads ... ..	268,900	
Total decreases ... ..	—————	1,824,300
Net increase of Expenditure ... ..	...	<u>794,300</u>

#### *Debt.*

In 1903–1904 a Loan of two crores of rupees (£1,333,300) bearing interest at 3½ per cent. was issued in India at an average price of 98·1 per cent. In England £1,500,000 India 3 per cent. Stock was issued at an average price of £98 19s. 0d. per cent., the proceeds being used for the discharge of £600,000 debentures of the Great Indian Peninsula Railway and towards the discharge of India sterling bills falling due in the year. Of the £3,500,000 sterling bills outstanding on 1st April, 1903, £1,500,000 were discharged without replacement. Bills in replacement of the remaining £2,000,000 were issued at average rates of £3 7s. 5d. (June, 1903), £3 11s. 6d. (September), £3 12s. 11d. (December), £3 5s. 2d. (March, 1904).

In 1904–1905 a loan of 3 crores of rupees (£2,000,000) was issued in India at an average price of 97·6 per cent., and a temporary loan of £333,300 was discharged. In England £2,500,000 3 per cent. Stock was issued in order to



provide for the discharge of £1,002,100 debentures of the Great Indian Peninsula Railway Company, and for advances by the Secretary of State in Council to Railway Companies. The average price obtained was £95 18s. 6d. per cent. Of the £2,000,000 sterling bills outstanding on 1st April, 1904, £1,500,000 were discharged without replacement. Bills in replacement of the remaining £500,000 were issued in June, 1904, at an average rate of £2 11s. per cent.

In the Budget of the current year (1905-1906) it was proposed to issue in India a loan of four crores of rupees (£2,666,700); and in England a loan of £2,000,000. The loan in England was issued on 6th April, 1905, tenders being invited for £2,000,000 3 per cent. India Stock at a minimum of 97. The average rate obtained was £97 18s. 1d. Of the proceeds of this loan £250,000 will be expended in the discharge of debentures of the Great Indian Peninsula Railway, £500,000 is for the purchase of the Bengal Central Railway on the 30th June, 1905, and the remainder will be used for advances to railway companies. The £500,000 sterling bills which were outstanding on 1st April, 1905, will be discharged without replacement.

#### Railways.

On the 31st of March, 1905, the length of Railways in India open for traffic was 27,749 miles, of which 623 were opened in 1904-1905. The mileage under construction or sanctioned for construction was 3,139 miles, of which 712 were sanctioned in 1904-1905.

The expenditure on the Construction of Railways shewn in the Accounts for 1903-1904 and Estimates for 1904-1905 and 1905-1906 is as follows:—

	Accounts, 1903-1904.	Revised Estimate, 1904-1905.	Budget, 1905-1906.
	£	£	£
<b>Expenditure not charged to Revenue:—</b>			
State railways (from money provided by State).	4,535,100	5,157,200	4,751,300
State railways (from money raised through Companies).	—	963,600	2,110,700
Old guaranteed Companies ... ..	207,200	123,100	431,000
Other guaranteed or assisted Companies	1,692,200	1,293,400	1,139,000
Branch lines on firm guarantee ... ..	1,900	4,600	2,300
<b>Expenditure charged to Revenue ... ..</b>	<b>123,200</b>	<b>136,900</b>	<b>48,700</b>
<b>Total outlay by Government or with Government assistance.</b>	<b>6,559,600</b>	<b>7,678,800</b>	<b>8,483,000</b>
Branch lines not on firm guarantee ... ..	12,600	7,400	7,900
Railways outside Government accounts ... ..	418,700	696,100	645,300
<b>Total ... ..</b>	<b>6,990,900</b>	<b>8,382,300</b>	<b>9,136,200</b>

The net traffic receipts in 1903-1904 of open lines in which the Government is directly interested were 4·93 per cent. on the capital cost. Details relating to the several lines will be found on page 30 below.

The Railway Revenue Account shewed in 1903-1904 a net receipt of £860,669, and in 1904-1905 a net receipt of £2,254,500. In the Budget for 1905-1906 allowance is made for some reduction in the total traffic, which was unusually heavy in 1904-1905; and the net receipt is taken at the reduced amount of £1,564,200. These results are arrived at after charging in the Account not only all interest charges but also the following payments in redemption of capital which are included in the annuities issued for the purchase of railways, viz:—

	£
In 1903-1904 ... ..	631,000
In 1904-1905 ... ..	652,500
In 1905-1906 ... ..	674,864

*Irrigation Works.*

The outlay on the construction of Major Irrigation Works incurred during the last two years and estimated to be incurred in the present year is as follows :— 1903–1904, £599,300 ; 1904–1905 (Revised Estimate), £552,300 ; 1905–1906 (Budget), £1,181,900. The allotment for 1905–1906 includes grants for two new projects, the Upper Jhelum and the Upper Chenab Canals, each estimated to cost approximately £2,000,000. The provision for expenditure in 1905–1906 is £96,700 for the Upper Jhelum and £100,000 for the Upper Chenab Canal. Of the gross expenditure on minor works (amounting to £875,000 in 1903–1904, £922,000 in 1904–1905 (Revised Estimate), and £991,000 in 1905–1906 (Budget), a considerable portion is devoted to the construction of new works ; this expenditure is charged against the revenue of the year in which it is incurred.

The following table shews the total capital expenditure on Major Irrigation Works, and the net receipts :—

	Capital Expenditure to End of the Year, excluding indirect charges.	Net Receipts during the Year (being gross receipts, less working expenses and interest charges.)
	£	£
1903–1904 ... ..	25,290,600	952,183
1904–1905 (Revised Estimate) ...	25,842,900	954,500
1905–1906 (Budget) ... ..	27,024,800	985,800

*Liabilities and Assets.*

On the 31st of March, 1905, the debt of India amounted to £214,416,726 (viz. :—rupee debt, converted into sterling at 1s. 4d. the rupee, £81,529,535, and sterling debt, £132,887,191). There were also other obligations of the Government of India, including Savings Bank balances, Judicial and Departmental deposits, balances of Service Funds, &c., amounting to £17,206,551.

Up to the same date the Government of India had devoted £87,927,772 to the construction of Railways, and £26,108,252 to the construction of Irrigation Works. It had purchased (in some cases by cash payments and in other cases by annuities\*) six railways, on which, at the time of purchase, £85,219,000 had been spent. It had lent £12,041,289 (net) to Native States, Corporations, Agriculturists, &c., and had advanced £11,363,498 to Railway Companies. Other assets were the Gold Reserve Fund, on account of which £8,362,616 had been invested, the cash balances in India, £10,333,352, and the cash balances in England, £10,338,282.

*Exchange and Remittance.*

The sale by the Secretary of State in Council of bills and telegraphic transfers on India during the last three years has been as follows :—

	£	
1902–1903 ...	18,499,946,	at an average rate of 1s. 4·0018d. per rupee.
1903–1904 ...	23,859,303	„ „ 1s. 4·0491d. „
1904–1905 ...	24,425,558	„ „ 1s. 4·045d. „

*Gold Reserve Fund.*

In accordance with a recommendation made by the Indian Currency Committee, it was decided that, with effect from the 1st April, 1900, the net profit from the coinage of rupees should not be treated as revenue, but should be held as a special reserve, and sent to England for investment in sterling securities. This profit amounted to £3,031,294 in 1900–1901, £415,100 in

\* The annuities now outstanding are East Indian Railway Annuity, £1,145,288 (of which £294,750 is deferred under the existing contract for working the line), running to 14th February, 1953 ; Eastern Bengal Railway Annuity, £116,851, running to 31st July, 1957 ; Scinde Punjab and Delhi Railway Annuity, £371,361, running to 31st December, 1953 ; and Great Indian Peninsula Railway Annuity, £1,268,516, to 17th August, 1948.

1901-1902, £264,028 in 1902-1903, £2,627,575 in 1903-1904, and £1,738,700 in 1904-1905. Practically the whole amount has been remitted to England and applied to the purchase of British Government securities. Including the dividends, which have been invested as they accrued, the amount invested on account of the Gold Reserve Fund up to 31st March, 1905, was £8,362,616, and the securities purchased were as follows:—£6,043,758 2½ per cent. Consolidated Stock, £528,034 National War Loan 2¾ per cent. Stock, £434,511 Local Loans 3 per cent. Stock, £727,736 Transvaal Government 3 per cent. Guaranteed Stock, and £1,200,000 Treasury Bills.

*Home Charges.*

The net Expenditure in England chargeable to Revenue was £17,399,730 in 1903-1904, £18,801,000 in the Revised Estimate for 1904-1905, and £19,262,800 in the Budget for 1905-1906. The last-named amount is thus divided:—

	£
Interest and Management of Debt, and payment of Interest and Annuities on account of Railways ... ..	9,675,600
Payments in connection with Civil Departments in India ...	293,800
India Office, including Auditor's and Store Departments ...	192,200
Army Effective Charges ... ..	777,600
Stores of all kinds charged against revenue ... ..	3,312,400
Furlough Allowances ... ..	671,500
Non-Effective Charges ... ..	4,339,700
<b>Total ... ..</b>	<b>19,262,800</b>

Besides this, the outlay on stores, &c., for the construction of State Railways and Irrigation Works was £1,305,583 in 1903-1904, and is estimated at £1,517,000 in 1904-1905, and £2,372,500 in 1905-1906.

*Seaborne Trade.*

The following figures show the Exports from, and Imports into, India during the last three years:—

	1902-1903.	1903-1904.	1904-1905.
	£	£	£
Exports of Merchandise ... ..	86,264,400	102,344,773	105,139,291
Imports ,, ... ..	57,212,776	61,728,182	69,609,324
Net Exports of Merchandise ... ..	29,051,624	40,616,591	35,529,967
Net Imports of Gold ... ..	5,843,044	6,621,107	6,470,591
Net Imports of Silver ... ..	4,637,768	9,033,711	8,915,648
Net Imports of Treasure ... ..	10,480,812	15,654,818	15,386,239
Balance: Net Exports ... ..	18,570,812	24,961,773	20,143,728

The transactions in treasure on account of the Government were as follows:—1902-1903, net export of gold £469,798, net export of silver £13,201; 1903-1904, net export of gold £4,264,559; net import of silver £4,056,783; 1904-1905, net export of gold £5,604,999, net import of silver £4,290,595.

