

EAST INDIA : ACCOUNTS AND ESTIMATES,  
1906-1907.

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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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1906.

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## EAST INDIA: ACCOUNTS AND ESTIMATES, 1906-1907.

### Memorandum by the Secretary of State for India, relating to the Accounts of the Government of India for 1904-1905, and the Estimates for 1905-1906 and 1906-1907.

#### FORM OF ACCOUNTS AND ESTIMATES.

In the "Financial Statement" of the Government of India, which is annually presented to Parliament (*see* H. of C. 162 of 1906), the Accounts and Estimates are prepared so as to shew the transactions in India in rupees; the rupee figures are then converted into 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 with railway companies at specified rates differing from the rate of 16 pence to the rupee, 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 to which this Memorandum refers are as follows:—

Gross Revenue and Expenditure.	Accounts, 1904-1905.	Revised Estimate, 1905-1906.	Budget, 1906-1907.
	£	£	£
Revenue ... ..	84,812,971	84,829,500	86,495,100
Expenditure ... ..	81,356,905	83,073,800	85,621,000
Surplus ... ..	3,456,066	1,755,700	874,100

#### NET REVENUE AND EXPENDITURE.

The figures of Gross Revenue just given include the total receipts derived from the commercial undertakings of the Government of India (State Railways, Irrigation Works, Post Office, and Telegraphs), and from the sale of opium: while the figures of Gross Expenditure include the working expenses and interest charges of the commercial undertakings and the cost of cultivation of opium. The inclusion of these figures causes the revenue available for administrative purposes, and the expenditure on such purposes, to appear much greater than they really are; and it has accordingly been the practice for some years to present to Parliament an annual statement of Net Income and Expenditure (*see* H. of C. 116 of 1906), in which only the net revenue derived from commercial undertakings and opium is shewn, and similar adjustments are made under other heads of revenue and expenditure by deducting (1) refunds and assignments from the gross yield of land revenue, taxation, &c., and (2) the receipts of certain spending departments from the gross expenditure incurred by them. In the following table the Net Revenue and Expenditure for 1904-5, 1905-6, 1906-7, are calculated in the same manner as in the annual Parliamentary return last mentioned.

## Table of Net Revenue and Expenditure.

## NET REVENUE.

Net Revenue.	Accounts, 1904-1905.		Budget, 1905-1906.		Revised Estimate, 1905-1906.		Budget, 1906-1907.	
	£	£	£	£	£	£	£	£
<b>I. Land Revenue, &amp;c. :</b>								
1. Land Revenue ... ..	18,226,402		18,732,100		18,287,600		19,027,700	
2. Forest ... ..	1,599,162		1,600,100		1,788,200		1,787,000	
3. Tributes from Native States.	421,303		412,800		389,200		412,100	
		20,246,867		20,744,800		20,465,000		21,226,800
<b>II. Opium ... ..</b>		4,050,999		3,636,800		3,590,600		2,956,300
<b>III. Taxation :</b>								
1. Salt ... ..	5,093,466		3,998,700		4,071,900		4,136,800	
2. Stamps ... ..	3,697,102		3,765,400		3,820,800		3,928,300	
3. Excise ... ..	5,306,198		5,396,700		5,602,100		5,766,100	
4. Provincial Rates... ..	2,820,358		2,774,700		2,769,800		2,257,400	
5. Customs ... ..	4,267,032		4,266,400		4,234,900		4,370,200	
6. Assessed Taxes ... ..	1,263,098		1,273,400		1,300,400		1,335,700	
7. Registration ... ..	337,921		341,900		353,100		353,800	
		22,785,175		21,817,200		22,153,000		22,148,300
<b>IV. Commercial Undertakings :</b>								
1. Post Office ... ..	56,167		64,800		100,500		126,200	
2. Telegraph ... ..	— 4,345		— 125,300		— 154,500		— 216,500	
3. Railway Revenue Account	2,105,438		1,564,200		2,025,500		2,229,300	
4. Irrigation ... ..	284,683		161,900		43,900		257,100	
		2,441,943		1,665,600		2,015,400		2,395,700
<b>V. Mint ... ..</b>		88,533		— 17,800		184,600		62,600
<b>VI. Exchange ... ..</b>		94,065		54,700		91,700		40,000
<b>Total Net Revenue ...</b>		49,707,582		47,901,300		48,500,300		48,829,700

## NET EXPENDITURE.

Net Expenditure.	Accounts, 1904-1905.		Budget, 1905-1906.		Revised Estimate, 1905-1906.		Budget, 1906-1907.	
	£	£	£	£	£	£	£	£
<b>I. Debt Services (excluding interest payments chargeable to Railways and Irrigation).</b>		797,866		559,500		472,700		425,800
<b>II. Military Services :</b>								
1. Army ... ..	19,214,763		19,354,700		18,362,400		18,782,200	
2. Military and Special Defence Works.	1,064,432		1,357,200		1,223,100		1,353,600	
		20,279,195		20,711,900		19,585,500		20,135,800
<b>III. Collection of Revenue ...</b>		5,199,542		5,509,700		5,454,000		5,782,900
<b>IV. Civil Services :</b>								
1. Civil Departments ...	10,852,430		11,871,500		11,608,800		12,749,400	
2. Miscellaneous Civil Charges	3,668,729		3,623,100		3,656,300		3,712,800	
3. Civil Works, including Construction of Railways charged to Local or Provincial Revenues.	4,291,454		5,092,100		4,886,900		5,226,500	
		18,812,613		20,586,700		20,152,000		21,688,700
<b>V. Famine Relief and Insurance</b>		1,000,000		1,000,000		1,000,000		1,000,000
<b>VI. Provincial adjustments :</b>								
1. Charge against Revenue of the Year arising from increase of Provincial Balances.		162,800		—		80,400		—
2. Diminution of charge against Revenue of the Year owing to Expenditure being met from Provincial Balances.		—		— 1,370,300		—		— 1,077,600
<b>Total Net Expenditure charged against Revenue.</b>		46,251,516		46,997,500		46,744,600		47,955,600
<b>Surplus ... ..</b>		3,456,066		903,800		1,755,700		847,100

*Accounts, 1904-5.*

It will be seen from the table that the surplus shown in the final accounts for 1904-5 is £3,456,066 ; this is less by £29,434 than the surplus shown in the Revised Estimate published in March 1905.

*Revised Estimate, 1905-6.*

The Revised Estimate for 1905-6 shews, as compared with the Budget for that year, an increase of £599,000 in net revenue, a decrease of £252,900 in net expenditure, and accordingly an increase in the surplus of £851,900.

The improvement of £599,000 in the net Revenue is due to the following increases and decreases under the several heads :—*Increases* : Railways £461,300, Excise £205,400, Mint £202,400, Forest £188,100, other heads £239,500. *Decreases* : Land Revenue £444,500, Irrigation £118,000, other heads £135,200.

The net decrease of £252,900 in the net Expenditure is the result of considerable decreases and increases under various heads. The decreases occurred under Army £992,300 (mainly owing to the postponement to 1906-07 of certain payments for Artillery and other stores), Education £249,400, Civil Works £205,200, Police £197,800, Military Works and Special Defence Works £134,100, other heads £349,800. There were minor increases of £272,300 under Political and of £152,700 under other heads. But the most important increase was that under Provincial Adjustments. In the Budget for 1905-06 it was assumed that of the total expenditure of the year £1,370,300 would be contributed from Provincial balances. A considerable portion, however, of the increase in revenue and saving in expenditure during the year was credited to the Provincial Governments, and in addition initial grants of £400,000 were made by the Government of India in connection with the new Provincial settlements with the Central Provinces and Eastern Bengal and Assam. The balances of the Provincial Governments were in consequence increased by £80,400, instead of being drawn upon for £1,370,300, so that under the head "Provincial balances" there is a net increase of £1,450,700 in the expenditure charged against the revenue of the year.

*Budget, 1906-7.*

In preparing the Budget for 1906-1907 the Government of India have, with the sanction of the Secretary of State in Council, made provision for the following special measures :—

1. *Remission of certain land cesses.*—These cesses amounted to £547,900 a year, and the proceeds were applied mainly towards the maintenance of village establishments and land records. Their remission is supplemental to the abolition in March, 1905, at an estimated cost of £151,000 a year, of Famine Cesses in the United Provinces, the Punjab, and the Central Provinces.
2. *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 was decided in 1905 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 provided in the Budget for 1905-06 grants amounting to £333,000, and announced that the amount would be increased in future years so as to enable further reforms to be carried out. In the Budget for 1906-7 the grants are increased to £500,000.
3. *Relief of District and Local Boards from Contributions towards District Post and other services.*—The cost of this measure is £38,800 a year.

4. *Grants to Provincial Governments for Expenditure on Technical and European Education.*—A permanent grant of £33,300 has been made for these purposes. Approximately one-half will be applied to technical education, and the remainder to the education of Europeans and Eurasians.
5. *Grants for Agricultural Development.*—In March 1905 permanent grants of £133,000 a year were made to the Provincial Governments for expenditure on the establishment of experimental and demonstration farms and agricultural colleges. A further sum of £26,700 a year has now been appropriated for this purpose. A portion of the money will be reserved for expenditure by the Imperial Government, the remainder being added to the grants made to the Local Governments last year.

After provision has been made for the measures mentioned above the estimated net revenue and expenditure for 1906–1907 are as follows :—

							£
Net Revenue	...	...	...	...	...	...	48,829,700
Net Expenditure	...	...	...	...	...	...	47,955,600
							<hr/>
Surplus	...	...	...	...	...	...	874,100
							<hr/>

As compared with the Revised Estimate for the previous year these figures shew an increase of £329,400 in net revenue, and of £1,211,000 in net expenditure, and accordingly a diminution of £881,600 in the surplus.

