

EAST INDIA : ACCOUNTS AND ESTIMATES,
1908-1909.

EXPLANATORY MEMORANDUM

BY THE

UNDER SECRETARY OF STATE FOR INDIA.

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



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Memorandum by the Under Secretary of State for India, relating to the Accounts of the Government of India for 1906-1907, and the Estimates for 1907-1908 and 1908-1909.

FORM OF ACCOUNTS AND ESTIMATES.

In the "Financial Statement" of the Government of India, which is annually presented to Parliament (*see* H. of C. 170 of 1908), 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 small addition or deduction that has to be made on account of the facts that the remittances from India to defray the net expenditure in 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, is shewn in a single line, under the head of Exchange.

Since the presentation to Parliament of the last Explanatory Memorandum (Cd. 3479 of 1907) the following changes have been made in the form of the accounts:—

- (1.) The transactions of District Boards and certain other local bodies are now excluded from the Government accounts. The amount of the Gross Revenue and Expenditure shown therein is reduced by about two and a half millions sterling in consequence of this change; but the surplus or deficit of the year is, of course, unaffected.
- (2.) The figures hitherto shewn under "Civil Departments—Marine" included not only the civil charges for Ports and Pilotage (with the corresponding receipts), but also the cost of the Royal Indian Marine and the Indian contribution towards the cost of H.M. Ships in Indian Waters. The latter charges are now shewn under the new Military head "Marine," while the former though still shewn, as before, in the group "Civil Departments," are described by the new designation, "Ports and Pilotage."
- (3.) The distribution of the charges for interest on debt has been altered, with the effect of increasing by about £600,000 a year the interest shewn under the head "Debt Services," and of diminishing to the same extent the payments charged to the heads, "Railway Revenue Account" and "Irrigation." Particulars of the change will be found below under the appropriate heads.

Effect has been given to the first and second of these changes in the figures contained in this Memorandum for 1906-7, 1907-8 and 1908-9. The third change has been carried out in the Accounts for 1906-7, the Revised Estimate for 1907-8 and the Budget for 1908-9, but not in the Budget for 1907-8, which was framed before the new system was introduced, and also before the Accounts for 1906-7 were rendered.

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, 1906-1907.	Revised Estimate, 1907-1908.	Budget, 1908-1909.
Revenue	£ 73,144,554	£ 70,989,200	£ 73,438,900
Expenditure	71,555,179	70,753,800	72,867,400
Surplus	1,589,375	235,400	571,500

In these figures all receipts are included in the total of revenue and all outlay in the total of expenditure, with the one exception that the working expenses of railways and the surplus profits paid to certain railway companies are treated not as expenditure but as a deduction from revenue.

NET REVENUE AND EXPENDITURE.

The figures of Gross Revenue just given include the net receipts of railways, without any deduction on account of interest charges, and the total receipts derived from the other commercial undertakings of the Government of India (*i.e.* Irrigation Works, Post Office, and Telegraphs) and from the sale of Opium: while the figures of Gross Expenditure include the interest charges of railways, the working expenses and interest charges of other commercial under-

takings, and the cost of cultivation of opium. This method of compiling the 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. 174 of 1908), in which the net revenue derived from commercial undertakings and opium is shewn instead of the gross revenue, 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 1906-7, 1907-8, 1908-9, are calculated in the same manner as in the annual Parliamentary return last mentioned.

Net Revenue.