*Burden of Taxation.*

	Accounts 1903-1904.	Revised Estimate, 1904-1905.	Budget, 1905-1906.
	£	£	£
Salt ... ..	4,981,700	5,086,600	3,998,700
Stamps ... ..	3,538,200	3,701,800	3,765,400
Excise ... ..	4,932,500	5,254,300	5,396,700
Provincial Rates . . . . .	2,822,000	2,821,200	2,774,700
Customs ... ..	3,839,100	4,268,500	4,266,400
Assessed Taxes ... ..	1,206,600	1,248,700	1,273,400
Registration ... ..	326,000	339,000	341,900
Total ... ..	21,646,100	22,720,100	21,817,200
According to the census taken in March, 1901, the population of British India was 231,085,000. On this basis, and allowing for the increase of population at the rate of two-fifths of one per cent. per annum, the payment per head, on the assumption that the whole of the taxation, including that on Salt, Excise, and Customs, is paid by the inhabitants of British India, is ...	s. d. 1 10½	s. d. 1 11½	s. d. 1 10½
If the payment of Land Revenue be added, the average becomes... ..	3 5½	3 6	3 5½

ST. JOHN BRODRICK.

India Office,  
May 31, 1905.

## APPENDIX I.

## Tables of Net Revenue and Expenditure.

Appendix  
I.Net  
Revenue  
and Ex-  
penditure.

## NET REVENUE.

Net Revenue.	Accounts, 1903-1904.		Budget, 1904-1905.		Revised Estimate, 1904-1905.		Budget, 1905-1906.	
	£	£	£	£	£	£	£	£
<b>I. Land Revenue, &amp;c. :</b>								
1. Land Revenue ... ..	18,508,738		18,837,200		18,218,400		18,732,100	
2. Forest ... ..	1,477,393		1,425,400		1,558,500		1,600,100	
3. Tributes from Native States.	410,827		409,000		421,300		412,600	
		20,396,958		20,671,600		20,198,200		20,744,800
<b>II. Opium ... ..</b>		3,506,178		2,947,700		4,069,100		3,636,800
<b>III. Taxation :</b>								
1. Salt ... ..	4,981,704		4,872,700		5,086,600		3,998,700	
2. Stamps ... ..	3,538,237		3,598,100		3,701,800		3,765,400	
3. Excise ... ..	4,932,500		5,001,100		5,254,300		5,396,700	
4. Provincial Rates...	2,821,967		2,828,900		2,821,200		2,774,700	
5. Customs ... ..	3,339,066		3,819,700		4,268,500		4,266,400	
6. Assessed Taxes ... ..	1,206,656		1,256,500		1,248,700		1,273,400	
7. Registration ... ..	326,041		333,100		339,000		341,900	
		21,646,151		21,710,100		22,720,100		21,817,200
<b>IV. Commercial Undertakings :</b>								
1. Post Office ... ..	103,929		— 35,600		77,600		64,800	
2. Telegraph ... ..	— 59,189		— 163,500		— 26,100		— 125,300	
3. Railway Revenue Account	860,669		354,200		2,254,500		1,564,200	
4. Irrigation ... ..	231,756		255,100		219,900		161,900	
		1 137 165		410 200		2,525,900		1,665,600
<b>V. Mint ... ..</b>		99,181		— 36,000		76,300		— 17,800
<b>VI. Exchange ... ..</b>		58,429		69,900		99,100		54,700
<b>Total Net Revenue ...</b>		46,844,062		45,773,500		49,688,700		47,901,300

## NET EXPENDITURE.

Net Expenditure.	Accounts, 1903-1904.		Budget, 1904-1905.		Revised Estimate, 1904-1905.		Budget, 1905-1906.	
	£	£	£	£	£	£	£	£
<b>I. Debt Services (excluding interest payments chargeable to Railways and Irrigation).</b>		801,565		807,300		768,700		559,500
<b>II. Military Services :</b>								
1. Army ... ..	16,775,780		18,215,000		19,352,700		19,354,700	
2. Military and Special Defence Works.	1,016,625		1,275,000		1,090,400		1,357,200	
		17,792,405		19,490,000		20,443,100		20,711,900
<b>III. Collection of Revenue ...</b>		4,938,385		5,384,000		5,201,000		5,509,700
<b>IV. Civil Services :</b>								
1. Civil Departments ...	10,381,887		11,325,500		10,793,500		11,871,500	
2. Miscellaneous Civil Charges	3,714,097		3,593,300		3,687,200		3,623,100	
3. Civil Works, including Construction of Railways charged to Local or Provincial Revenues.	4,118,384		4,645,100		4,333,800		5,092,100	
		18,214,368		19,563,900		18,814,500		20,586,700
<b>V. Famine Relief and Insurance</b>		905,680		926,400		1,000,000		1,000,000
<b>VI. Provincial Balances :</b>								
1. Increased by portion of Allotments not spent in the year.		1,195,259		—		—		—
2. Reduced by Expenditure from Balances.		—		— 1,316,800		— 24,100		— 1,370,300
<b>Total Net Expenditure charged against Revenue. }</b>		43,847,662		44,854,800		46,203,200		46,997,500
<b>Surplus ... ..</b>		2,996,400		918,700		3,485,500		903,806

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## APPENDIX II.

Notes on  
the  
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of Net  
Revenue  
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penditure.

## Notes on the main heads of Net Revenue and Expenditure.

## NET REVENUE.

*Land Revenue.*

	£
Accounts, 1903-1904 ... ..	18,508,738
Budget, 1904-1905 ... ..	18,837,200
Revised Estimate, 1904-1905 ... ..	18,218,400
Budget, 1905-1906 ... ..	18,732,100

The collections in 1904-1905 have fallen short of the Budget Estimate, owing to partial failure of the rains in Madras and Bombay, and to failure of the kharif crop in Bundelkhand, in consequence of which it was found necessary to grant remissions and suspensions of land revenue amounting to more than £600,000.

The Budget Estimate for 1905-1906 anticipates increases of £445,000 in Madras and £234,000 in Bombay (due chiefly to the expectation of more favorable conditions), of £116,000 in Burma (owing to extension of cultivation), and of £60,000 in Bengal. On the other hand, it is anticipated that the damage done by frost to the rabi crop in the United Provinces early in 1905 will necessitate large remissions and suspensions, and a reduction of £243,000 in those provinces is allowed for. The prospects in the Punjab are also not so favorable, and it is assumed that the collections there will be reduced by £85,000. Minor increases and decreases are expected in the remaining provinces.

*Forest.*

	£
Accounts, 1903-1904... ..	1,477,393
Budget, 1904-1905 ... ..	1,425,400
Revised Estimate, 1904-1905 ... ..	1,558,500
Budget, 1905-1906 ... ..	1,600,100

More than one-third of the total revenue under this head is obtained in Burma. The gross receipts in this province since 1901-1902 are as follows:—1901-1902, £391,600; 1902-1903, £449,270; 1903-1904, £551,300; 1904-1905 (Revised Estimate), £563,300; 1905-1906 (Budget), £606,700.

*Tributes.*

	Accounts, 1903-1904.	Budget, 1904-1905.	Revised Estimate, 1904-1905.	Budget, 1905-1906.
Receipts .. .. .	£ 609,086	£ 626,000	£ 635,700	£ 620,400
Assignments and Compensations, and Refunds and Drawbacks.	199,259	217,000	214,400	207,800
Net Revenue ... ..	410,827	409,000	421,300	412,600

The "assignments and compensations" include the annual rent paid to the Nizam under the arrangement for the administration of Berar (*see* Parliamentary Paper Cd. 1321 of 1902).

## Opium.

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	Accounts, 1903-1904.	Budget, 1904-1905.	Revised Estimate, 1904-1905.	Budget, 1905-1906.
Receipts ... ..	£ 5,736,045	£ 4,955,100	£ 6,044,000	£ 5,477,700
Charges ... ..	2,229,867	2,007,400	1,974,900	1,840,900
Net Receipts ... ..	3,506,178	2,947,700	4,069,100	3,636,800

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penditure.

In 1903-1904 the prices realised at the Calcutta opium sales were exceptionally high, and the exports of Malwa opium were also large. On the other hand, the crop was a very heavy one, and, in consequence, the payments to cultivators were also unusually high.

In 1904-1905 the average price obtained for Bengal opium was even higher than in the previous year, while the payments to cultivators were not so heavy. There was a decided falling-off in the exports of Malwa opium, but as the rate of the pass duty was raised during the year the diminution in receipts from this source was not considerable.

In framing the Budget for the current year the Government of India have considered it unsafe to reckon on a continuance of the exceptional prices realised during the past two years, and some reduction is accordingly shown in the receipts. The payments are also less, as the prospects of the crop are unfavorable. Statistics are appended.

	Bengal.		Bombay.		Chests of Bengal Opium produced.	Payments to Cultivators, including purchase of Opium.
	Chests sold.	Average price.	Chests of Malwa Opium passed for Export.	Rate of Duty per Chest.		
Accounts, 1903-1904 ...	48,000	Rs. 1,462	26,141	Rs. 500	64,738	£ 2,051,365
Budget, 1904-1905 ...	48,000	1,250	22,920	500	—	1,827,500
Revised Estimate, 1904- 1905.	48,000	1,587	19,370	{ 500 and 600	{ 50,000	1,810,500
Budget, 1905-1906 ...	48,000	1,400	20,000	600	—	1,655,400

## Salt.

	£
Accounts, 1902-1903... ..	5,931,933
Budget, 1903-1904 ... ..	4,688,800
Accounts, 1903-1904... ..	4,981,704
Budget, 1904-1905 ... ..	4,872,700
Revised Estimate, 1904-1905	5,086,600
Budget, 1905-1906 ... ..	3,998,700

In March, 1903, the Salt Duty was reduced in the greater part of India (excluding Burma) from 2½ to 2 rupees a maund. In March, 1905, a further reduction to 1½ rupees a maund was made (see page 6 above).

The consumption of salt in India (excluding Burma), was :—

In 1901-1902	34,393,799 maunds.
In 1902-1903	35,209,184 "
In 1903-1904	36,383,642 "

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II.

## Stamps.

					£
Notes on the main heads of Net Revenue and Ex- penditure.	Accounts, 1903-1904...	...	...	...	3,538,237
	Budget, 1904-1905	...	...	...	3,598,100
	Revised Estimate, 1904-1905	...	...	...	3,701,800
	Budget, 1905-1906	...	...	...	3,765,400

About two-thirds of the revenue is derived from court fee stamps and about one-third from commercial and other stamps. The growth of revenue has been greatest in Bengal.

## Excise.

					£
Accounts, 1903-1904...	...	...	...	...	4,932,500
Budget, 1904-1905	...	...	...	...	5,001,100
Revised Estimate, 1904-1905	...	...	...	...	5,254,300
Budget, 1905-1906	...	...	...	...	5,396,700

The Excise Revenue has been steadily expanding since 1897-1898, when the net receipts were only £3,609,389. In 1901-1902 the figures were £4,025,770 and in 1902-1903 £4,384,181. The marked improvement during the past three years is shared by all provinces, and is attributed to more prosperous conditions and better administration.