The chief items which make up the increase of £329,400 in the Net Revenue are as follows :—

Increases are anticipated in—		£	£
Land Revenue (chiefly in the United Provinces, Burma, Bombay, and the Punjab)	...	740,100	
Irrigation (mainly owing to improved prospects in the United Provinces and the Punjab)	... ..	213,200	
Railways (an increase of £1,496,400 being anticipated in the gross receipts, and of £1,292,600 in the working expenses and other charges)	... ..	203,800	
Excise	... ..	164,000	
Customs	... ..	135,300	
Stamps, Salt, Assessed Taxes, Post Office, Tributes, and Registration	... ..	257,000	
Total increases in revenue	... ..	<hr/>	1,713,400
Decreases are anticipated in—			
Opium (in view of recent decline in prices)	...	634,300	
Provincial Rates (owing to the remissions of cesses mentioned above)	... ..	512,400	
Mint (the rupee coinage, on which a seigniorage of 2 per cent. is credited to Mint, having been exceptionally heavy in 1905–1906)	... ..	122,000	
Telegraph, Exchange, and Forest	... ..	115,300	
Total decreases in revenue	... ..	<hr/>	1,384,000
Net increase of Revenue	... ..	...	<hr/> <hr/>
			329,400

The chief items which make up the increase of £1,211,000 in the net Expenditure are as follows:—

Increases are anticipated in—	£	£
Army (mainly for Stores) ... ..	419,800	
Police (owing to special grants of £333,000 not having been fully spent in 1905–1906, and to additional grant of £166,700 mentioned above) ... ..	418,700	
Civil Works (partly for increased Expenditure in Eastern Bengal and Assam, consequent on the creation of the new Province) ...	339,600	
Collection of Revenue (chiefly in Land Revenue charges) ... ..	328,900	
Education ... ..	309,200	
Scientific and Minor Departments ... ..	150,700	
Military Works and Special Defence Works	130,500	
Other heads ... ..	380,200	
Total increases in Expenditure ...	—————	2,477,600
Decreases are anticipated in—		
Provincial Adjustments (owing to payments by Provincial Governments from their balances towards the expenditure of the year) ... ..	1,158,000	
Other heads ... ..	108,600	
Total decreases of Expenditure ...	—————	1,266,600
Net increase of Expenditure ... ..	...	<u>1,211,000</u>

#### *Debt.*

In 1904–1905 a loan of 3 crores of rupees (£2,000,000) bearing interest at  $3\frac{1}{2}$  per cent. 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 India 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 1905–1906 a loan of 4 crores of rupees (£2,666,700) was issued in India at an average price of 98·8 per cent. In England £2,000,000 3 per cent Stock was offered for tender at a minimum price of 97. The average price obtained was £97 18s. 1d. Of the proceeds of this loan £250,000 was used for the discharge of debentures of the Great Indian Peninsula Railway, £500,000 for the purchase of the Bengal Central Railway (on the 30th June, 1905), and the remainder for advances to railway companies and capital expenditure on State railways. As part of the purchase price of the Bombay, Baroda, and Central India Railway, which was acquired by the Secretary of State as from the 31st December, 1905, £10,089,146 India 3 per cent. Stock was created and issued to the Company. The £500,000 sterling bills which were outstanding on the 1st April, 1905, were discharged without replacement.

In the Budget of the current year (1906-1907) it was proposed to issue in India a loan of 4½ crores of rupees (£3,000,000); and in England a loan of £2,000,000. The loan in England was issued on 23rd May, 1906, tenders being invited for £2,000,000 3 per cent. India Stock at a minimum of £94 10s. The average rate obtained was £94 16s. 5d. Of the proceeds of this loan £749,900 will be used for the discharge of debentures of the Bombay, Baroda, and Central India Railway Company, and the remainder for advances to railway companies and capital expenditure on State railways.

### Railways.

On the 31st of March, 1906, the length of Railways in India open for traffic was 28,684 miles, of which 956 were opened in 1905-1906. The mileage under construction or sanctioned for construction was 2,767 miles, of which 622 were sanctioned in 1905-1906.

The capital expenditure on Railways shewn in the Accounts for 1904-1905 and Estimates for 1905-1906 and 1906-1907 is as follows:—

	Accounts, 1904-1905.	Revised Estimate, 1905-1906.	Budget, 1906-1907.
	£	£	£
<b>Expenditure not charged to Revenue:—</b>			
State railways (from money provided by State).	4,933,400	7,152,700	6,147,900
State railways (from money raised through Companies).	963,600	1,488,000	1,850,000
Old guaranteed Companies ... ..	141,700	-794,000	386,000
Other guaranteed or assisted Companies	1,206,300	548,600	1,693,400
Branch lines on firm guarantee ... ..	4,300	300	2,000
Local Boards ... ..	—	26,700	86,700
<b>Expenditure charged to Revenue ... ..</b>	<b>122,100</b>	<b>64,300</b>	<b>11,600</b>
<b>Total outlay by Government or with Government assistance.</b>	<b>7,371,400</b>	<b>8,486,600</b>	<b>10,177,600</b>
Branch lines not on firm guarantee ... ..	5,800	70,300	34,100
Railways outside Government accounts ... ..	461,500	537,900	359,700
<b>Total ... ..</b>	<b>7,838,700</b>	<b>9,094,800</b>	<b>10,571,400</b>

The net traffic receipts in 1904-1905 of open lines in which the Government is directly interested were 5·46 per cent. on the capital cost. Details relating to the several lines will be found on page 29 below.

The Railway Revenue Account shewed in 1904-1905 a net receipt of £2,105,400, and in 1905-1906 of £2,025,500. In the Budget for 1906-1907 it is assumed that there will be a moderate increase in the total traffic, and the net receipt is taken at £2,229,300. 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 1904-1905 ... ..	652,500
In 1905-1906 ... ..	674,864
In 1906-1907 ... ..	697,974

The Bombay, Baroda and Central India Railway was purchased on the 31st December, 1905, the purchase price, as calculated in accordance with the provisions of the contracts between the Government and the Company, being £11,685,580. Particulars regarding the mode of purchase will be found on page 18.

The Bengal Central Railway was also purchased in 1905-1906 (for £500,000 in cash), and an arrangement was made by which the South Behar Railway was leased to the State.



### 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 :— 1904–1905, £508,800 ; 1905–1906 (Revised Estimate), £793,900 ; 1906–1907 (Budget), £1,240,700. The allotment for 1906–1907 includes grants of £176,700 for the Upper Chenab Canal, £133,300 for the Upper Jhelum Canal, and £378,500 for various protective projects. Of the gross expenditure on minor works, amounting to £896,000 in 1904–1905, £969,400 in 1905–1906 (Revised Estimate), and £1,012,600 in 1906–1907 (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.)
	£	£
1904–1905 ... ..	25,799,400	997,076
1905–1906 (Revised Estimate) ...	26,593,300	843,700
1906–1907 (Budget) ... ..	27,833,900	1,092,600

### Liabilities and Assets.

On the 31st of March, 1906, the debt of India amounted to £230,514,921 (viz. :—rupee debt, converted into sterling at 1s. 4d. the rupee, £84,057,482, and sterling debt, £146,457,439). 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 £17,995,339.

Up to the same date the Government of India had devoted £94,935,378 to the construction of Railways, and £26,593,277 to the construction of Irrigation Works. It had purchased from companies (in some cases by cash payments, in others by annuities,\* and in one case by the direct issue of India stock to the company) eight railways, on which, at the time of purchase, £97,256,700 had been spent. It had lent £12,128,736 (net) to Native States, Corporations, Agriculturists, &c., and had advanced £7,580,343 (net) to Railway Companies. Other assets were the Gold Reserve Fund, on account of which £12,165,032 had been invested, the cash balances in India, £11,733,300, and the cash balances in England, £8,436,541.

### 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 :—

	£	
1903–1904 ...	23,859,303	at an average rate of 1s. 4·0491d. per rupee.
1904–1905 ...	24,425,558	” ” 1s. 4·045d. ”
1905–1906 ...	31,580,453	” ” 1s. 4·0427d. ”

In December, 1905, the Secretary of State announced his willingness, subject to certain conditions, to grant telegraphic transfers on India at the rate of 16d.

\* 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, 1958 ; and Great Indian Peninsula Railway Annuity, £1,268,516, to 17th August, 1948.

the rupee against shipments of sovereigns from Australia consigned to him in London, and the amount shewn above as representing the total sale of bills and transfers in 1905-06 includes £3,640,000 on this account.

#### *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. This profit amounted to £3,031,294 in 1900-1901, £415,100 in 1901-1902, £264,028 in 1902-1903, £2,627,575 in 1903-1904, £1,790,380 in 1904-1905, and £3,488,700 in 1905-1906. 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, 1906, was £12,165,032, and the securities purchased were as follows:—£7,641,210 2½ per cent. Consolidated Stock, £1,252,366 National War Loan 2¾ per cent. Stock, £500,000 Local Loans 3 per cent. Stock, £1,494,324 Transvaal Government 3 per cent. Guaranteed Stock, £538,720 Guaranteed 2¾ per cent. Stock, and £1,500,000 Treasury Bills.

#### *Home Charges.*

The net Expenditure in England chargeable to Revenue was £18,827,654 in 1904-1905, £18,071,800 in the Revised Estimate for 1905-1906, and £18,731,300 in the Budget for 1906-1907. The last-named amount is thus divided:—

	£
Interest and Management of Debt, and payment of Interest and Annuities on account of Railways ... ..	9,717,800
Payments in connection with Civil Departments in India ...	315,800
India Office, including Auditor's and Store Departments ...	194,100
Army Effective Charges ... ..	786,400
Stores of all kinds charged against revenue ... ..	2,708,500
Furlough Allowances ... ..	682,000
Non-Effective Charges ... ..	4,326,700
<b>Total ... ..</b>	<b>18,731,300</b>

Besides this, the outlay on stores, &c., for the construction of State Railways and Irrigation Works was £1,502,352 in 1904-1905, and is estimated at £2,108,100 in 1905-1906, and £3,290,900 in 1906-1907.

#### *Seaborne Trade.*

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

	1903-1904.	1904-1905.	1905-1906.
Exports of Merchandise ... ..	£ 102,344,773	£ 105,138,868	£ 107,903,597
Imports .. ..	61,728,182	69,608,497	74,713,988
Net Exports of Merchandise ... ..	40,616,591	35,530,371	33,189,609
Net Imports of Gold ... ..	6,621,107	6,470,590	305,327
Net Imports of Silver ... ..	9,033,711	8,915,649	10,482,299
Net Imports of Treasure ... ..	15,654,818	15,386,239	10,787,626
Balance: Net Exports ... ..	24,961,773	20,144,132	22,401,983

The transactions in treasure on account of the Government were as follows :—  
 1903–1904, net export of gold £4,264,559, net import of silver £4,056,783 ;  
 1904–1905, net export of gold £5,605,000, net import of silver £4,290,596 ;  
 1905–1906, net export of gold £5,996,000, net import of silver £7,135,650.