## Provincial Rates.

					£
Accounts, 1903-1904...	...	...	...	...	2,821,967
Budget, 1904-1905	...	...	...	...	2,828,900
Revised Estimate, 1904-1905	...	...	...	...	2,821,200
Budget, 1905-1906	...	...	...	...	2,774,700

The decrease in the Budget for 1905-1906 is due to the abolition of Famine Cesses (*see* page 6). The cost of this measure is estimated at £151,000 a year, but it is anticipated that there will be some improvement under other heads.

## Customs.

					£
Accounts, 1903-1904...	...	...	...	...	3,839,066
Budget, 1904-1905	...	...	...	...	3,819,700
Revised Estimate, 1904-1905	...	...	...	...	4,268,500
Budget, 1905-1906	...	...	...	...	4,266,400

The gross receipts during the past three years, and the budget figures for the current year, are as follows :—

	Accounts, 1902-1903.	Accounts, 1903-1904.	Budget, 1904-1905.	Revised Estimate, 1904-1905.	Budget, 1905-1906.
	£	£	£	£	£
Rice (export duty) ... ..	843,700	802,100	733,300	853,300	800,000
Cotton Manufactures ... ..	641,000	658,900	663,300	813,900	778,500
Liquors ... ..	506,200	543,700	562,700	553,300	561,300
Metals and Manufactures of Metals.	466,800	496,400	495,000	530,000	550,000
Other Manufactured Articles ...	402,500	472,100	486,700	550,000	576,700
Petroleum ... ..	358,400	293,300	280,000	313,300	316,700
Other Articles ... ..	759,000	699,800	696,200	747,200	780,800
Total ... ..	3,977,600	3,966,300	3,917,200	4,361,000	4,364,000



In 1904–1905 there was an extraordinary increase in the imports of cotton manufactures, due chiefly to the abundant American cotton crop, the depletion of stocks in India in the previous year, when the price of raw material was high, and the general prosperity of the country. The rice crop in Burma was exceptionally heavy, and the exports were the largest on record. The increase in the imports of manufactured articles in the same year was also remarkable.

The Budget Estimate for 1905–1906 allows for some reduction in the receipts from cotton and rice.

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*Assessed Taxes.*

	£
Accounts, 1902–1903... ..	1,402,672
Accounts, 1903–1904... ..	1,206,636
Budget, 1904–1905 ... ..	1,256,500
Revised Estimate, 1904–1905 ... ..	1,248,700
Budget, 1905–1906 ... ..	1,273,400

The receipts shewn under this head are almost entirely derived from Income Tax. On the 1st April, 1903, the limit of exemption from income tax was raised, in the case of private incomes, from Rs. 500 a year to Rs. 1,000. The cost of this measure was estimated at £240,000 a year.

*Registration.*

	£
Accounts, 1903–1904 ... ..	326,041
Budget, 1904–1905 ... ..	333,100
Revised Estimate, 1904–1905 ... ..	339,000
Budget, 1905–1906 ... ..	341,900

The receipts are principally derived from fees for registering documents.

*Post Office.*

	Accounts, 1903–1904.	Budget, 1904–1905.	Revised Estimate, 1904–1905.	Budget, 1905–1906.
	£	£	£	£
Receipts ... ..	1,507,153	1,495,300	1,590,700	1,608,300
Charges ... ..	1,403,224	1,530,900	1,513,100	1,543,500
Net revenue ... ..	103,929	— 35,600	77,600	64,800

The charges in 1904–1905 include £48,000 paid to the General Post Office on account of arrears in connection with the carriage of mails between England and India. In 1905–1906 allowance is made for the reduction of postal rates mentioned on page 6, which is estimated to cost £47,000 a year.

*Telegraph.*

	Accounts, 1903–1904.	Budget, 1904–1905.	Revised Estimate, 1904–1905.	Budget, 1905–1906.
	£	£	£	£
Receipts ... ..	857,635	834,400	889,200	909,100
Charges ... ..	916,824	997,900	915,300	1,034,400
Net charge ... ..	59,189	163,500	26,100	125,300

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The improvement in 1904-1905 in the receipts, which include those of the Indo-European Telegraph Department, is chiefly due to increased inland traffic, consequent on a reduction in the charges for telegrams which was effected in January 1904, and to India's share of an increased foreign traffic resulting from the Russo-Japanese war.

The charges include the following amounts for capital outlay :—1903-1904, £270,465 ; 1904-1905 (Revised Estimate), £266,000 ; 1905-1906. (Budget Estimate), £364,000.

### Railways.

	Accounts, 1903-1904.	Budget, 1904-1905.	Revised Estimate, 1904-1905.	Budget, 1905-1906.
State Railways :—	£	£	£	£
Gross Receipts ... ..	20,576,591	20,580,900	22,854,900	22,906,900
Charges :—				
Working Expenses ... ..	10,378,158	10,563,900	11,086,500	11,236,900
Interest on Capital spent or advanced by the State.	4,857,462	5,080,800	5,083,600	5,348,300
Interest on Capital deposited by Com- panies.	1,222,001	1,283,000	1,268,300	1,342,300
Annuities in purchase of railways.	3,004,620	3,008,500	3,009,300	3,013,200
Total ... ..	19,462,241	19,936,200	20,447,700	20,940,700
Net Receipts ... ..	1,114,350	644,700	2,407,200	1,966,200
Guaranteed Railways :—				
Net charge to the State...	208,620	202,100	91,400	313,300
Miscellaneous charges(net)	45,061	88,400	61,300	88,700
Net Receipts from all Rail- ways.	860,669	354,200	2,254,500	1,564,200

Before 1899-1900 the Railway Revenue Account always shewed a net charge. From that year onwards it has shewn a net receipt. The figures from 1896-1897 are as follows :—

	£
1896-1897 ... .. Net charge	1,152,467
1897-1898 ... .. „	709,313
1898-1899 ... .. „	620,165
1899-1900 ... .. Net receipt	76,756
1900-1901 ... .. „	325,124
1901-1902 ... .. „	846,616
1902-1903 ... .. „	228,949
1903-1904 ... .. „	860,669
1904-1905 ... .. „ (Revised Estimate.)	2,254,500
1905-1906 ... .. „ (Budget Estimate.)	1,564,200

*Gross Receipts of State Railways.*—The profit derived by the State from the railways arises from the State lines, under which head are included not only the lines worked by the State (of which the most important are the North-Western, Eastern Bengal, and Oudh and Rohilkhand systems), but also lines which, while classified as State railways, are worked by companies, and have in most cases been constructed by companies. Among the most important of the lines included in the latter class are the East Indian, Great Indian Peninsula, Bengal-Nagpur, Indian Midland, Rajputana-Malwa, Assam-Bengal, Southern Mahratta, South Indian, and Burma Railways. For some years the gross receipts of the State lines have been growing rapidly. Excluding, for the purpose of comparison, the receipts of the Great Indian Peninsula Railway, which was not acquired by the State till 1900–1901, the receipts for 10 years are as follows :— 1896–1897, £11,759,711; 1897–1898, £12,696,340; 1898–1899, £13,075,980; 1899–1900, £14,653,223; 1900–1901, £15,170,314; 1901–1902, £16,432,994; 1902–1903, £16,231,912; 1903–1904, £17,519,799; 1904–1905 (Revised Estimate), £19,574,900; 1905–1906 (Budget), £19,640,200.

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Including the receipts of the Great Indian Peninsula Railway, the figures since the 1st April, 1901, are :—

1901–1902.	1902–1903.	1903–1904.	Budget, 1904–1905.	Revised Estimate, 1904–1905.	Budget, 1905–1906.
£	£	£	£	£	£
19,227,226	19,137,656	20,576,591	20,580,900	22,854,900	22,906,900

In 1903–1904 there was a considerable improvement in the earnings of nearly all the more important railway systems, due mainly to exceptionally heavy grain traffic, notably on the North-Western Railway. In 1904–1905 there was a further great improvement, the wheat traffic of the North-Western Railway having again proved unusually heavy, and the traffic on most of the other large systems having continued exceptionally favourable. The most important increases, as compared with the previous years, are :—North-Western Railway, £760,800; East Indian Railway (due to heavy pilgrim and coal traffic), £396,900; Great Indian Peninsula Railway (due to the favourable cotton crop), £223,200.

In the Budget Estimate for 1905–1906 the gross receipts of State railways are taken at £22,906,900, being £52,000 in excess of the receipts shewn in the Revised Estimate for 1904–1905. The figures are affected by the exclusion in 1905–1906 of the figures for the Bengal and North-Western Railway, which is about to make a new contract with the Secretary of State, in Council, and by the inclusion for the last three months of the same year of the estimated gross receipts of the Bombay, Baroda and Central India Railway, which will be transferred on 1st January, 1906, from “Guaranteed Railways” to “State Railways.” Omitting in both years the figures relating to these two lines, the estimate of the gross receipts in 1905–1906 is higher by £198,800 than the receipts for 1904–1905. This estimate allows for development of traffic on newly opened lines, but also for a falling off on certain lines (especially the North-Western State Railway), which in 1904–1905 yielded exceptionally favourable results.

*Working Expenses of State Railways.*—In the Budget for 1905–1906 provision is made for special renewals of permanent way and rolling stock, and for repairs to flood damages.

The annuities shewn among the charges of State railways were created for the purchase by the State of the East Indian, Eastern Bengal, Scinde-Punjab and Delhi, and Great Indian Peninsula railways. The annual payments include the following amounts in redemption of capital, viz. :—1903–1904, £631,000; 1904–1905, £652,500; 1905–1906, £674,864.

The transactions included under the heading “Guaranteed Railways” are, with slight exceptions, those of the Madras Railway Company and the Bombay, Baroda and Central India Railway Company. In the case of the Madras Railway Company the net traffic receipts paid to the Government fall short of the guaranteed interest and “surplus profits” paid by the Government

Appendix II. Notes on the main heads of Net Revenue and Expenditure.

to the Company by the following amounts, viz.:—1903–1904, £166,010; 1904–1905 (Revised Estimate), £141,300; 1905–1906 (Budget), £155,100. In the case of the Bombay, Baroda and Central India Railway Company there was a similar deficiency of £42,386 in 1903–1904, and a deficiency of £116,100 is anticipated in 1905–1906: but in 1904–1905 the net traffic receipts exceeded by £47,700 the charges borne by the Government.

*Irrigation.*

	Accounts, 1903–1904.	Budget, 1904–1905.	Revised Estimate, 1904–1905.	Budget, 1905–1906.
<b>MAJOR WORKS:</b>	£	£	£	£
Receipts ... ..	2,757,169	2,799,500	2,843,800	2,888,200
Working Expenses ... ..	810,751	821,200	873,400	854,100
Interest on Debt ... ..	994,235	1,023,500	1,015,900	1,048,300
Net Receipts ... ..	952,183	954,800	954,500	985,800
<b>MINOR WORKS:</b>				
Receipts ... ..	154,594	163,500	187,400	167,100
Expenditure ... ..	875,021	863,200	922,000	991,000
Net Expenditure ... ..	720,427	699,700	734,600	823,900
Net Receipts, Major and Minor Works.	231,756	255,100	219,900	161,900

More than two-fifths of the revenue under this head is obtained in the Punjab, and the variations shewn under Major Works have mainly occurred in this Province.

Under Minor Works the increased expenditure in 1904–1905 has taken place chiefly in Madras and Bengal. In the Budget Estimate for 1905–1906 provision is made for a special grant of £66,700 (10 lakhs) from Imperial revenues in accordance with the recommendations of the Irrigation Commission.

*Mint.*

	Accounts, 1903–1904.	Budget, 1904–1905.	Revised Estimate, 1904–1905.	Budget, 1905–1906.
Receipts ... ..	£ 2,884,766	£ 196,100	£ 197,000	£ 105,500
Charges ... ..	2,785,585	232,100	120,700	123,300
Net receipts ... ..	99,181	—36,000	76,300	—17,800

The great decrease in the figures for 1904–1905 and 1905–1906 is due to a change in the method of exhibiting the net profit on the coinage of new rupees. This profit is not retained as a part of the ordinary revenue of the Government of India, but is transferred to the Gold Reserve Fund as it accrues. Up to and including 1903–1904 the amount of the profit realised, and the corresponding amount transferred to the Gold Reserve Fund, were brought to account separately as a receipt and payment, respectively, under the head "Mint." These transactions are now excluded from the Revenue and Expenditure Account and shewn elsewhere under "Deposits and Advances." The net profit in 1903–1904 amounted to £2,627,575.

Information regarding the amount of the Gold Reserve Fund and the form in which it is held is given on pages 10 and 11 above. Appendix II.

The coinage of rupees, including the re-coinage of withdrawn issues, has been as follows in the last two years :—

					Rs.
1903-1904	...	...	...	...	16,17,17,556
1904-1905	...	...	...	...	10,86,63,537

Notes on the main heads of Net Revenue and Expenditure.

*Exchange.*

					£
Accounts, 1903-1904	...	...	...	...	58,429
Budget, 1904-1905	...	...	...	...	69,900
Revised Estimate, 1904-1905	...	...	...	...	99,100
Budget, 1905-1906	...	...	...	...	54,700

The average rate obtained for bills and telegraphic transfers sold by the Secretary of State for India was 16·0491 pence in 1903-1904 and 16·045 pence in 1904-1905. The receipt on account of exchange entered in the Budget for 1905-1906 represents the anticipated gain on transactions with railway companies at contract rates of exchange.

## NET EXPENDITURE.

### *Debt Services.*

	Accounts, 1903-1904.	Budget, 1904-1905.	Revised Estimate, 1904-1905.	Budget, 1905-1906.
	£	£	£	£
Total payments for Interest on Debt ...	7,127,899	7,235,500	7,290,600	7,292,400
<i>Deduct</i> amount chargeable to Railways (included under Railways, page 18).	4,857,462	5,080,800	5,083,600	5,348,300
<i>Deduct</i> amount chargeable to Irrigation (included under Irrigation, page 20).	994,235	1,023,500	1,015,900	1,048,300
Interest on Ordinary Debt ...	1,276,202	1,131,200	1,191,100	895,800
Interest on other obligations ...	421,425	445,100	447,300	469,100
Total ...	1,697,627	1,576,300	1,638,400	1,364,900
Interest Receipts ...	896,062	769,000	869,700	805,400
Net Interest Payments other than those chargeable to Railways and Irrigation.	801,565	807,300	768,700	559,500

The total debt is classified in the Accounts as (1) Public Works Debt and (2) Ordinary Debt. The amount entered as belonging to the former category is the equivalent of the total capital expenditure which has been incurred by the State on Public Works, and the interest on this sum is charged under Railways and Irrigation (*see* pages 18 and 20 above); the "Ordinary Debt" consists of the remainder of the debt. In any year in which, owing to the use of surplus revenue or deposits for the construction of Public Works, the capital expenditure of the year exceeds the amount of debt incurred in the year, the effect of this system of classification is to cause a decrease to be shown in the amount of the Ordinary Debt and of the interest thereon. The figures in the table above show a decrease due to this cause.

The most important of the "other obligations" referred to in the table above are the Savings Banks Balances and the Service Funds and other special funds held by the Government of India.

The amount of the debt and other obligations is shewn on page 10 above.

The receipts shewn in the table include the interest received in India on loans granted by the Government to Native States, Municipalities, Port Trusts, Railway Companies, &c., and in England on the balances of the Secretary of State in Council,

ARMY.  
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—	Accounts, 1903-1904.	Budget, 1904-1905.	Revised Estimate, 1904-1905.	Budget, 1905-1906.
<b>NET CHARGES IN INDIA.</b>				
Effective Services :—	£	£	£	£
Army and Garrison and Ad- ministrative Staff.	536,509	557,500	538,200	558,000
Regimental Pay, Allowances and Charges.	5,898,642	6,555,900	6,504,700	6,562,400
Supply and Transport... ..	2,526,138	2,558,500	2,514,800	2,593,100
Medical Establishments, Sup- plies and Services.	560,762	588,000	570,900	582,200
Ordnance Establishments, Stores and Camp Equipage.	599,777	755,300	710,000	814,000
Miscellaneous Services ...	617,745	424,400	843,900	195,200
Other Effective Services ...	896,014	969,200	922,600	922,100
Total Effective Services ...	11,635,587	12,408,800	12,605,100	12,227,000
Non-effective Charges ... ..	579,164	574,900	576,900	578,100
Reorganization ... ..	—	—	491,500	569,100
Total, India ... ..	12,214,751	12,983,700	13,673,500	13,374,200

*England.*

—	Accounts, 1903-1904.	Budget, 1904-1905.	Revised Estimate, 1904-1905.	Budget, 1905-1906.
Effective Services :—				
Charges—	£	£	£	£
Payments to War Office for British Forces in India.	627,109	556,000	644,600	646,000
Furlough Allowances ... ..	402,247	353,000	408,000	376,000
Indian Troop Service and Passage of Officers.	370,506	352,800	390,000	340,300
Miscellaneous ... ..	44,818	34,000	52,000	42,000
Stores ... ..	1,174,100	1,863,800*	1,442,400	853,500
Total ... ..	2,618,780	3,159,600	2,937,000	2,257,800
Receipts—				
Contribution of Imperial Government towards Trans- port Charges.	130,000	130,000	130,000	130,000
Contribution of Imperial Government towards Military Charges for Aden.	100,000	100,000	100,000	100,000
Transfer and Sale of Stores, Recoveries, &c.	172,632	104,400	128,100	70,900
Total ... ..	402,632	334,400	358,100	300,900
Net Charge for Effective Services ...	2,216,148	2,825,200	2,578,900	1,956,900
Non-effective Charges (net) ...	2,344,881	2,406,100	2,400,300	2,388,000
Reorganization ... ..	—	—	700,000	1,635,600
Total, England ... ..	4,561,029	5,231,300	5,679,200	5,980,500
Grand Total ... ..	16,775,780	18,215,000	19,352,700	19,354,700

\* Includes a grant of £700,000 transferred in the Revised Estimate to the sub-head "Reorganization."

*Expenditure in 1904-1905.*—The total net expenditure on the Army was estimated in the Budget for 1904-1905 at £18,215,000. The expenditure given in the Revised Estimate is £19,352,700, being an increase of £1,137,700. It will be seen from the table on the preceding page that the Revised Estimate includes a net expenditure of £1,191,500 (viz., £491,500 in India and £700,000 in England) under the new sub-head "Reorganisation." The £700,000 expended in England is a grant for artillery and rifles which was included in the Budget Estimate under the sub-head "Stores," and has now been transferred to the sub-head "Reorganisation." The £491,500 expended in India on Reorganisation was granted in the course of 1904-1905 after the Budget had been presented, and has been spent on mules, horses, materials for the manufacture of ammunition, and other stores and equipment.

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The expenditure on Re-organisation, of which this grant forms part, will extend over some years, during which it is intended to redistribute the Army in India, to improve the organisation, and to acquire additional arms, ammunition, transport, and stores. It is proposed to spend about £2,000,000 a year on the scheme, the expenditure being shown separately, partly under Army and partly under Military Works.

The other chief causes contributing to the increase in expenditure in the Revised Estimate for 1904-1905 are (1) an increase of £380,000 over the amount (£240,000) originally provided for the Tibet Expedition in the year, and (2) an increase in the expenditure in England on stores other than Reorganisation stores.

*Expenditure in 1905-1906.*—The total net expenditure on the Army in the Budget for 1905-1906 differs by only £2,000 from that in the Revised Estimate for 1904-1905. There are decreases of £648,700 in the expenditure on Miscellaneous Services in India, mainly due to the termination of the Tibet Mission, and of £588,900 on ordinary stores in England. On the other hand, the provision under "Army" for Reorganisation exceeds by £1,013,200 the expenditure in 1904-1905. The greater part of the Reorganisation grant included in the Army Estimates is to be spent on artillery and ammunition.

The total provision for Reorganisation in 1905-1906 is £2,439,900, viz. :—£2,204,700 under Army and £235,200 under Military Works (see below). This sum includes £333,300, which having been granted but not spent in 1904-1905, is available for expenditure during the current year.

#### *Military Works.*

	£
Accounts, 1903-1904 ... ..	989,571
Budget, 1904-1905 .. .. .	1,018,300
Revised Estimate, 1904-1905 :—	
Ordinary expenditure ... ..	£940,200
Reorganisation ... .. .	2,300
	<hr/>
	942,500
Budget Estimate, 1905-1906 :—	
Ordinary expenditure ... ..	868,800
Reorganisation ... .. .	235,200
	<hr/>
	1,104,000

Of the provision for Reorganisation Expenditure in 1905-1906, £147,000 is for the construction of barracks in connection with the Redistribution Scheme and the remainder is for the increase of the manufacturing power of the ordnance factories in India.

#### *Special Defence Works.*

	£
Accounts, 1903-1904 ... ..	27,054
Budget, 1904-1905 ... .. .	256,700
Revised Estimate, 1904-1905 ..	147,900
Budget, 1905-1906 ... .. .	253,200

This expenditure is for a scheme of special coast defences begun in 1903-1904.