*Burden of Taxation.*

	Accounts 1904–1905.	Revised Estimate, 1905–1906.	Budget, 1906–1907.
	£	£	£
Salt ... ..	5,093,466	4,071,900	4,136,800
Stamps ... ..	3,697,102	3,820,800	3,928,300
Excise ... ..	5,306,198	5,602,100	5,766,100
Provincial Rates ... ..	2,820,358	2,769,800	2,257,400
Customs ... ..	4,267,032	4,234,900	4,370,200
Assessed Taxes ... ..	1,263,098	1,300,400	1,335,700
Registration ... ..	337,921	353,100	353,800
Total ... ..	22,785,175	22,153,000	22,148,300
According to the census taken in March, 1901, the population of British India was 231,085,000. On this basis, and allowing for an increase of population at the rate of one-half 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 11½	s. d. 1 10½	s. d. 1 10½
If the payment of Land Revenue be added, the average becomes...	3 6	3 5½	3 5½

JOHN MORLEY.

India Office,  
6th June, 1906.

## APPENDIX I.

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

## NET REVENUE.

*Land Revenue.*

				£
Accounts, 1904-1905	...	...	...	18,226,402
Budget, 1905-1906	...	...	...	18,732,100
Revised Estimate, 1905-1906	...	...	...	18,287,600
Budget, 1906-1907	...	...	...	19,027,700

In 1904-1905 the collections were affected by a partial failure of the rains in Madras and Bombay and 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 anticipated a considerable improvement over the results of 1904-1905, but agricultural conditions have been unfavorable in parts of Bombay, the Punjab, and the United Provinces, and large amounts of land revenue have been remitted and suspended.

The Government of India anticipate that the receipts will be considerably better in 1906-1907. In the United Provinces an increase of £244,000 is expected, after allowing for remissions and suspensions amounting to £209,000. In Bombay also, in spite of the adverse conditions prevailing in the Deccan districts, an improvement of £146,000 is anticipated, after allowing £333,000 for remissions and suspensions. Considerable improvements are also expected in Burma, where much new land is being brought under settlement, and also in Madras and the Punjab. These estimates are based on the assumption that the rainfall will be normal.

*Forest.*

				£
Accounts, 1904-1905	...	...	...	1,599,162
Budget, 1905-1906	...	...	...	1,600,100
Revised Estimate, 1905-1906	...	...	...	1,788,200
Budget, 1906-1907	...	...	...	1,787,000

More than one-third of the total revenue under this head is obtained in Burma. The gross receipts in this province nearly doubled in the ten years from 1895-1896 to 1905-1906; in the former year they were £380,000, in the latter £733,000.

*Tributes.*

	Accounts, 1904-1905.	Budget, 1905-1906.	Revised Estimate, 1905-1906.	Budget, 1906-1907.
Receipts .. ...	£ 633,844	£ 620,400	£ 593,900	£ 609,100
Assignments and Compensations, and Refunds and Drawbacks.	212,541	207,800	204,700	197,000
Net Revenue ... ..	421,303	412,600	389,200	412,100

The most important of the receipts under this head is the tribute of £233,000 from Mysore; the most important of the "assignments and compensations" is the payment of £167,000 to the Nizam of Hyderabad under the arrangement for the administration of Berar.

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*Opium.*

				Accounts, 1904-1905.	Budget, 1905-1906.	Revised Estimate, 1905-1906.	Budget, 1906-1907.
Receipts	...	...	...	£ 6,021,499	£ 5,477,700	£ 5,490,500	£ 4,831,100
Charges	...	...	...	1,970,500	1,840,900	1,899,900	1,874,800
Net Receipts	...	...	...	4,050,999	3,636,800	3,590,600	2,956,300

The Opium revenue is collected in different ways in different parts of India. In certain districts of Bengal and the United Provinces the poppy is cultivated under a system of advances by the Government, who manufacture the drug for sale by auction at Calcutta. About five-sixths of the total revenue is obtained from these sales. The bulk of the remainder is derived from a pass duty levied on each chest of opium despatched from the group of Native states known as Malwa. The opium expenditure consists chiefly of payments to the cultivators in Bengal.

In 1904-05 the prices realised at the Calcutta sales were exceptionally high.

In 1905-06 the prices obtained for Bengal opium fell considerably, especially towards the end of the year, and the exports of Malwa opium were the lowest on record.

In framing the Budget for the present year the Government of India have, in view of the recent fall in prices at Calcutta, allowed for a large reduction in the receipts from Bengal opium. An increase is anticipated in the exports of Malwa opium.

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
Accounts, 1904-1905 ...	48,000	1,587	18,821	500 and 600	50,000	1,795,022
Budget Estimate, 1905- 1906.	48,000	1,400	20,000	600	—	1,655,400
Revised Estimate, 1905- 1906.	49,200	1,434	14,750	600	55,501	1,720,700
Budget, Estimate, 1906- 1907.	52,800	1,125	16,500	600	—	1,690,700

*Salt.*

Accounts, 1902-1903...	...	...	...	£ 5,931,933
Accounts, 1903-1904...	...	...	...	4,981,704
Accounts, 1904-1905...	...	...	...	5,093,466
Revised Estimate, 1905-1906	...	...	...	4,071,900
Budget, 1906-1907 ...	...	...	...	4,136,800

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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. Reports which have been submitted by the Local Governments to the Government of India shew that the consumers of salt have, as was hoped, benefited by the reduction of the duty.

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

In 1901-1902	...	...	...	34,393,800 maunds.
In 1902-1903	...	...	...	35,201,200 „
In 1903-1904	...	...	...	36,394,300 „
In 1904-1905	...	...	...	37,979,600 „
In 1905-1906	...	...	...	39,312,000 „

*Stamps.*

Accounts, 1904-1905	...	...	...	£ 3,697,102
Budget, 1905-1906	...	...	...	3,765,400
Revised Estimate, 1905-1906	...	...	...	3,820,800
Budget, 1906-1907	...	...	...	3,928,300

About two-thirds of the revenue is derived from court fee stamps and about one-third from commercial and other stamps. The revenue has continued to develop in every province except the Punjab, where there has been a falling-off owing partly to the reduction of mortgages and transfers of land caused by the Land Alienation Act and partly to the Loans Limitation Act.

*Excise.*

Accounts, 1904-1905	...	...	...	£ 5,306,198
Budget, 1905-1906	...	...	...	5,396,700
Revised Estimate, 1905-1906	...	...	...	5,602,100
Budget, 1906-1907	...	...	...	5,766,100

The Excise Revenue has been steadily expanding since 1897-1898, when the net receipts were only £3,609,400. The improvement in 1905-06 was shared by all provinces except the United Provinces, where the revenue was seriously affected by the unfavourable agricultural conditions: it was greatest in the Central Provinces and Berar (£98,800), Bengal (£95,000), and Burma (£74,500).

*Provincial Rates.*

Accounts, 1904-1905	...	...	...	£ 2,820,358
Budget, 1905-1906	...	...	...	2,774,700
Revised Estimate, 1905-1906	...	...	...	2,769,800
Budget, 1906-1907	...	...	...	2,257,400

Famine cesses in Northern India amounting to £151,000 a year were abolished partly in April, 1905, and partly in April, 1906. Village service cesses amounting to £547,900 were abolished in April, 1906: and the reduction shewn in the Budget is due to this cause.

*Customs.*

Accounts, 1904-1905	...	...	...	£ 4,267,032
Budget, 1905-1906	...	...	...	4,266,400
Revised Estimate, 1905-1906	...	...	...	4,234,900
Budget, 1906-1907	...	...	...	4,370,200

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

	Accounts, 1903-1904.	Accounts, 1904-1905.	Budget, 1905-1906.	Revised Estimate, 1905-1906.	Budget, 1906-1907.	Notes on the main heads of Net Revenue and Ex- penditure.
	£	£	£	£	£	
Cotton Manufactures ... ..	658,900	811,300	778,500	886,700	900,000	
Excise duty on Cotton Goods ...	138,500	158,800	166,700	183,700	200,000	
Rice (export duty) ... ..	802,100	879,000	800,000	793,300	800,000	
Liquors ... ..	543,700	554,700	561,300	627,000	647,300	
Silver Bullion and Coin ...	268,500	274,100	293,300	186,700	200,000	
Other Metals and Manufactures of Metals.	227,900	230,900	256,700	206,700	220,000	
Other Manufactured Articles ...	472,100	544,000	576,700	543,300	566,700	
Petroleum ... ..	293,300	305,900	316,700	243,300	243,300	
Other Articles ... ..	561,300	603,100	614,100	649,200	686,900	
Total ... ..	3,966,300	4,361,800	4,364,000	4,324,900	4,464,200	

The most noteworthy variations from the Budget estimates shown in the Revised Estimates for 1905-06 are :—(1) the great and continued growth of the imports of cotton manufactures and of the receipts from the excise duty on cotton goods manufactured in India : (2) a decline in the imports on private account of silver bullion consequent on a rise in its price : (3) a great decrease in the imports of Russian kerosene oil owing to the disturbances at Baku, its place being taken by Burma oil, which pays no duty : and (4) a falling-off in the imports of enamelled and other ironware and tin, partly counterbalanced by increased imports of steel-ware, machinery, and mill works. The duty on imported spirits was increased from Rs. 6 to Rs. 7 per proof gallon with effect from the 26th February, 1906, by an Act passed on the 26th January.

*Assessed Taxes.*

	£
Accounts, 1904-1905 ... ..	1,263,098
Budget, 1905-1906 ... ..	1,273,400
Revised Estimate, 1905-1906 ... ..	1,300,400
Budget, 1906-1907 ... ..	1,335,700

The receipts shewn under this head are almost entirely derived from Income Tax. The tax is levied on non-agricultural incomes of Rs. 1,000 a year or more at the rate (approximately) of 2 per cent. on incomes from Rs. 1,000 to Rs. 2,000, and 2½ per cent. on incomes of Rs. 2,000 or more.