## Collection of Revenue.

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	Accounts, 1903-1904.	Budget, 1904-1905.	Revised Estimate, 1904-1905.	Budget, 1905-1906.
	£	£	£	£
Land Revenue ... ..	3,048,884	3,319,400	3,192,900	3,378,000
Forest ... ..	813,618	894,700	875,900	926,500
Salt ... ..	331,191	376,600	345,200	373,300
Stamps ... ..	122,379	118,300	121,600	124,700
Excise ... ..	213,928	250,500	242,300	268,600
Provincial Rates ... ..	39,212	41,400	38,100	39,100
Customs ... ..	168,165	179,860	181,500	188,900
Assessed Taxes ... ..	23,208	22,000	22,500	22,500
Registration ... ..	177,800	181,300	181,000	188,100
<b>Total ... ..</b>	<b>4,938,385</b>	<b>5,384,000</b>	<b>5,201,000</b>	<b>5,509,700</b>

The variations under Land Revenue occur mainly in connection with Survey and Settlement operations and with changes in Provincial and Village establishments.

The charges for Forest conservation, &c., increase with the work of the Department and the growth of the gross revenue.

## Civil Departments.

Accounts, 1903-1904 ... ..	10,381,887
Budget, 1904-1905 ... ..	11,325,500
Revised Estimate, 1904-1905 ... ..	10,793,500
Budget, 1905-1906 ... ..	11,871,500

The following table shews the charges for the several departments :—

	Accounts, 1903-1904.	Budget, 1904-1905.	Revised Estimate, 1904-1905.	Budget, 1905-1906.
	£	£	£	£
General Administration ...	1,493,345	1,441,100	1,469,900	1,500,700
Law Courts and Jails ...	2,491,001	2,629,600	2,533,300	2,658,100
Police ... ..	2,764,249	2,866,300	2,825,400	3,230,500
Marine ... ..	335,386	464,400	407,700	421,400
Education ... ..	1,181,286	1,365,500	1,280,400	1,633,100
Ecclesiastical ... ..	113,741	123,400	120,200	125,900
Medical ... ..	861,810	971,200	921,800	986,700
Political ... ..	702,570	1,000,100	804,100	670,100
Scientific and Minor Departments.	438,499	463,900	430,700	645,000
<b>Total ... ..</b>	<b>10,381,887</b>	<b>11,325,500</b>	<b>10,793,500</b>	<b>11,871,500</b>



The increases in 1905-1906 under "Police," "Education," and "Scientific and Minor Departments," are mainly due to the special grants of £333,000 for Police Reform, £233,000 for Education, and £133,000 for Agriculture mentioned on page 6 above.

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*Miscellaneous Civil Charges.*

	£
Accounts, 1903-1904... ..	3,714,097
Budget, 1904-1905 ... ..	3,593,300
Revised Estimate, 1904-1905 ... ..	3,687,200
Budget, 1905-1906 ... ..	3,623,100

The expenditure under this head includes Territorial and Political Pensions, Furlough and Absentee Allowances, Superannuation Allowances and Pensions, Stationery and Printing, and other miscellaneous charges. The most important figures are those relating to Civil Superannuation Allowances and Pensions, the net charge for which is as follows:—

	India.	England.	Total.
	£	£	£
1903-1904 ... ..	723,532	1,933,468	2,657,000
1904-1905 (Revised Estimate) ... ..	771,600	1,943,100	2,714,700
1905-1906 (Budget) ... ..	798,700	1,951,700	2,750,400

*Famine Relief and Insurance.*

	Accounts, 1903-1904.	Budget, 1904-1905.	Revised Estimate, 1904-1905.	Budget, 1905-1906.
	£	£	£	£
Famine Relief ... ..	20,351	—	8,800	211,700
Protective Railways... ..	96,605	147,000	130,200	35,100
Protective Irrigation Works ... ..	144,446	233,300	217,900	380,000
Reduction or avoidance of Debt ... ..	644,278	546,100	643,100	373,200
Total ... ..	905,680	926,400	1,000,000	1,000,000
Add net loss on Bengal-Nagpur and Indian Midland Railways, included under Railway Revenue Account.	94,320	73,600	—	—
Grand Total ... ..	1,000,000	1,000,000	1,000,000	1,000,000

A sum of not less than £1,000,000 is annually appropriated for the purposes of Famine Relief and Insurance. When the outlay on direct famine relief is less than this sum, the balance is used (1) for the construction or maintenance of protective railways and irrigation works (the cost of which is regularly defrayed from revenue), and (2) for the construction of ordinary public works, which would otherwise require additional borrowing. The amount used for the last mentioned purpose is shown under the head of "Reduction or Avoidance of Debt."

The provision for famine relief in 1905-1906 is for expenditure in Bombay and Madras to relieve distress due to the failure of the autumn and winter rains in Gujerat and the Deccan.

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The provision for Protective Irrigation Works has been increased in 1905-1906 to enable progress to be made with projects in Bengal, the United Provinces of Agra and Oudh, and Bombay.

Up to and including 1903-1904 the net charge for working the Bengal-Nagpur and the Indian Midland Railways was debited to the Famine Insurance Grant, because the lines were constructed as protective works, and in the Budget for 1904-1905 it was proposed to make a similar charge against the grant in that year: but it has now been decided to discontinue the practice.

*Civil Works (including construction of railways charged to Provincial or Local revenues).*

	£
Accounts, 1903-1904 ... ..	4,118,384
Budget, 1904-1905 ... ..	4,645,100
Revised Estimate, 1904-1905 ... ..	4,333,800
Budget, 1905-1906 ... ..	5,092,100

The increase in the Budget for 1905-1906 is mainly due to the special grant of £377,000 to District and Local Boards mentioned on page 7 above. In Burma, Bengal and Bombay, provision is also made for increased expenditure on Civil Works from provincial resources.

*Provincial Balances.*

	Amount added to Provincial Balances and charged against the Revenue of the Year.	Expenditure defrayed from Provincial Balances instead of being charged against the Revenue of the Year.
	£	£
Accounts, 1903-1904 ... ..	1,195,259	—
Budget, 1904-1905 ... ..	—	1,316,800
Revised Estimate, 1904-1905 ... ..	—	24,100
Budget, 1905-1906 ... ..	—	1,370,300

In the Budget for 1904-1905 it was anticipated that the revenue accruing to the Provincial Governments in the year (including certain special grants made by the Government of India at the beginning of the year) would amount to £19,721,000, and that the Provincial expenditure of the year would be £21,037,800, of which £1,316,800, being the excess of Provincial expenditure over Provincial revenue, would be met from Provincial Balances, the remainder being charged against the Revenue of the year.

The revenue accruing to the Provincial Governments was, however, £20,552,800; the excess over the Budget estimate being mainly due to the grant of 50 lakhs. (£333,000) to the Government of Bombay and the same amount to the Government of the Punjab in connection with the introduction of the new settlements. (See below.) The expenditure of the Provincial Governments amounted to £20,576,900, the saving as compared with the Budget Estimate being due to the fact that certain grants (mainly under the head of Civil Works) were not fully spent. Out of a grant of £133,000 for the extension and improvement of Simla only £8,300 was spent.

Thus, whereas it had been anticipated in the Budget that £1,316,800 would be provided from Provincial balances towards defraying the expenditure of the year, the amount so provided was only £24,100, and the Provincial adjustments were accordingly less favourable to the Government of India by £1,292,700.

In 1905-1906 it is anticipated that Provincial balances will contribute £1,370,300 towards the expenditure of the year. Appendix  
II.

It was mentioned in last year's Explanatory Memorandum that in 1903-1904 new arrangements were introduced in certain provinces for regulating the financial relations between the Government of India and the Provincial Governments. Formerly the Provincial Settlements (which fixed the revenue to be enjoyed, and the expenditure to be defrayed, by Provincial Governments) were revised every five years. Under the new scheme no period of revision is prescribed, and it is intended that the assignments of revenue and expenditure shall, as far as possible, be permanent: though the Government of India necessarily reserves to itself the power to revise the settlement of any, or all, Provinces in case of need. New settlements under this scheme were made in 1903-1904 with Bengal, Madras, the United Provinces, and Assam, and in 1904-1905, as mentioned above, with Bombay and the Punjab. A new settlement will be introduced in the Central Provinces in 1905-1906 and in Burma on the expiration of the current settlement in 1906-1907.

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## APPENDIX III

## HOME CHARGES.

The following is an analysis of the Net Expenditure in England charged on the Revenue of the year :—

Net Expenditure.	Accounts, 1903-1904.	Revised Estimate, 1904-1905.	Budget, 1905-1906.
	£	£	£
Interest and Management of Debt (excluding Interest charged in Railway Revenue Account) .. .. .	2,889,480	2,932,900	2,887,700
Railway Revenue Account .. .. .	6,582,650	6,659,400	6,787,900
Civil Administration :			
Payments on account of Departments in India, passage, outfit, &c. ..	23,862	28,700	32,000
Postal Subsidy .. .. .	52,000	104,500	61,200
Telegraph : Red Sea Company's Annuity .. .. .	18,027	18,000	18,000
" Indo-European .. .. .	45,662	19,400	52,300
" Joint Purse Guarantee .. .. .	—	18,400	—
Public Works : Civil Engineering College .. .. .	5,098	3,700	5,900
" Other Charges .. .. .	2,987	3,000	3,400
Marine : His Majesty's ships in Indian Seas .. .. .	100,023	100,200	100,200
" Indian Government Defence Vessels .. .. .	21,000	4,500	—
" Other Charges .. .. .	1,758	3,300	3,000
Indian Civil Service : Allowances to Candidates, Examinations, &c. ..	7,969	8,500	8,600
Lunatics : Maintenance .. .. .	2,333	2,100	2,000
Political Charges : Persian Mission and Minor Consulates .. .. .	4,106	1,300	5,600
" Pensions : Territorial and Political .. .. .	10,843	10,800	10,800
" Other Charges .. .. .	422	2,100	2,000
India Office : Salaries of Establishment .. .. .	132,973	132,000	133,200
" Auditor's Department .. .. .	7,229	7,200	7,300
" Store Department .. .. .	28,370	25,800	24,500
" Stationery, Postage, Telegrams, and other Charges .. .. .	32,005	26,600	27,200
Army, Effective : Home Charges of British Forces serving in India (including receipt on account of Aden) .. .. .	548,928	562,600	562,000
" " Troop Service and Transport (including receipt from War Office) .. .. .	228,153	184,800	174,300
" " Other Charges .. .. .	44,114	51,200	41,300
Stores : Civil and Public Works .. .. .	336,577	342,200	298,800
" Telegraph .. .. .	168,724	150,000	233,000
" Marine .. .. .	179,401	168,500	178,400
" Military .. .. .	1,014,525	1,390,300	819,300
" " Reorganisation .. .. .	—	700,000	1,635,600
" Special Defences (1902) .. .. .	5,361	100,000	175,000
" Miscellaneous Charges .. .. .	3,348	48,000	27,700
Furlough : Civil and Marine .. .. .	238,308	221,600	250,000
" Military .. .. .	380,428	390,000	360,000
" Telegraph and Public Works .. .. .	55,502	45,000	61,500
Non-Effective Charges : Civil and Marine .. .. .	1,339,531	1,354,900	1,368,000
" Military .. .. .	2,938,818	2,988,500	2,971,700
" Total .. .. .	17,399,730	18,801,000	19,262,800

The Expenditure in England not charged on the Revenues of the year is as follows :—

Expenditure.	Accounts, 1903-1904.	Revised Estimate, 1904-1905.	Budget, 1905-1906.
	£	£	£
Capital outlay on construction of State Railways .. .. .	1,301,774	1,509,000	2,346,000
" " on Irrigation Works .. .. .	3,809	8,000	26,500
" Total .. .. .	1,305,583	1,517,000	2,372,500

## APPENDIX IV.

## RAILWAYS : MILEAGE AND TRAFFIC.

Length of railways open in India on 31st March, 1903 ... ..	26,305·5 miles.
Length of railways open in India on 31st March, 1904 ... ..	27,125·6 „
Additional mileage opened in 1904-1905 :—	
Agra-Delhi Chord ... ..	119·9 miles
Bengal-Nagpur ... ..	117·0 „
Bengal and North Western ... ..	84·5 „
North Western ... ..	61·8 „
Tinnevelly-Quilon ... ..	58·5 „
Rajputana-Malwa ... ..	32·6 „
Moharbhaj ... ..	32·1 „
Baraset-Basirhat ... ..	26 „
Gwalior ... ..	25·9 „
Oudh and Rohilkhand ... ..	25·1 „
Jodhpur ... ..	9 „
Other Railways ... ..	31·1 „
Total ... ..	623·5 „
Length of railways open in India on 31st March, 1905 ... ..	27,749·1 miles.

	1902.	1903.	1904.
Number of passengers carried ... ..	196,648,000	210,230,600	229,774,600
Tons of goods carried ... ..	45,537,000	47,684,000	54,325,000

## RAILWAYS : CAPITAL OUTLAY AND NET TRAFFIC RECEIPTS.

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(The Capital at charge for each line on 31st March, 1904, is calculated by deducting from the total capital outlay up to 31st March, 1904, half the outlay in 1903-1904.)

			Capital at Charge, March 31st, 1904.	Net Receipts, 1903-1904.	Percentage of Net Receipts on Capital Outlay.
Guaranteed	...	Bombay-Baroda and Central India ...	£ 10,880,486	£ 544,818	5.01
	...	Madras ... ..	12,288,036	396,645	3.23
State	...	East Indian ... ..	40,511,076	3,131,398	7.73
	...	Rajputana-Malwa ... ..	10,489,978	720,930	6.87
	...	Bhopal ... ..	202,242	12,763	6.31
	...	Palanpur-Deesa ... ..	15,806	411	2.60
	...	Bengal-Nagpur ... ..	17,151,659	531,921	3.10
	...	Warora Colliery ... ..	100,082	11,391	11.38
	...	Burma ... ..	8,429,727	374,780	4.45
	...	Assam-Bengal ... ..	8,023,395	33,772	.42
	...	Jorhat ... ..	60,380	595	.98
	...	Eastern Bengal ... ..	10,709,017	581,060	5.42
	...	Bengal Central ... ..	1,017,631	33,680	3.31
	...	Brahmaputra-Sultanpur ... ..	183,869	9,891	5.38
	...	Tirhoot ... ..	3,365,083	225,264	6.69
	...	Oudh and Rohilkhand ... ..	12,173,015	465,393	3.82
	...	Indian Midland ... ..	8,455,590	258,899	3.06
	...	Lucknow-Bareilly Section ... ..	791,387	50,944	6.44
	...	Hardwar-Dehra ... ..	175,202	8,842	5.05
	...	North Western ... ..	38,463,475	1,705,891	4.43
	...	South Indian ... ..	6,870,261	464,344	6.76
	...	North East Line, Madras Railway ... ..	4,171,351	108,784	2.61
	...	Nilgiri ... ..	236,024	4,932	2.09
	...	Bezwada Extension ... ..	77,903	10,282	13.20
	...	Guntakal-Mysore Frontier ... ..	393,783	14,129	3.59
	...	Mysore ... ..	1,183,679	40,589	3.43
	...	Mayavaram-Mutupet ... ..	291,059	13,690	4.70
	...	Tinnevely-Quilon (British Section) ... ..	243,423	7,571	3.11
	...	Great Indian Peninsula ... ..	27,593,825	1,515,580	5.49
...	Southern Mahratta ... ..	7,924,249	173,930	2.19	
...	Jodhpur - Hyderabad (British Section) ... ..	264,043	17,492	6.62	
			232,736,736	11,470,611	4.93
Unopened lines, stores, &c.	...	...	2,731,588		
	...	...	235,468,324	11,470,611	4.87
Private Companies :— Government pay- ments.	...	...	1,763,870		
	...	...	237,232,194		

## APPENDIX V.

## MAJOR IRRIGATION WORKS: CAPITAL OUTLAY AND NET EARNINGS.

	Capital Outlay to end of 1903-1904.	Net Earnings (being gross receipts less working expenses).	Percentage of net Earnings on Capital Outlay.
<b>Bengal :—</b>	£	£	
Orissa Project ... ..	1,731,427	4,804	·28
Midnapore ... ..	552,903	5,287	·96
Sone ... ..	1,720,293	55,597	3·23
<b>United Provinces :—</b>			
Ganges ... ..	1,908,083	212,573	11·14
Lower Ganges ... ..	2,262,857	98,057	4·33
Agra ... ..	630,487	38,431	6·10
Eastern Jumna ... ..	285,313	167,567	23·68
Betwa ... ..	295,078	2,282	·77
<b>Punjab and N.W. Frontier Province :—</b>			
Western Jumna ... ..	1,098,329	104,156	9·48
Bari-Doab ... ..	1,265,671	170,479	13·47
Sirhind ... ..	1,571,677	126,296	8·04
Chenab ... ..	1,819,536	445,493	24·48
Jhelum ... ..	867,948	— 3,722	— ·48
<b>North West Frontier Province :—</b>			
Swat River ... ..	268,016	31,202	11·64
<b>Madras :—</b>			
Godavari Delta ... ..	772,033	161,077	20·87
Kistna Delta ... ..	926,536	130,496	14·08
Pennér-Anicut ... ..	359,385	20,246	5·63
Kurnool-Cuddapah ... ..	1,450,579	6,984	·48
Periyar Project ... ..	591,934	23,936	4·04
Rushikulya Project ... ..	302,699	2,450	·81
<b>Bombay :—</b>			
E. Nara Works ... ..	420,660	29,862	7·10
Mutha ... ..	459,672	15,461	3·36
Jamrao ... ..	549,060	29,344	5·34
Nira ... ..	357,830	12,951	3·62
<b>Burma :—</b>			
Mandalay ... ..	329,040	51	·02
<b>Other Works ... ..</b>	<b>2,493,490</b>	<b>155,058</b>	<b>6·21</b>
<b>Total ... ..</b>	<b>25,290,626</b>	<b>1,946,418</b>	<b>7·70</b>

## APPENDIX VI.

## TRADE TABLES.

## A.—SEA-BORNE TRADE:—

## I.—General Summary.

## II.—Imports and Exports of Merchandise : Summary distinguishing Government transactions from transactions on Private Account.

## III.—Movements of Treasure.

## IV.—Analysis of Imports of Merchandise, shewing the principal articles separately.

## V.—Analysis of Exports of Merchandise, shewing the principal articles separately.

## VI.—Analysis of Imports of Merchandise on Private Account, shewing separately the countries of origin.

## VII.—Analysis of Exports of Indian Merchandise on Private Account, shewing separately the countries of destination.

## B.—LAND TRADE: Summary.

## I.—Summary of Sea-borne Trade.

	1902-1903.	1903-1904.	1904-1905.
	£	£	£
<b>Imports :—</b>			
Merchandise ... ..	57,212,776	61,728,182	69,609,324
Treasure ... ..	16,919,237	25,684,072	26,338,783
Total ... ..	74,132,013	87,412,254	95,948,107
<b>Exports :—</b>			
<b>Merchandise :—</b>			
Indian Produce ... ..	84,266,537	100,087,754	102,863,947
Re-exports ... ..	1,997,863	2,257,019	2,275,344
Total ... ..	86,264,400	102,344,773	105,139,291
Treasure ... ..	6,438,425	10,029,254	10,952,544
Total ... ..	92,702,825	112,374,027	116,091,835
Total Imports and Exports ... ..	166,834,838	199,786,281	212,039,942
Net Exports... ..	18,570,812	24,961,773	20,143,728



II.—*Sea-borne Trade—Imports and Exports of Merchandise: Summary distinguishing Government Transactions from Transactions on Private Account.*

	1902-1903.	1903-1904.	1904-1905.
	£	£	£
<b>Imports of Merchandise :—</b>			
Private ... ..	52,525,272	56,548,862	64,457,661
Government .. ..	4,687,504	5,179,320	5,151,663
<b>Total Imports ... ..</b>	<b>57,212,776</b>	<b>61,728,182</b>	<b>69,609,324</b>
<b>Exports of Merchandise :—</b>			
Private ... ..	85,876,910	101,973,055	105,000,850
Government ... ..	387,490	371,718	138,441
<b>Total Exports ... ..</b>	<b>86,264,400</b>	<b>102,344,773</b>	<b>105,139,291</b>
<b>Net Exports, Private ... ..</b>	<b>33,351,638</b>	<b>45,424,193</b>	<b>40,543,189</b>
<b>Net Imports, Government ... ..</b>	<b>4,300,014</b>	<b>4,807,602</b>	<b>5,013,222</b>