*Registration.*

	£
Accounts, 1904-1905 ... ..	337,921
Budget, 1905-1906 ... ..	341,900
Revised Estimate, 1905-1906 ... ..	353,100
Budget, 1906-1907 ... ..	353,800

The receipts are principally derived from fees for registering documents.

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## Post Office.

Notes on the main heads of Net Revenue and Expenditure.		Accounts, 1904-1905.	Budget, 1905-1906.	Revised Estimate, 1905-1906.	Budget, 1906-1907.
		£	£	£	£
Receipts ... ..		1,575,980	1,608,300	1,658,700	1,727,100
Charges ... ..		1,519,813	1,543,500	1,558,200	1,600,900
Net revenue ... ..		56,167	64,800	100,500	126,200

In April, 1905, the letter-weight carried for a half-penny was raised from one-half to three-quarters of a tola (about one-third of an ounce), at an estimated cost of £46,700. This loss has been more than counterbalanced by the increase of revenue resulting from the normal growth of the department.

## Telegraph.

		Accounts, 1904-1905.	Budget, 1905-1906.	Revised Estimate, 1905-1906.	Budget, 1906-1907.
		£	£	£	£
Receipts ... ..		897,923	909,100	913,700	938,100
Charges ... ..		902,268	1,034,400	1,068,200	1,155,000
Net charge ... ..		4,345	125,300	154,500	216,900

The Revised Estimate of Receipts in 1905-1906 shows an increase of £39,600 in the revenue of the Indian Telegraph Department as compared with the previous year, but a decrease of £23,800 in that of the Indo-European Telegraph Department due to a reduction made in August, 1905, of the tariff between Europe and India from 2s. 6d. to 2s. a word. The charges include the following amounts for capital outlay, mainly on account of the Indian Telegraph Department:—1904-1905, £268,751; 1905-1906 (Revised Estimate), £393,300; 1906-1907 (Budget), £427,900.

## Railways.

		Accounts, 1901-1905.	Budget, 1905-1906.	Revised Estimate, 1905-1906.	Budget, 1906-1907.
		£	£	£	£
State Railways :—					
Gross Receipts ... ..		22,900,337	22,906,900	23,701,200	25,681,900
Charges :—					
Working Expenses ... ..		11,295,437	11,236,900	11,630,300	12,784,000
Interest on Capital spent or advanced by the State.		5,061,871	5,335,300	5,323,400	5,943,900
Interest on Capital deposited by Companies.		1,265,989	1,342,300	1,316,000	1,469,100
Annuities in purchase of railways.		3,009,333	3,013,200	3,013,800	3,018,200
Total ... ..		20,632,630	20,927,700	21,283,500	23,215,200
Net Receipts ... ..		2,267,707	1,979,200	2,417,700	2,466,700
Guaranteed Railways :—					
Net charge to the State...		111,095	326,300	341,700	169,700
Miscellaneous charges(net)		51,174	88,700	50,500	67,700
Net Receipts from all Railways.		2,105,438	1,564,200	2,025,500	2,229,300



*General.*—Before 1899–1900 the Railway Revenue Account always shewed a net charge. The figures from that year onwards are as follows :—

				£	Appendix I.
1899–1900	...	...	Net receipt	76,756	Notes on the main heads of Net Revenue and Ex- penditure.
1900–1901	...	...	,,	325,124	
1901–1902	...	...	,,	846,616	
1902–1903	...	...	,,	228,949	
1903–1904	...	...	,,	860,669	
1904–1905	...	...	,,	2,105,438	
1905–1906	...	...	,,	2,025,500	
(Revised Estimate.)					
1906–1907	...	...	,,	2,229,300	
(Budget Estimate.)					

*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, Bombay, Baroda and Central India (purchased by the Secretary of State on the 31st December, 1905), 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, and also the receipts of the Bombay, Baroda and Central India Railway, which was purchased in 1905–1906, the receipts for 10 years are as follows :— 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, £19,567,323 ; 1905–1906 (Revised Estimate), £19,834,500 ; 1906–1907 (Budget), £20,748,600.

Including the receipts of the Great Indian Peninsula Railway and of the Bombay, Baroda and Central India Railway, the figures since the 1st April, 1901, are :—

1901–1902.	1902–1903.	1903–1904.	1904–1905.	Revised Estimate, 1905–1906.	Budget, 1906–1907.
£	£	£	£	£	£
20,310,577	20,205,077	21,697,048	24,134,113	24,609,533	25,681,900

In comparing the figures for 1904–1905, 1905–1906, and 1906–1907, contained in the Table on page 16, it must be remembered that they are affected by the following changes in the classification of the receipts and charges of particular lines, viz. :—(1) The receipts and charges of the Bengal and North Western Railway were included in the Government accounts among the figures relating to State railways up to the end of 1904–1905 ; but from that date they are excluded in order to indicate more clearly the effect of the new contract between the Company and the Secretary of State. The amount in respect of this line included in the receipts of State railways for 1904–1905 is approximately £437,000 : corresponding charges are included in respect of the line among the working expenses of State railways for the same year. (2) The receipts and charges of the Bombay, Baroda and Central India Railway are included from 1st January, 1906, among those of State railways in consequence of the purchase of the line by the State under the arrangements mentioned

Appendix below ; the gross receipts so included are in 1905-1906, £316,700 and in 1906-1907, £1,333,000, and the charges for working expenses and interest are in 1905-1906, £146,100, and in 1906-1907, £1,081,500.

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But for these changes in classification the net receipts of State Railways in 1905-1906, which in the Table shew an increase of £150,000 over those for 1904-1905, would have shewn a decrease of about £20,000. The result of the year's working is more favourable than was anticipated. The net receipts in 1904-1905 were so large that a falling off of nearly £300,000 was allowed for in the Budget for 1905-1906. But, while there was a reduction in the receipts of the North Western Railway, chiefly owing to the smaller traffic in grain and seeds, there were remarkable increases on the Bengal-Nagpur, Great Indian Peninsula, Madras (North Eastern Section), Rajputana-Malwa and Southern Mahratta Railways, owing to the expansion of the traffic in coal, cotton, and grain.

In the Budget for 1906-1907 a slight increase of the net receipts over those for 1905-1906 is anticipated. Apart from the increase due to the inclusion of the figures for the Bombay, Baroda and Central India Railway for the whole year, an improvement of £964,100 is expected in the gross receipts in consequence of expansion of traffic and recovery of the ground temporarily lost by the North-Western Railway ; but a large provision is made in the estimate of working expenses for renewals of permanent way and rolling stock on the North-Western Railway.

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. :—1904-1905, £652,500 ; 1905-1906, £674,864 ; 1906-1907, £697,974.

*Guaranteed Railways.*—The transactions included under the heading "Guaranteed Railways" are, with slight exceptions, those of the Madras Railway Company and (to the 31st December, 1905) 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 to the Company by the following amounts, viz. :—1904-1905, £173,795 ; 1905-1906 (Revised Estimate), £170,700 ; 1906-1907 (Budget), £169,700. In the case of the Bombay, Baroda and Central India Railway Company the net traffic receipts in 1904-1905 exceeded by £48,092 the charges borne by the Government, but there was a deficiency of £171,000 during the first 9 months of 1905-1906. From the 1st January, 1906, as stated above, the transactions of the line are included in those of State Railways.

*Purchase of the Bombay, Baroda and Central India Railway.*—The Bombay, Baroda, and Central India Railway was purchased on the 31st December, 1905. The purchase price, as calculated in accordance with the provisions of the contracts between the Government and the Company was £11,685,580, of which £9,685,580 was paid by the issue of £10,089,146 India 3 per cent. stock direct to the Company for distribution among the stockholders, £100 stock being taken as the equivalent of £96 cash. The remaining £2,000,000 of the purchase price has not yet been paid. Negotiations are proceeding with a view to an arrangement by which the Company shall undertake to work the line on behalf of the State for 25 years and shall create, and allot as fully paid up to the stockholders, £2,000,000 new capital stock on which the Company will be entitled to interest at 3 per cent. guaranteed by the Secretary of State, and to a share of the surplus profits after certain charges have been met. Should these negotiations prove unsuccessful the Company will be at liberty to demand payment in cash of the remaining £2,000,000 of the purchase price. Meanwhile the line is being worked by the Company on behalf of the Secretary of State in Council under a temporary agreement.

The Bengal Central Railway was purchased for cash in 1905-1906, and an arrangement was made by which the South Behar Railway was leased to the State.

*Irrigation.*Appendix  
I

	Accounts, 1904-1905.	Budget, 1905-1906.	Revised Estimate, 1905-1906.	Budget, 1906-1907.
<b>MAJOR WORKS :</b>	£	£	£	£
Receipts ... ..	2,887,581	2,888,100	2,782,900	3,072,900
Working Expenses ... ..	875,281	854,100	898,900	901,100
Interest on Debt ... ..	1,015,224	1,048,300	1,040,300	1,079,200
Net Receipts ... ..	997,076	985,700	843,700	1,092,600
<b>MINOR WORKS :</b>				
Receipts ... ..	183,455	167,100	169,600	177,100
Expenditure ... ..	895,848	990,900	969,400	1,012,600
Net Expenditure ... ..	712,393	823,800	799,800	835,500
Net Receipts, Major and Minor Works.	284,683	161,900	43,900	257,100

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More than two-fifths of the revenue under this head is obtained in the Punjab.

The falling-off in 1905-1906 in the receipts under Major Works occurred chiefly in the United Provinces and the Punjab. In the former province it was due to a decrease in the area irrigated for sugar-cane owing to frost and bad seed, and in the latter to remissions necessitated by the failure of the cotton crop in certain tracts. In the Budget Estimate for 1906-1907, it is assumed that the conditions in these provinces will be favourable for increased irrigation.

*Mint.*

	Accounts, 1904-1905.	Budget, 1905-1906.	Revised Estimate, 1905-1906.	Budget, 1906-1907.
Receipts ... ..	£ 206,410	£ 105,500	£ 305,300	£ 201,900
Charges ... ..	117,877	123,300	120,700	139,300
Net receipts ... ..	88,533	-17,800	184,600	62,600

The net profit on the coinage of new rupees 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 1905-1906 amounted to £3,488,700. Information regarding the amount of the Gold Reserve Fund and the form in which it is held is given on page 10 above.

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The Mints are credited with a seigniorage of 2 per cent. on fresh issues of rupees, to cover the cost of coinage. In 1905-1906 the coinage was unusually heavy, and the Mint receipts were accordingly high. The estimate of Receipts in 1906-1907 allows for a considerable reduction in the coinage, the amount of which, being dependent on the requirements of trade, it is impossible to foresee with certainty. Including the re-coinage of withdrawn issues, the coinage of rupees during the last three years has been as follows:—

	Rs.				
1903-1904	...	...	...	...	16,17,17,556
1904-1905	...	...	...	...	10,87,84,913
1905-1906	...	...	...	...	16,50,00,000

*Exchange.*

	£				
Accounts, 1904-1905	...	...	...	...	94,065
Budget, 1905-1906	...	...	...	...	54,700
Revised Estimate, 1905-1906	...	...	...	...	91,700
Budget, 1906-1907	...	...	...	...	40,000

The average rate obtained for bills and telegraphic transfers sold by the Secretary of State for India was 16·045 pence in 1904-1905 and 16·0427 pence in 1905-1906.

NET EXPENDITURE.

*Debt Services.*

	Accounts, 1904-1905.	Budget, 1905-1906.	Revised Estimate, 1905-1906.	Budget, 1906-1907.
	£	£	£	£
Total payments for Interest on Debt	7,280,848	7,292,400	7,333,300	7,824,800
<i>Deduct amount chargeable to Railways (included under Railways, page 16).</i>	5,064,044	5,348,300	5,337,700	5,943,900
<i>Deduct amount chargeable to Irrigation (included under Irrigation, page 19).</i>	1,015,224	1,048,300	1,040,300	1,079,200
Interest on Ordinary Debt	1,201,580	895,800	955,300	801,700
Interest on other obligations	445,365	469,100	462,500	477,100
Total	1,646,945	1,364,900	1,417,800	1,278,800
Interest Receipts	849,579	805,400	945,100	853,000
Net Interest Payments other than those chargeable to Railways and Irrigation.	797,366	559,500	472,700	425,800

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 16 and 19 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.

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The large increase in 1906-1907 in the total payments, and in the amount chargeable to railways, is chiefly due to the inclusion of the charge for interest on the stock created for the purchase of the Bombay, Baroda, and Central India Railway, and on the obligations of the Company for which the liability was assumed by the Secretary of State in Council from the date of purchase. The interest charges so included since the 31st December, 1905, when the line was purchased by the Secretary of State, are as follows:—1905-1906, £22,800; 1906-1907 (Budget), £384,800.

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 shown on page 9 above.

The receipts shown 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. They also include the interest, in India and England, on the invested portion (now £8,000,000) of the Paper Currency Reserve.

#### ARMY.

##### *Net Army Charges in India.*

	Accounts, 1904-1905.	Budget, 1905-1906.	Revised Estimate, 1905-1906.	Budget, 1906-1907.
<b>NET CHARGES IN INDIA.</b>				
<b>Effective Services:—</b>	£	£	£	£
Army and Garrison and Ad- ministrative Staff.	545,360	558,000	552,900	566,900
Regimental Pay, Allowances and Charges.	6,538,235	6,562,400	6,771,800	7,114,600
Supply and Transport... ..	2,541,347	2,593,100	2,649,000	2,811,500
Medical Establishments, Sup- plies and Services.	560,694	582,200	561,600	578,700
Ordnance Establishments, Stores and Camp Equipage.	681,097	814,000	732,700	804,600
Miscellaneous Services ...	786,436	195,200	203,600	122,100
Other Effective Services ...	852,444	922,100	861,700	897,100
<b>Total Effective Services ...</b>	<b>12,505,613</b>	<b>12,227,000</b>	<b>12,333,300</b>	<b>12,895,500</b>
Non-effective Charges ... ..	582,287	578,200	595,100	587,200
Reorganization ... ..	411,133	569,000	461,800	(a)
<b>Total, India ... ..</b>	<b>13,499,033</b>	<b>13,374,200</b>	<b>13,390,200</b>	<b>13,482,700</b>

(a) "Reorganization" charges included under "Effective Services."

Appendix  
I.

## Net Army Charges in England.

Notes on the main heads of Net Revenue and Expenditure.	Accounts, 1901-1905.	Budget, 1905-1906.	Revised Estimate, 1905-1906.	Budget, 1906-1907.
Effective Services :—				
Charges—	£	£	£	£
Payments to War Office for British Forces in India.	644,552	646,000	566,000	650,000
Furlough Allowances ... ..	394,068	376,000	427,000	400,000
Indian Troop Service and Passage of Officers.	382,503	340,300	333,900	334,000
Miscellaneous ... ..	53,412	42,000	43,300	35,000
Stores ... ..	1,471,590	853,500	709,600	1,780,300
Total ... ..	2,946,125	2,257,800	2,079,800	3,199,300
Receipts—				
Contribution of Imperial Government towards Transport 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.	97,327	70,900	83,000	43,000
Total ... ..	327,327	300,900	313,000	273,300
Net Charge for Effective Services ...	2,618,798	1,956,900	1,766,800	2,926,000
Non-effective Charges (net) ...	2,410,566	2,388,000	2,346,900	2,373,500
Reorganization ... ..	686,366	1,635,600	858,500	(a)
Total, England ... ..	5,715,730	5,980,500	4,972,200	5,299,500
Grand Total ... ..	19,214,763	19,354,700	18,362,400	18,782,200

(a) "Reorganization" charges included under "Effective Services."

It will be seen from the table above that in the Revised Estimate for 1905-1906 the net expenditure on the Army is less by £992,300 than was anticipated in the Budget for that year, while the amount provided in the Budget for 1906-1907 exceeds by £419,800 that shown in the Revised Estimate for 1905-1906. The chief variations occur in the expenditure on measures for improving the efficiency of the Army, to which reference was made in the Financial Statement of the Government of India, published in March, 1905.

In the estimates and accounts published last year the expenditure on these measures was exhibited under a special sub-head "Reorganisation," to which it was intended to charge all the cost, initial and recurring, of the measures in question. Experience has shown that a disproportionate amount of labour would be involved in bringing to account in this manner, with absolute accuracy, all the expenditure of this nature, which includes the annual cost of many small improvements in the organisation of existing establishments. It has therefore been decided that this expenditure shall be included under the ordinary heads of account, but that a record of the amount shall be kept, based to some extent on careful estimates. In the following table the figures relating to the Army in the Estimates for 1905-1906 and 1906-1907 are analysed so as to show separately the Ordinary Expenditure and the Special Expenditure, the latter division including the outlay on the measures originally included in the scheme for the improvement of the Army and on some other similar measures.

	Budget, 1905-1906.	Revised Estimate, 1905-1906.	Budget, 1906-1907.	Appendix I.
Ordinary Expenditure :—	£	£	£	Notes on the main heads of Net Revenue and Ex- penditure.
India ... ..	13,231,700	13,483,200	13,430,100	
England ... ..	4,662,900	4,453,800	4,558,000	
Total ... ..	17,894,600	17,937,000	17,988,100	
Special Expenditure :—				
India ... ..	741,200	633,900	813,800	
England ... ..	1,646,500	869,400	1,044,800	
Total ... ..	2,387,700	1,503,300	1,858,600	
Total Expenditure ... ..	20,282,300	19,440,300	19,846,700	
Deduct Receipts ... ..	927,600	1,077,900	1,064,500	
Net Charges ... ..	19,354,700	18,362,400	18,782,200	

The variations in the Special Expenditure exhibited in this table are chiefly due to the fact that certain supplies of artillery and other stores, which are being procured in England, and were expected to be received in 1905-1906, will not be delivered until 1906-1907. The amount which has to be carried forward on this account is £734,000. Among the other objects on which special expenditure is to be incurred in 1906-1907 are additional mule corps and cadres, addition of officers to the Indian Army, reorganisation of artillery batteries, and increase in reserves of ammunition.

#### Military Works.

	£
Accounts, 1904-1905 ... ..	936,137
Budget, 1905-1906 ... ..	1,104,000
Revised Estimate, 1905-1906 ... ..	1,031,100
Budget, 1906-1907 ... ..	1,122,100

The Budget includes a provision of £358,200 for buildings in connection with the redistribution of the Army and the expansion of the ordnance factories.

#### Special Defence Works.

	£
Accounts, 1904-1905 ... ..	128,295
Budget, 1905-1906 ... ..	253,200
Revised Estimate, 1905-1906 ... ..	192,000
Budget, 1906-1907 ... ..	231,500

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

Appendix  
I.

## Collection of Revenue.

Notes on the main heads of Net Revenue and Expenditure.		Accounts, 1904-1905.	Budget, 1905-1906.	Revised Estimate, 1905-1906.	Budget, 1906-1907.
		£	£	£	£
Land Revenue ... ..		3,203,694	3,378,000	3,321,200	3,473,000
Forest ... ..		869,138	926,500	949,400	985,500
Salt ... ..		345,102	373,300	370,000	372,500
Stamps ... ..		121,091	124,700	124,600	207,700
Excise ... ..		242,314	268,600	258,500	291,500
Provincial Rates ... ..		36,641	39,100	38,300	40,100
Customs ... ..		179,246	188,900	182,700	191,500
Assessed Taxes ... ..		21,417	22,500	22,600	23,200
Registration ... ..		180,899	188,100	186,700	197,900
Total ... ..	£	5,199,542	5,509,700	5,454,000	5,782,900

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.

The increase under Stamps in 1906-1907 is due to the introduction of a unified Postal and Revenue stamp; the cost of all stamps will now be included under the head "Stamps," whereas hitherto the cost of Postal and Telegraph stamps have been charged to "Post Office" and "Telegraph."