III.—*Sea-borne Trade—Movements of Treasure.*

	1902-1903.	1903-1904.	1904-1905.
	£	£	£
<b>Gold :—</b>			
Net Imports (+) or Exports (–) on Private Account.	+6,312,842	+10,885,666	+12,075,590
Net Imports (+) or Exports (–) on Government Account.	– 469,798	– 4,264,559	– 5,604,999
<b>Total Net Imports ... ..</b>	<b>5,843,044</b>	<b>6,621,107</b>	<b>6,470,591</b>
<b>Silver :—</b>			
Net Imports (+) or Exports (–) on Private Account.	+4,650,969	+ 4,976,928	+ 4,625,053
Net Imports (+) or Exports (–) on Government Account.	– 13,201	+ 4,056,783	+ 4,290,595
<b>Total Net Imports ... ..</b>	<b>4,637,768</b>	<b>9,033,711</b>	<b>8,915,648</b>
<b>Total Net Imports of Treasure .. ..</b>	<b>10,480,812</b>	<b>15,654,818</b>	<b>15,386,239</b>

IV.—*Sea-borne Trade—Analysis of Imports of Merchandise, shewing the principal articles separately.*

	1902-1903.	1903-1904.	1904-1905.
	£	£	£
<i>A. On Private Account—</i>			
1. Live Animals ... ..	296,627	357,522	395,176
2. Articles of Food and Drink :—			
Liquors ... ..	1,180,420	1,218,210	1,249,039
Provisions :—			
From United Kingdom... ..	505,461	544,297	560,061
From elsewhere ... ..	721,906	807,223	883,701
Total ... ..	1,227,367	1,351,520	1,443,762
Salt ... ..	414,336	424,611	474,199
Spices ... ..	565,202	548,010	688,223
Sugar (Refined) :—			
From United Kingdom... ..	201,466	420,338	79,941
From Mauritius ... ..	1,264,882	1,692,617	1,250,130
From Austria-Hungary and Germany ... ..	655,401	193,670	1,155,583
From Java ... ..	314,098	684,887	1,273,400
From elsewhere ... ..	743,861	758,832	664,991
Unrefined Sugar, Molasses, and Confectionery	123,565	206,839	177,757
Total ... ..	3,303,273	3,957,183	4,601,802
Other articles ... ..	313,573	296,949	266,869
Total value of articles of Food and Drink ... ..	7,004,171	7,796,483	8,723,894
3. Metals and Manufactures of Metals :—			
Hardware and Cutlery :—			
From United Kingdom ... ..	928,769	1,003,734	1,049,333
From Germany ... ..	142,086	176,620	203,522
From elsewhere ... ..	261,923	371,533	344,363
Total... ..	1,332,778	1,551,887	1,597,218

IV.—Sea-borne Trade—Analysis of Imports of Merchandise, shewing the principal articles separately—cont.

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A. On Private Account—cont.				1902-1903.	1903-1904.	1904-1905.
3. Metals and Manufactures of Metals—cont.				£	£	£
Machinery and Millwork :—						
From United Kingdom	...	...	...	1,804,489	2,116,517	2,556,262
From elsewhere	...	...	...	64,738	118,578	128,566
Total ...	...	...	...	1,869,227	2,235,095	2,684,828
Iron and Steel :—						
From United Kingdom...	...	...	...	2,120,502	2,590,001	} 4,107,321
From Belgium	...	...	...	984,320	1,046,665	
From elsewhere	...	...	...	286,194	408,966	
Total ...	...	...	...	3,391,016	4,045,632	4,107,321
Copper	...	...	...	1,308,288	1,445,852	1,405,968
Other Metals	...	...	...	632,032	705,506	718,291
Railway Plant (other than Government Stores)				1,074,481	934,643	939,772
Total value of Metals and Manufactures of Metals :—						
From United Kingdom...	...	...	...	7,088,816	7,779,734	} 11,453,398
From Belgium	...	...	...	1,138,921	1,261,228	
From elsewhere	...	...	...	1,380,085	1,877,653	
Total ...	...	...	...	9,607,822	10,918,615	11,453,398
4. Chemicals, Drugs, Medicines, Narcotics, Dyeing and Tanning Materials.				1,631,104	1,833,865	1,869,372
5. Oils				2,476,563	2,358,327	2,298,323
6. Raw materials and unmanufactured articles :—						
Jewellery	...	...	...	763,498	1,014,367	585,072
Silk	...	...	...	367,743	395,302	489,406
Other articles	...	...	...	1,183,280	1,183,166	1,741,548
Total	...	...	...	2,314,521	2,592,835	2,816,028

Appendix IV.—*Sea-borne Trade—Analysis of Imports of Merchandise, shewing the principal articles separately—cont.*

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					1902-1903.	1903-1904.	1904-1905.
<i>A. On Private Account—cont.</i>					£	£	£
<b>7. Articles manufactured and partly manufactured :—</b>							
<b>Cotton :—</b>							
	From the United Kingdom	...	...	...	19,393,756	19,474,010	} 25,371,114
	From elsewhere	...	...	...	903,852	1,199,708	
	<b>Total ...</b>	...	...	...	<b>20,297,608</b>	<b>20,673,718</b>	<b>25,371,114</b>
	<b>Silk</b>	...	...	...	<b>1,088,215</b>	<b>1,222,315</b>	<b>1,412,090</b>
<b>Wool :—</b>							
	From the United Kingdom	...	...	...	652,473	946,397	} 2,050,952
	From elsewhere	...	...	...	284,801	493,181	
	<b>Total ...</b>	...	...	...	<b>937,274</b>	<b>1,439,578</b>	<b>2,050,952</b>
<b>Apparel (excluding hosiery and boots) :—</b>							
	From the United Kingdom	...	...	...	529,879	568,815	587,405
	From elsewhere	...	...	...	512,285	575,473	675,306
	<b>Total ...</b>	...	...	...	<b>1,042,164</b>	<b>1,144,288</b>	<b>1,262,711</b>
<b>Glass and Glassware :—</b>							
	From the United Kingdom	...	...	...	118,019	111,948	104,769
	From Austria-Hungary...	...	...	...	232,790	249,100	334,867
	From elsewhere	...	...	...	279,737	300,336	310,837
	<b>Total ...</b>	...	...	...	<b>630,546</b>	<b>661,384</b>	<b>750,473</b>
	<b>Other articles</b>	...	...	...	<b>5,198,657</b>	<b>5,549,932</b>	<b>6,054,130</b>
	<b>Total value of articles manufactured and partly manufactured.</b>				<b>29,194,464</b>	<b>30,691,215</b>	<b>36,901,470</b>
<b>Total value of Imports of Merchandise on Private Account :—</b>							
	From the United Kingdom	...	...	...	34,855,099	36,706,020	} 64,457,661
	From elsewhere	...	...	...	17,670,173	19,842,842	
	<b>Total ...</b>	...	...	...	<b>52,525,272</b>	<b>56,548,862</b>	<b>64,457,661</b>
	<b>B. Government Stores</b>	...	...	...	<b>4,687,504</b>	<b>5,179,320</b>	<b>5,151,663</b>
	<b>Grand Total, Imports of Merchandise</b>	...	...	...	<b>57,212,776</b>	<b>61,728,182</b>	<b>69,609,324</b>

V.—Sea-borne Trade—Analysis of Exports of Merchandise, shewing the principal articles separately. Appendix VI.

	1902-1903.	1903-1904.	1904-1905.	Trade Tables.
<i>A. Indian Merchandise exported on Private Account.</i>				
	£	£	£	
1. Animals, living ... ..	137,406	148,502	139,342	
2. Articles of Food and Drink :—				
Coffee ... ..	880,842	911,585	1,107,317	
Rice :—				
To the United Kingdom ... ..	814,231	1,047,551	} 13,065,154	
*To Egypt ... ..	3,601,758	198,167		
To Straits Settlements ... ..	2,354,855	2,043,225		
To Ceylon ... ..	1,737,356	1,811,185		
To Japan ... ..	1,084,104	1,975,231		
To other countries ... ..	3,004,530	5,647,923		
Total ... ..	12,596,834	12,723,282	13,065,154	
Wheat and Wheat flour :—				
To the United Kingdom ... ..	1,948,196	6,032,913	} 12,399,817	
*To Egypt .. ..	676,140	53,901		
To other countries .. ..	696,211	659,079		
Total ... ..	3,320,547	7,745,893	12,399,817	
Other grains and Pulse ... ..	1,069,144	1,259,376	1,935,185	
Provisions ... ..	452,567	409,702	438,067	
Spices ... ..	424,140	618,717	462,674	
Tea :—				
To United Kingdom ... ..	4,186,004	4,726,074	} 5,647,948	
To other countries .. ..	721,757	979,214		
Total ... ..	4,907,761	5,705,288	5,647,948	
Other articles ... ..	280,702	433,002	308,748	
Total, Articles of Food and Drink ... ..	23,932,537	29,806,845	35,364,910	
3. Metals and Manufactures of Metals .. ..	200,538	229,897	244,855	
4. Chemicals, Drugs, Dyeing Materials, &c. :				
Opium :—				
To China ... ..	4,017,450	5,186,727	5,541,040	
To other countries ... ..	1,327,173	1,793,383	1,541,256	
Total ... ..	5,344,623	6,980,110	7,082,296	

\* From the 1st April, 1903, the exports of rice and wheat to Egyptian ports "for orders" are adjusted as exports to the countries of final destination.

V.—*Sea-borne Trade—Analysis of Exports of Merchandise, shewing the principal articles separately—cont.*

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					1902-1903.	1903-1904.	1904-1905.
<i>A. Indian Merchandise exported on Private Account—cont.</i>							
4. Chemicals, Drugs, Dyeing Materials, &c.— <i>cont.</i>							
Indigo :—					£	£	£
To the United Kingdom	...	...	...	147,452	131,712	126,845	
To Egypt	...	...	...	197,388	170,727	121,067	
To other countries	...	...	...	458,948	415,029	308,493	
Total	...	...	...	803,788	717,468	556,405	
Other articles	...	...	...	994,567	973,864	887,458	
Total, Chemicals, Drugs, &c.	...	...	...	7,142,978	8,671,442	8,526,159	
5. Oils					571,786	687,268	668,712
6. Raw Materials and Unmanufactured Articles :—							
Cotton :—							
To Japan	...	...	...	2,650,186	3,456,491	3,921,987	
To Germany	...	...	...	1,829,912	3,096,314	2,012,954	
To other countries	...	...	...	5,358,034	9,697,959	5,688,184	
Total	...	...	...	9,838,132	16,250,764	11,623,125	
Hides and Skins (Unprepared) :—							
To the United States	..	...	...	1,630,366	1,592,532	1,972,361	
To other countries	...	...	...	2,060,946	2,298,277	2,732,765	
Total...	...	...	...	3,691,312	3,890,809	4,705,126	
Jute :—							
To the United Kingdom	...	...	...	3,281,812	3,480,398	3,330,354	
To Germany	...	...	...	1,478,876	1,545,320	1,741,273	
To other countries	...	...	...	2,656,962	2,786,363	2,907,804	
Total	...	...	...	7,417,650	7,812,081	7,979,431	
Linseed :—							
To United Kingdom	...	...	...	1,346,185	1,349,912	1,460,231	
To other countries	...	...	...	2,447,808	2,479,539	2,758,919	
Total	...	...	...	3,793,993	3,829,451	4,219,150	
Other seeds	...	...	...	6,127,721	5,847,769	5,390,221	
Wood, Teak and other	...	...	...	547,118	721,530	484,891	
Wool, raw	...	...	...	776,880	918,264	1,261,116	
Other articles	...	...	...	2,530,491	2,511,897	2,609,349	
Total, Raw Materials and Unmanufactured Articles.				34,723,297	41,782,565	38,272,409	

V.—*Sea-borne Trade—Analysis of Exports of Merchandise, shewing the principal articles separately—cont.* Appendix VI.