## Civil Departments.

	Accounts, 1904-1905	Budget, 1905-1906	Revised Estimate, 1905-1906	Budget, 1906-1907
	...	...	...	...
	10,852,430	11,871,500	11,608,800	12,749,400

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

	Accounts, 1904-1905.	Budget, 1905-1906.	Revised Estimate, 1905-1906.	Budget, 1906-1907.
	£	£	£	£
General Administration ..	1,475,436	1,500,700	1,582,200	1,555,100
Law Courts and Jails ...	2,545,102	2,658,100	2,645,400	2,764,400
Police ... ..	2,830,422	3,230,500	3,032,700	3,451,400
Marine ... ..	451,654	421,400	403,500	463,700
Education ... ..	1,285,261	1,633,100	1,383,700	1,692,900
Ecclesiastical ... ..	121,039	125,900	121,400	124,700
Medical ... ..	913,956	986,700	940,800	1,036,000
Political ... ..	790,339	670,100	942,400	953,800
Scientific and Minor Departments.	439,221	645,000	556,700	707,400
Total ... ..	10,852,430	11,871,500	11,608,800	12,749,400



In April, 1905, the Government of India made permanent annual grants to the Provincial Governments of £333,000 a year for Police reform, £233,000 for the improvement of primary Education, and £133,000 for the development of agricultural research and instruction. A portion of these grants has in most provinces been devoted to the construction of buildings, of which the cost is entered under "Civil Works," and it has not yet been possible to utilise fully the remaining portion owing to delay in the initiation of some of the measures contemplated. As a consequence, the charges shewn in the Revised Estimate for 1905-1906 under Police, Education, and Scientific and Minor Departments, are considerably less than in the Budget.

Appendix  
I.  
Notes on  
the  
main heads  
of Net  
Revenue  
and Ex-  
penditure.

The increase in the Political charges in the Revised Estimate for 1905-1906 and the Budget Estimate for 1906-1907 is due to the inclusion of £241,200 and £283,000, respectively, for payment of the annual subsidy, with arrears, to the Amir of Afghanistan.

The Budget Estimate for 1906-1907 includes provision for the expenditure by the Provincial Governments of the following additional permanent grants which they have received from the Government of India, as mentioned on pages 5 and 6 above, viz. :—£166,700 for Police Reform, £33,300 for Education, and £26,700 for Agriculture.

*Miscellaneous Civil Charges.*

	£
Accounts, 1904-1905 ... ..	3,668,729
Budget, 1905-1906 ... ..	3,623,100
Revised Estimate, 1905-1906 ... ..	3,656,300
Budget, 1906-1907 ... ..	3,712,800

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.
	£	£	£
1904-1905 ... ..	772,969	1,946,391	2,719,360
1905-1906 (Revised Estimate) ... ..	799,500	1,948,600	2,748,100
1906-1907 (Budget) ... ..	841,600	1,953,200	2,794,800

*Famine Relief and Insurance.*

	Accounts, 1904-1905.	Budget, 1905-1906.	Revised Estimate, 1905-1906.	Budget, 1906-1907.
	£	£	£	£
Famine Relief ... ..	2,078	211,700	136,500	539,100
Protective Railways... ..	115,812	35,100	57,900	6,700
Protective Irrigation Works ... ..	215,013	380,000	312,600	441,000
Reduction or avoidance of Debt ... ..	667,097	373,200	493,000	13,200
Total ... ..	1,000,000	1,000,000	1,000,000	1,000,000

Appendix  
I.  
Notes on  
the  
main heads  
of Net  
Revenue  
and Ex-  
penditure.

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, 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 expenditure on Famine Relief in Madras and Bombay in 1905-1906 has been very much smaller than was anticipated when the Budget for that year was framed, but there has been unexpected outlay in Ajmer-Merwara (£46,400) and the United Provinces (£43,100). The provision for relief in 1906-1907 is as follows:—Bombay, £280,000; United Provinces, £133,600; Ajmer-Merwara, £90,000; Madras, £20,000; Punjab, £15,700.

Of the total outlay on Protective Irrigation Works in 1906-1907, £156,700 is expected to occur in the United Provinces and £100,000 in the Central Provinces.

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

	£
Accounts, 1904-1905 ... ..	4,291,454
Budget, 1905-1906 ... ..	5,092,100
Revised Estimate, 1905-1906 ... ..	4,886,900
Budget, 1906-1907 ... ..	5,226,500

The increase in the Budget for 1905-1906 as compared with the Accounts of the previous year is partly due to the inclusion of permanent grants of £377,000 a year made by the Government of India to District and Local Boards in April, 1905, in aid of their expenditure on roads, buildings, hospitals, schools, water supply, sanitation, &c. Provision was also made in various provinces for increased expenditure from provincial resources. It appears from the Revised Estimate that the special grants referred to have not yet been fully utilised. On the other hand, a portion of the permanent grants of £700,000 a year made at the same time to Provincial Governments for expenditure on Police, Education, and Agriculture (*see* above under "Civil Departments,") has been devoted to the construction of buildings, and the money so spent goes to increase the charges under this head.

The Budget for 1906-1907 includes provision for the Agricultural College at Pusa, a new General Post Office at Bombay, and buildings required by the improvements in police organisation and primary education.

*Provincial Adjustments.*

	Provincial Surpluses (which are added to the Provincial Balances and charged against the Revenue of the Year).	Provincial Deficits (i.e., Contributions from Provincial Balances in reduction of the amount to be charged against the Revenue of the Year).
	£	£
Accounts, 1904-1905 ... ..	162,800	—
Budget, 1905-1906 ... ..	—	1,370,300
Revised Estimate, 1905-1906 ... ..	80,400	—
Budget, 1906-1907 ... ..	—	1,077,600

The difference between the figures of the Budget and Revised Estimates for 1905-1906 is explained on page 5 above.

## APPENDIX II.

## HOME CHARGES.

Appendix  
II.  
Home  
Charges.

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

Net Expenditure.	Accounts, 1904-1905.	Revised Estimate, 1905-1906.	Budget, 1906-1907
Interest and Management of Debt (excluding Interest charged in Railway Revenue Account) .. .. .	£ 2,932,528	£ 2,794,600	£ 2,915,900
Railway Revenue Account .. .. .	6,659,439	6,757,000	6,801,900
Civil Administration :			
Payments on account of Departments in India, passage, outfit, &c. ..	28,110	48,800	41,900
Postal Subsidy .. .. .	104,487	61,200	61,200
Telegraph : Red Sea Company's Annuity .. .. .	18,027	18,000	18,000
" Indo-European .. .. .	17,700	20,900	56,300
" Joint Purse Guarantee .. .. .	—	17,500	14,000
Public Works : Civil Engineering College .. .. .	1,951	4,800	7,100
" Other Charges .. .. .	2,578	4,800	3,000
Marine : His Majesty's ships in Indian Seas .. .. .	100,115	100,100	100,100
" Indian Government Defence Vessels .. .. .	4,000	—	—
" Other Charges .. .. .	2,983	2,000	3,000
Indian Civil Service : Allowances to Candidates, Examinations, &c. ..	8,150	8,000	8,200
Lunatics : Maintenance .. .. .	2,047	1,600	1,700
Political Charges : Persian Mission and Minor Consulates .. .. .	1,294	—	11,700
" Pensions : Territorial and Political .. .. .	10,872	11,100	10,800
" Other Charges .. .. .	2,455	3,300	2,200
India Office : Salaries of Establishment .. .. .	131,892	134,300	136,900
" Auditor's Department .. .. .	7,169	6,800	6,800
" Store Department .. .. .	27,025	25,700	25,100
" Stationery, Postage, Telegrams, and other Charges .. .. .	26,444	24,700	25,500
Army, Effective : Home Charges of British Forces serving in India (including receipt on account of Aden) .. .. .	557,239	480,000	565,000
" Troop Service and Transport (including receipt from War Office) .. .. .	193,360	158,500	188,900
" Other Charges .. .. .	52,436	42,900	34,500
Stores : Civil and Public Works .. .. .	338,139	332,100	386,000
" Telegraph .. .. .	148,365	280,000	257,000
" Marine .. .. .	189,421	154,400	210,900
" Military .. .. .	1,484,382	672,400	752,400
" Reorganisation .. .. .	686,366	858,500	1,002,200
" Special Defences (1902) .. .. .	92,387	111,100	96,000
" Miscellaneous Charges .. .. .	55,464	88,600	4,000
Furlough : Civil and Marine .. .. .	218,692	230,500	243,000
" Military .. .. .	381,381	418,000	385,000
" Telegraph and Public Works .. .. .	41,999	47,500	54,000
Non-Effective Charges : Civil and Marine .. .. .	1,358,163	1,368,800	1,372,200
" Military .. .. .	2,998,794	2,926,700	2,954,500
" Total .. .. .	18,827,654	18,071,800	18,781,300

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

Expenditure.	Accounts, 1904-1905.	Revised Estimate, 1905-1906.	Budget, 1906-1907.
Capital outlay on construction of State Railways .. .. .	£ 1,495,083	£ 2,081,800	£ 3,276,100
" " on Irrigation Works .. .. .	7,259	26,500	14,800
Total .. .. .	1,502,353	2,101,100	3,290,900

## APPENDIX III.

## RAILWAYS: MILEAGE AND TRAFFIC.

Length of railways open in India on 31st March, 1904 ... ..	27,125·6 miles.
Length of railways open in India on 31st March, 1905 ... ..	27,728·0 „
Additional mileage opened in 1905-1906:—	
Eastern Bengal ... ..	183·7 miles
Southern Punjab ... ..	152·8 „
Tirhoot ... ..	106·6 „
Rajputana-Malwa ... ..	100·5 „
North-Western ... ..	83·3 „
Rohilkhand and Kumaon ... ..	56·0 „
Hospet-Kuttur ... ..	43·0 „
East Indian ... ..	37·4 „
Bengal and North-Western ... ..	35·6 „
Bellary-Rayadrug ... ..	33·2 „
Jaipur ... ..	32·2 „
Tirupattur-Krishnagiri ... ..	25·4 „
Morappur-Dharmapuri ... ..	18·4 „
Jubbulpore-Gondia ... ..	17·0 „
Cutch ... ..	11·9 „
Other Railways ... ..	18·8 „
Total ... ..	955·8 „
Length of railways open in India on 31st March, 1905 ... ..	28,683·8 miles.

	1903.	1904.	1905.
Number of passengers carried ... ..	210,230,600	227,096,900	250,732,700
Tons of goods carried ... ..	47,684,000	52,051,000	55,862,000

## RAILWAYS : CAPITAL OUTLAY AND NET TRAFFIC RECEIPTS.

Appendix  
III.  
Railways.

(The Capital at charge for each line on 31st March, 1905, is calculated by deducting from the total capital outlay up to 31st March, 1905, half the outlay in 1904-1905.)

		Capital at Charge, March 31st, 1905.	Net Receipts, 1904-1905.	Percentage of Net Receipts on Capital Outlay.	
		£	£		
Guaranteed	...	Bombay, Baroda and Central India*...	10,956,891	674,893	6.16
		Madras ... ..	12,341,367	399,921	3.24
State	...	East Indian ... ..	41,519,953	3,382,522	8.15
		Rajputana-Malwa ... ..	10,445,149	917,502	8.78
		Bhopal ... ..	209,771	13,205	6.29
		Palanpur-Deesa ... ..	15,805	797	5.04
		Bengal-Nagpur ... ..	18,198,038	675,016	3.71
		Warora Colliery ... ..	95,743	11,773	12.29
		Burma ... ..	8,603,385	423,220	4.92
		Assam-Bengal ... ..	8,205,719	- 3,866	—
		Jorhat ... ..	60,489	- 397	—
		Eastern Bengal ... ..	11,202,106	623,961	5.57
		Bengal Central ... ..	1,017,671	36,364	3.57
		Brahmaputra-Sultanpur ... ..	184,351	63	5.03
		Tirhoot ... ..	3,472,758	184,034	5.30
		Oudh and Rohilkhand ... ..	13,045,266	486,331	3.73
		Agra Delhi Chord ... ..	617,791	666	.11
		Indian Midland ... ..	8,628,838	281,722	3.26
		Lucknow-Bareilly Section ... ..	804,717	48,605	6.04
		Hardwar-Dehra ... ..	177,837	8,978	5.05
		North Western ... ..	38,919,505	2,282,555	5.86
		South Indian ... ..	6,948,349	455,036	6.55
		North East Line, Madras Railway ... ..	4,272,114	119,179	2.79
		Nilgiri ... ..	236,271	4,411	1.87
		Bezwada Extension ... ..	78,386	11,930	15.22
		Guntakal-Mysore Frontier ... ..	394,194	20,407	5.18
		Mysore ... ..	1,191,647	37,719	3.16
		Mayavaram-Mutupet ... ..	307,349	17,058	5.55
		Tinnevely-Quilon (British Section)... ..	277,203	10,885	3.93
		Great Indian Peninsula ... ..	28,057,191	1,701,681	6.06
		Southern Mahratta ... ..	7,963,711	190,361	2.39
		Jodhpur - Hyderabad (British Section).	264,525	19,711	7.45
			238,714,090	13,036,243	5.46
Unopened lines, stores, &c.	...		3,709,103		
Private Companies:—			242,423,193	13,036,243	5.38
Government payments.	...		1,773,121		
			244,196,314		

\* The Bombay, Baroda and Central India Railway has been purchased by Government as from the 31st December, 1905.

Appendix  
IV.Irrigation  
Works.

## APPENDIX IV.

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

	Capital Outlay to end of 1904-1905.	Net Earnings (being gross receipts less working expenses).	Percentage of net Earnings on Capital Outlay.
<b>Bengal :—</b>	£	£	
Orissa Project ... ..	1,733,276	4,700	·27
Midnapore... ..	553,172	4,990	·90
Sone ... ..	1,720,455	61,014	3·55
<b>United Provinces :—</b>			
Ganges ... ..	2,010,007	211,012	10·49
Lower Ganges ... ..	2,495,696	128,631	5·15
Agra ... ..	639,735	40,918	6·39
Eastern Jumna ... ..	297,833	73,949	24·83
Betwa ... ..	309,014	3,211	1·04
<b>Punjab and N.W. Frontier Province :—</b>			
Western Jumna ... ..	1,098,319	120,063	10·93
Bari-Doab ... ..	1,274,149	164,539	12·91
Sirhind ... ..	1,575,853	117,718	7·47
Lower Chenab ... ..	1,827,875	467,072	25·55
Lower Jhelam ... ..	929,133	753	·08
Swat River ... ..	268,199	27,743	10·34
<b>Madras :—</b>			
Godavari Delta ... ..	784,039	179,275	22·87
Kistna Delta ... ..	955,565	150,619	15·76
Pennér Anicut ... ..	364,085	727	·20
Kurnool-Kuddapah ... ..	1,451,164	7,138	·50
Periyar Project ... ..	600,625	25,644	4·27
Rushikulya Project ... ..	306,638	2,598	·85
<b>Bombay :—</b>			
E. Nara Works ... ..	425,575	27,856	6·55
Mutha ... ..	462,002	11,227	2·43
Jamrao ... ..	535,821	22,619	4·22
Nira ... ..	358,067	3,384	·94
<b>Burma :—</b>			
Mandalay ... ..	339,337	974	·29
<b>Other Works ... ..</b>	<b>2,489,463</b>	<b>153,866</b>	<b>6·18</b>
<b>Total ... ..</b>	<b>25,805,097</b>	<b>2,012,300</b>	<b>7·80</b>

## APPENDIX V.

Appendix  
V.Trade  
Tables.

## TRADE TABLES.

## 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.

## LAND TRADE : Summary.

## I.—Summary of Sea-borne Trade.

	1903-1904.	1904-1905.	1905-1906.
	£	£	£
Imports :—			
Merchandise ... ..	61,728,182	69,608,497	74,713,988
Treasure ... ..	25,684,072	26,338,783	21,100,963
Total ... ..	87,412,254	95,947,280	95,814,951
Exports :—			
Merchandise :—			
Indian Produce ... ..	100,087,754	102,863,503	105,530,191
Re-exports ... ..	2,257,019	2,275,365	2,373,406
Total ... ..	102,344,773	105,138,868	107,903,597
Treasure ... ..	10,029,254	10,952,544	10,313,337
Total ... ..	112,374,027	116,091,412	118,216,934
Total Imports and Exports ... ..	199,786,281	212,038,692	214,031,885
Net Exports... ..	24,961,773	20,144,132	22,401,983

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

	1903-1904.	1904-1905.	1905-1906.
	£	£	£
<b>Imports of Merchandise :—</b>			
Private ... ..	56,548,862	64,452,192	68,696,476
Government .. ..	5,179,320	5,156,305	6,017,512
<b>Total Imports ... ..</b>	<b>61,728,182</b>	<b>69,608,497</b>	<b>74,713,988</b>
<b>Exports of Merchandise :—</b>			
Private ... ..	101,973,055	105,000,396	107,827,933
Government ... ..	371,718	138,472	75,664
<b>Total Exports ... ..</b>	<b>102,344,773</b>	<b>105,138,868</b>	<b>107,903,597</b>
<b>Net Exports, Private ... ..</b>	<b>45,424,193</b>	<b>40,548,204</b>	<b>39,131,457</b>
<b>Net Imports, Government ... ..</b>	<b>4,807,602</b>	<b>5,017,833</b>	<b>5,941,848</b>

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

	1903-1904.	1904-1905.	1905-1906.
	£	£	£
<b>Gold :—</b>			
Net Imports (+) or Exports (–) on Private Account.	+10,885,666	+12,075,590	+6,301,327
Net Imports (+) or Exports (–) on Government Account.	– 4,264,559	– 5,605,000	–5,996,000
<b>Total Net Imports ... ..</b>	<b>6,621,107</b>	<b>6,470,590</b>	<b>305,327</b>
<b>Silver :—</b>			
Net Imports (+) or Exports (–) on Private Account.	+ 4,976,928	+ 4,625,053	+3,346,649
Net Imports (+) or Exports (–) on Government Account.	+ 4,056,783	+ 4,290,596	+7,135,650
<b>Total Net Imports ... ..</b>	<b>9,033,711</b>	<b>8,915,649</b>	<b>10,482,299</b>
<b>Total Net Imports of Treasure ... ..</b>	<b>15,654,818</b>	<b>15,386,239</b>	<b>10,787,626</b>



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

	1903-1904.	1904-1905.	1905-1906.
	£	£	£
<i>A. On Private Account—</i>			
1. Live Animals ... ..	357,522	395,175	329,430
2. Articles of Food and Drink :—			
Liquors ... ..	1,218,210	1,249,315	1,345,252
Provisions :—			
From United Kingdom... ..	544,297	560,070	609,991
From elsewhere ... ..	807,223	883,796	985,086
Total ... ..	1,351,520	1,443,866	1,595,077
Salt ... ..	424,611	474,199	439,451
Spices ... ..	548,010	688,237	722,019
Sugar (Refined) :—			
From United Kingdom... ..	420,338	79,942	189,766
From Mauritius ... ..	1,692,617	1,250,130	1,302,465
From Austria-Hungary and Germany ... ..	193,670	1,155,583	1,914,331
From Java ... ..	684,887	1,273,400	956,310
From elsewhere ... ..	758,832	665,001	454,818
Unrefined Sugar, Molasses, and Confectionery	206,839	177,765	364,983
Total ... ..	3,957,183	4,601,821	5,182,673
Other articles ... ..	296,949	266,883	433,309
Total value of articles of Food and Drink ... ..	7,796,483	8,724,321	9,717,181
3. Metals and Manufactures of Metals :—			
Hardware and Cutlery :—			
From United Kingdom ... ..	1,003,734	1,049,547	1,043,216
From Germany ... ..	176,620	203,522	210,046
From elsewhere ... ..	371,533	333,096	265,493
Total... ..	1,551,887	1,586,165	1,518,755