	1902-1903.	1903-1904.	1904-1905.
<i>A. Indian Merchandise exported on Private Account—cont.</i>			
	£	£	£
7 Manufactured and partly manufactured articles :—			
Cotton twist and yarn :—			
To China ... ..	5,304,928	5,468,537	5,990,004
To other countries ... ..	388,428	425,825	552,430
Total ... ..	5,693,356	5,894,362	6,542,434
Other cotton ... ..	978,436	1,087,177	1,218,340
Total cotton ... ..	6,671,792	6,981,539	7,760,774
Jute :—			
To the United Kingdom ... ..	573,257	516,675	} 6,625,912
To the United States ... ..	2,093,212	2,121,267	
To other countries ... ..	3,346,798	3,674,856	
Total ... ..	6,013,267	6,312,798	6,625,912
Hides and Skins :—			
To the United Kingdom ... ..	1,683,809	1,812,346	1,607,601
To other countries ... ..	248,315	253,571	293,544
Total ... ..	1,932,124	2,065,917	1,901,145
Lac :—			
To the United Kingdom ... ..	567,621	887,421	} 1,988,201
To other countries ... ..	637,409	899,226	
Total ... ..	1,205,030	1,786,647	1,988,201
Other articles ... ..	1,389,079	1,282,629	1,270,026
Total, manufactured and partly manufactured articles.	17,211,292	18,429,530	19,546,058
Total exports of Indian merchandise on Private Account :—			
To the United Kingdom ... ..	21,165,230	27,060,819	} 102,752,444
To other countries ... ..	62,754,604	72,695,220	
Total ... ..	83,919,834	99,756,049	102,752,444
B. Government Stores, exports ... ..	346,703	331,705	111,503
Total exports, Indian merchandise ... ..	84,266,537	100,087,754	102,863,947

Trade Tables.

V.—*Sea-borne Trade—Analysis of Exports of Merchandise, shewing the principal articles separately—cont.*

	1902-1903.	1903-1904.	1904-1905.
	£	£	£
<i>C. Re-exports—On Private Account:—</i>			
Cotton, wool and apparel ... ..	1,073,934	1,223,140	1,209,658
Other articles ... ..	883,141	993,866	1,038,748
<i>D. Re-exports—Government Stores ... ..</i>	40,788	40,013	26,938
<b>Total ... ..</b>	<b>1,997,863</b>	<b>2,257,019</b>	<b>2,275,344</b>
<b>Grand Total, Exports of Merchandise ... ..</b>	<b>86,264,400</b>	<b>102,344,773</b>	<b>105,139,291</b>

VI.—*Sea-borne Trade—Analysis of Imports of Merchandise on Private Account, shewing separately the countries of origin.*

Countries.	1902-03.	1903-04.	1904-05.
	£	£	£
<b>Europe:—</b>			
United Kingdom ... ..	34,855,099	36,706,021	42,045,579
Austria-Hungary ... ..	1,701,464	1,467,852	2,672,243
Belgium ... ..	2,061,487	2,214,308	2,346,768
France ... ..	945,516	1,078,656	1,203,474
Germany ... ..	1,441,251	1,948,063	2,488,065
Holland ... ..	412,414	502,909	399,031
Italy ... ..	557,115	636,372	827,943
Russia ... ..	1,803,882	1,663,866	1,115,144
Other countries ... ..	112,280	156,349	164,889
<b>Total ... ..</b>	<b>43,890,508</b>	<b>46,374,396</b>	<b>53,263,136</b>
<b>Africa and adjacent Islands:—</b>			
Egypt ... ..	202,668	387,060	404,477
Africa, British East ... ..	153,892	150,141	163,501
,, (other ports) ... ..	22,041	18,740	24,847
Mauritius ... ..	1,333,840	1,734,578	1,325,376
Other countries ... ..	4,967	12,376	43,362
<b>Total ... ..</b>	<b>1,717,408</b>	<b>2,302,895</b>	<b>1,961,563</b>



VI.—Sea-borne Trade—Analysis of Imports of Merchandise on Private Account, shewing separately the countries of origin—cont.

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Countries.	1902-03.	1903-04.	1904-05.
	£	£	£
<b>America :—</b>			
Canada ... ..	—	8,887	425
South America ... ..	278	328	20,424
United States ... ..	808,661	852,474	990,491
West Indies ... ..	6,016	187	348
<b>Total</b> ... ..	<b>814,955</b>	<b>861,876</b>	<b>1,011,691</b>
<b>Asia :—</b>			
Aden... ..	157,500	151,740	182,214
Arabia ... ..	438,241	482,238	471,508
Ceylon ... ..	474,500	469,918	415,201
China—Hong Kong ... ..	1,002,551	822,833	820,991
„ Treaty Ports ... ..	463,423	495,143	461,083
Japan ... ..	573,061	854,978	782,226
Persia ... ..	432,257	291,640	294,048
Straits Settlements ... ..	1,549,589	1,638,768	2,038,745
Turkey ... ..	123,986	251,528	245,240
Other countries ... ..	566,026	1,141,055	1,964,385
<b>Total</b> ... ..	<b>5,781,134</b>	<b>6,599,846</b>	<b>7,675,641</b>
<b>Australia ... ..</b>	<b>321,267</b>	<b>409,819</b>	<b>545,630</b>
<b>Grand Total</b> ... ..	<b>52,525,272</b>	<b>56,548,862</b>	<b>64,457,661</b>

Appendix VI. VII.—*Sea-borne Trade—Analysis of Exports of Indian Merchandise on Private Account, shewing separately the countries of destination.*

Countries.					1902-03.	1903-04.	1904-05.
					£	£	£
<b>Europe :—</b>							
United Kingdom	...	...	...	...	21,165,230	27,060,820	28,237,781
Austria-Hungary	...	...	...	...	2,132,500	3,194,723	2,832,265
Belgium	...	...	...	...	3,301,660	5,107,961	5,496,837
France	...	...	...	...	6,091,940	6,589,897	6,295,240
Germany	...	...	...	...	6,775,719	9,864,671	8,979,953
Holland	...	...	...	...	539,302	1,232,473	1,146,688
Italy	...	...	...	...	2,264,204	3,300,602	2,816,459
Russia	...	...	...	...	256,866	518,800	350,187
Spain	...	...	...	...	391,196	852,115	786,186
Other Countries	...	...	...	...	141,352	298,836	324,416
<b>Total</b>					<b>43,059,969</b>	<b>58,020,898</b>	<b>57,266,012</b>
<b>Africa and adjacent Islands :—</b>							
Egypt	...	...	...	...	5,131,132*	858,502*	2,485,069*
Africa, East (British)	..	...	...	...	333,062	332,164	382,611
"    " (Portuguese)	...	...	...	...	167,322	283,152	131,855
"    " (other Ports)	...	...	...	...	165,443	210,416	337,760
Mauritius	...	...	...	...	716,463	769,384	755,309
Réunion	...	...	...	...	120,305	129,519	57,863
Other Countries	...	...	...	...	798,254	630,830	588,288
<b>Total</b>					<b>7,431,981</b>	<b>3,213,967</b>	<b>4,738,755</b>
<b>America :—</b>							
Canada	...	...	...	...	170,806	263,095	383,880
South America	...	...	...	...	1,079,523	1,439,839	1,807,494
United States	...	...	...	...	5,668,045	6,020,077	6,473,641
West Indies	...	...	...	...	221,555	265,688	253,775
Other Countries	...	...	...	...	53,059	53,933	41,146
<b>Total</b>					<b>7,192,988</b>	<b>8,042,632</b>	<b>8,959,936</b>

\* From 1st April, 1903, the exports of rice, wheat, &c., to Egyptian ports "for orders" are adjusted as exports to the countries of final destination on receipt of information from the shippers. In the figures given above such adjustments have been made for exports of rice up to January, 1905, inclusive, and for exports of wheat up to and for March, 1905.

VII.—*Sea-borne Trade—Analysis of Exports of Indian Merchandise on Private Account, shewing separately the countries of destination—cont.*

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Countries.						1902-03.	1903-04.	1904-05.
						£	£	£
Asia :—								
Aden...	...	...	...	...	...	610,365	1,002,020	862,086
Arabia	...	...	...	...	...	741,622	705,313	989,321
Ceylon	...	...	...	...	...	2,937,383	3,053,594	3,297,083
China, Hongkong	...	...	...	...	...	6,205,129	7,231,977	7,601,556
„ Treaty Ports	...	...	...	...	...	4,366,756	4,685,012	5,351,630
Japan	...	...	...	...	...	3,889,792	5,626,258	6,478,268
Persia	...	...	...	...	...	422,391	314,378	345,210
Straits Settlements	...	...	...	...	...	5,025,303	4,804,568	4,166,931
Turkey	...	...	...	...	...	465,602	682,387	690,370
Other Countries	...	...	...	...	...	612,109	1,113,124	868,973
Total						25,276,452	29,218,631	30,651,428
Australia ...						958,444	1,259,921	1,130,574
Grand Total						83,919,834	99,756,049	102,746,705

VIII.—*Land Trade : Summary.*

Countries.					1902-1903.	1903-1904.	1904-1905. (First 9 months only.)
					£	£	£
Afghanistan	...	...	...	{ Imports	323,152	434,834	441,289
				{ Exports	542,080	565,937	731,530
Kashmir	...	...	...	{ Imports	742,264	924,378	1,003,015
				{ Exports	787,341	807,059	632,129
Nepal	...	...	...	{ Imports	1,743,907	1,795,686	999,377
				{ Exports	955,386	912,617	603,228
Shan States	...	...	...	{ Imports	584,303	699,462	529,660
				{ Exports	564,192	524,167	432,419
Other Countries	...	...	...	{ Imports	1,187,107	1,356,733	953,356
				{ Exports	1,050,045	1,156,555	884,051
Total					4,580,733	5,211,093	3,926,697
					3,899,044	3,966,335	3,283,357

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