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

A. <i>On Private Account—cont.</i>					1903-1904.	1904-1905.	1905-1906.
<b>3. Metals and Manufactures of Metals—cont.</b>							
Machinery and Millwork :—					£	£	£
From United Kingdom	...	...	...	2,116,517	2,556,261	3,137,967	
From elsewhere	...	...	...	118,578	128,567	141,832	
Total ...	...	...	...	2,235,095	2,684,828	3,279,799	
Iron and Steel :—							
From United Kingdom...	...	...	...	2,590,001	2,759,404	} 4,430,283	
From Belgium	...	...	...	1,046,665	938,065		
From elsewhere	...	...	...	408,966	386,164		
Total ...	...	...	...	4,045,632	4,083,633	4,430,283	
Copper	...	...	...	1,445,852	1,405,968	955,693	
Other Metals	...	..	...	705,506	722,958	644,615	
Railway Plant (other than Government Stores)				934,643	939,772	1,081,550	
Total value of Metals and Manufactures of Metals :—							
From United Kingdom...	...	...	...	7,779,734	8,503,391	} 11,910,697	
From Belgium	...	...	...	1,261,228	1,139,557		
From elsewhere	...	...	...	1,877,653	1,780,376		
Total ...	...	...	...	10,918,615	11,423,324	11,910,697	
<b>4. Chemicals, Drugs, Medicines, Narcotics, Dyeing and Tanning Materials.</b>					1,833,865	1,869,406	1,981,741
<b>5. Oils</b>					2,358,327	2,328,761	1,625,213
<b>6. Raw materials and unmanufactured articles :—</b>							
Jewellery	...	...	...	1,014,367	585,072	894,236	
Silk	...	...	...	395,302	489,408	474,603	
Other articles	...	...	...	1,183,166	1,741,590	1,867,641	
Total	...	...	...	2,592,835	2,816,070	3,236,480	

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

	1903-1904.	1904-1905.	1905-1906.
	£.	£	£
<i>A. On Private Account—cont.</i>			
7. Articles manufactured and partly manufactured :—			
Cotton :—			
From the United Kingdom	19,474,010	23,731,774	} 28,295,195
From elsewhere	1,199,708	1,632,767	
Total	20,673,718	25,364,541	28,295,195
Silk	1,222,315	1,412,100	1,267,649
Wool :—			
From the United Kingdom	946,397	1,153,787	} 1,617,646
From elsewhere	493,181	897,165	
Total	1,439,578	2,050,952	1,617,646
Apparel (excluding hosiery and boots) :—			
From the United Kingdom	568,815	587,405	647,209
From elsewhere	575,473	675,328	602,446
Total	1,144,288	1,262,711	1,249,655
Glass and Glassware :—			
From the United Kingdom	111,948	104,769	112,071
From Austria-Hungary	249,100	334,868	258,080
From elsewhere	300,336	310,836	379,968
Total	661,384	750,473	750,119
Other articles	5,549,932	6,054,336	6,714,870
Total value of articles manufactured and partly manufactured.	30,691,215	36,895,135	39,895,134
Total value of Imports of Merchandise on Private Account :—			
From the United Kingdom	36,706,020	42,039,613	} 68,696,476
From elsewhere	19,842,842	22,412,579	
Total	56,548,862	64,452,192	68,696,476
<i>B. Government Stores</i>	5,179,320	5,156,305	6,017,512
Grand Total, Imports of Merchandise	61,728,182	69,608,497	74,713,988

Trade  
Tables.

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

	1903-1904.	1904-1905.	1905-1906.
<i>A. Indian Merchandise exported on Private Account.</i>	£	£	£
1. Animals, living ... ..	148,502	129,342	128,922
2. Articles of Food and Drink :—	911,585	1,107,317	1,171,149
Coffee ... ..			
Rice :—			
To the United Kingdom ... ..	1,047,551	1,096,965	} 12,426,427
To Straits Settlements ... ..	2,043,225	1,379,120	
To Ceylon ... ..	1,811,185	1,911,439	
To Japan ... ..	1,975,231	2,347,596	
To other countries ... ..	5,647,923	6,335,996	
Total ... ..	12,723,282	13,071,116	12,426,427
Wheat and Wheat flour :—			
To the United Kingdom ... ..	6,032,913	7,994,302	} 6,115,146
To other countries ... ..	659,079	4,404,518	
Total ... ..	7,745,893	12,398,820	6,115,146
Other grains and Pulse ... ..	1,259,376	1,935,021	1,141,787
Provisions ... ..	409,702	438,133	473,983
Spices ... ..	618,717	462,674	605,276
Tea :—			
To United Kingdom ... ..	4,726,074	4,473,167	} 5,930,829
To other countries ... ..	979,214	1,175,364	
Total ... ..	5,705,288	5,648,531	5,930,829
Other articles ... ..	433,002	308,749	375,935
Total, Articles of Food and Drink ... ..	29,806,845	35,370,361	28,240,532
3. Metals and Manufactures of Metals ... ..	229,897	244,915	388,227
4. Chemicals, Drugs, Dyeing Materials, &c. :			
Opium :—			
To China ... ..	5,186,727	5,541,040	4,906,198
To other countries ... ..	1,793,383	1,541,255	1,401,646
Total ... ..	6,980,110	7,082,295	6,307,844

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

Appendix V.

Trade Tables.

A. Indian Merchandise exported on Private Account—cont.				1903-1904.	1904-1905.	1905-1906.
4. Chemicals, Drugs, Dyeing Materials, &c.—cont.						
Indigo :—				£	£	£
To the United Kingdom	...	...	...	131,712	126,845	100,153
To Egypt	...	...	...	170,727	121,067	117,503
To other countries	...	...	...	415,029	308,493	173,222
Total	...	...	...	717,468	556,405	390,878
Other articles	...	...	...	973,864	887,461	928,591
Total, Chemicals, Drugs, &c.	...	...	...	8,671,442	8,526,161	7,627,313
5. Oils				687,268	668,712	545,221
6. Raw Materials and Unmanufactured Articles :—						
Cotton :—						
To Japan	...	...	...	3,456,491	3,921,987	4,577,711
To Germany	...	...	...	3,096,314	2,012,954	2,462,581
To other countries	...	...	...	9,697,959	5,688,183	7,178,035
Total	...	...	...	16,250,764	11,623,124	14,218,327
Hides and Skins (Unprepared) :—						
To the United States	...	...	...	1,592,532	1,972,362	2,878,317
To other countries	...	...	...	2,298,277	2,730,397	3,880,620
Total...	...	...	...	3,890,809	4,702,759	6,758,937
Jute :—						
To the United Kingdom	...	...	...	3,480,398	3,298,003	4,876,823
To Germany	...	...	...	1,545,320	1,741,273	2,153,146
To other countries	...	...	...	2,786,363	2,937,821	4,387,140
Total	...	...	...	7,812,081	7,977,097	11,417,109
Linseed :—						
To United Kingdom	...	...	...	1,349,912	1,460,231	818,614
To other countries	...	...	...	2,479,519	2,758,919	1,925,079
Total	...	...	...	3,829,451	4,219,150	2,743,693
Other seeds	...	...	...	5,847,769	5,388,087	4,334,709
Wood, Teak and other	...	...	...	721,530	484,000	564,377
Wool, raw	...	...	...	918,264	1,261,116	1,411,104
Other articles	...	...	...	2,511,897	2,609,401	3,328,960
Total, Raw Materials and Unmanufactured Articles.	...	...	...	41,782,565	38,264,734	44,777,216

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

Trade  
Tables.

	1903-1904.	1904-1905.	1905-1906.
<i>A. Indian Merchandise exported on Private Account—cont.</i>			
7. Manufactured and partly manufactured articles :—			
Cotton twist and yarn :—			
To China ... ..	5,468,537	5,991,357	7,784,900
To other countries ... ..	425,825	552,431	473,558
Total ... ..	5,894,362	6,543,788	8,258,458
Other cotton ... ..	1,087,177	1,218,340	1,358,542
Total cotton ... ..	6,981,539	7,762,128	9,617,000
Jute :—			
Gunny bags and cloth :—			
To the United Kingdom ... ..	516,675	496,593	706,570
To the United States ... ..	2,121,267	2,119,939	2,627,123
To other countries ... ..	3,635,427	3,964,486	4,921,668
Other Jute manufactures ... ..	39,429	44,894	43,042
Total ... ..	6,312,798	6,625,912	8,298,403
Hides and Skins :—			
To the United Kingdom ... ..	1,812,346	1,607,601	2,091,022
To other countries ... ..	253,571	293,544	334,458
Total ... ..	2,065,917	1,901,145	2,425,480
Lac :—			
To the United Kingdom ... ..	887,421	935,253	} 2,068,103
To other countries ... ..	899,226	1,052,948	
Total ... ..	1,786,647	1,988,201	2,068,103
Other articles ... ..	1,282,628	1,270,389	1,360,232
Total, manufactured and partly manufactured articles.	18,429,530	19,547,775	23,769,218
Total exports of Indian merchandise on Private Account :—			
To the United Kingdom ... ..	27,060,819	28,287,046	} 105,476,649
To other countries ... ..	72,695,220	74,464,954	
Total ... ..	99,756,049	102,752,000	105,476,649
<i>B. Government Stores, exports</i> ... ..	331,705	111,503	53,542
Total exports, Indian merchandise ... ..	100,087,754	102,863,503	105,530,191

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

Appendix  
V.  
Trade  
Tables.

	1903-1904.	1904-1905.	1905-1906.
	£	£	£
<i>C. Re-exports—On Private Account:—</i>			
Cotton, wool and apparel ... ..	1,223,140	1,169,693	1,209,668
Other articles ... ..	993,866	1,078,703	1,141,616
<i>D. Re-exports—Government Stores ... ..</i>	40,013	26,969	22,122
Total ... ..	2,257,019	2,275,365	2,373,406
Grand Total, Exports of Merchandise ... ..	102,344,773	105,138,868	107,903,597

*Land Trade: Summary.*

Countries.	1903-1904.	1904-1905.	1905-1906 (first 9 months only)
	£	£	£
Afghanistan ... ..	{ Imports 434,834 Exports 565,937	{ Imports 538,435 Exports 817,036	{ Imports 431,143 Exports 678,996
Kashmir ... ..	{ Imports 924,378 Exports 807,059	{ Imports 1,201,669 Exports 770,004	{ Imports 868,073 Exports 716,539
Nepal ... ..	{ Imports 1,795,686 Exports 912,617	{ Imports 1,760,433 Exports 999,101	{ Imports 1,332,261 Exports 710,685
Shan States ... ..	{ Imports 699,462 Exports 524,167	{ Imports 812,990 Exports 692,489	{ Imports 625,699 Exports 583,389
Other Countries ... ..	{ Imports 1,356,733 Exports 1,156,555	{ Imports 1,356,287 Exports 1,276,411	{ Imports 979,937 Exports 905,853
Total ... ..	{ Imports 5,211,093 Exports 3,966,335	{ Imports 5,669,814 Exports 4,555,041	{ Imports 4,237,113 Exports 3,595,462

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