—	Accounts, 1906-1907.		Budget, 1907-1908.		Revised Estimate, 1907-1908.		Budget, 1908-1909.	
	£	£	£	£	£	£	£	£
I. Land Revenue, &c. :								
1. Land Revenue	19,066,832		19,488,300		17,781,200		19,224,700	
2. Forest	1,763,627		1,886,700		1,737,000		1,840,300	
3. Tributes from Native States.	400,756		403,600		360,300		422,600	
		21,231,215		21,778,600		19,878,500		21,487,600
II. Opium		3,743,773		3,042,700		3,556,100		3,351,700
III. Taxation :								
1. Salt	4,095,173		3,023,300		3,066,500		3,129,900	
2. Stamps	3,985,706		4,121,600		4,188,700		4,315,400	
3. Excise	6,835,462		6,154,600		6,131,600		6,326,400	
4. Provincial Rates... ..	514,785		525,500		523,000		531,700	
5. Customs	4,232,499		4,499,100		4,857,000		4,894,000	
6. Assessed Taxes	1,416,327		1,425,100		1,474,700		1,513,800	
7. Registration	378,891		390,200		410,600		428,800	
		20,458,843		20,139,400		20,652,100		21,140,000
IV. Commercial Undertakings :								
1. Post Office	148,213		105,900		116,400		96,500	
2. Telegraph	—173,159		—58,200		—86,400		—56,700	
3. Railway Revenue Account	2,307,673		2,141,400		1,928,100		2,406,500	
4. Irrigation	796,156		400,200		614,600		722,500	
		3,078,843		2,559,300		2,572,700		3,168,800
V. Mint		252,600		94,500		272,500		124,400
VI. Exchange		190,022		133,300		60,000		—
Total Net Revenue ...		48,955,296		47,747,800		46,991,900		49,272,500

Net Expenditure.

—	Accounts, 1906-1907.		Budget, 1907-1908.		Revised Estimate, 1907-1908.		Budget, 1908-1909.	
	£	£	£	£	£	£	£	£
I. Debt Services (excluding interest payments chargeable RNE/ to Railways and Irrigation).		943,691		113,400		818,500		720,200
II. Military Services :								
1. Army	18,440,276		18,287,100		17,746,400		18,091,300	
2. Military and Special Defence Works	1,214,874		1,356,000		1,195,700		1,251,900	
3. Marine	515,210		453,200		431,800		394,500	
		20,170,360		20,096,300		19,373,900		19,737,700
III. Collection of Revenue ...		5,556,014		5,916,800		5,808,500		6,035,300
IV. Civil Services :								
1. Civil Departments	11,545,529		11,955,900		11,941,800		12,896,700	
2. Miscellaneous Civil Charges	8,756,653		4,089,000		4,233,800		4,095,700	
3. Civil Works	4,071,689		4,319,800		4,425,000		4,209,300	
		19,373,871		20,364,700		20,600,600		21,201,700
V. Famine Relief and Insurance		1,009,743		999,800		1,182,000		1,531,200
VI. Provincial adjustments :								
1. Charge against Revenue of the Year arising from increase of Provincial Balances		312,242		—		—		—
2. Diminution of charge against Revenue of the Year owing to Expenditure being met from Provincial Balances		—		—517,900		—1,027,000		—525,100
Total Net Expenditure charged against Revenue. }		47,365,921		46,973,100		46,756,500		48,701,000
Surplus		1,589,375		774,700		235,400		571,500

Accounts, 1906-7.

It will be seen from the table that the surplus shown in the final accounts for 1906-7 is £1,589,375 ; this is greater by £263,275 than the surplus shown in the Revised Estimate published in March 1907.

Revised Estimate, 1907-8.

The Revised Estimate for 1907-8 shows, as compared with the Budget for that year, a decrease of £755,900 in net revenue, of £216,600 in net expenditure, and of £539,300 in the surplus.

The net decrease of £755,900 in the net Revenue is due to the following decreases and increases under the several heads:—*Decreases*: Land Revenue £1,707,100 (owing to the suspensions of revenue necessitated by the partial failure of the autumn monsoon of 1907), Railways £213,300 (a decrease which is chiefly due to larger expenditure on repairs and renewals, and which would have been considerably greater but for the change mentioned on page 3 in the method of calculating the interest charge to be debited to railways), Forest £149,700, other heads £142,100. *Increases*: Opium, £513,400, Customs £357,900, Irrigation £214,400 (mainly owing to the change in the method of calculating the charge for interest), Mint £178,000, other heads £192,600.

The decrease of £216,600 in the net Expenditure is also the result of considerable decreases and increases under various heads. The decreases occurred under Military Services £722,400 (mainly owing to the postponement of various special measures), Provincial Adjustments £509,100 (the balances of the Provincial Governments having been drawn upon to a greater extent than was anticipated), Political £119,700, Collection of Revenue £108,300, other heads £81,700. The increases occurred under Debt Services £705,100 (chiefly owing to the change already mentioned in the distribution of interest charges), Famine Relief and Insurance £182,200, Law Courts and Jails £111,400, Civil Works £105,200, and other heads £220,700.

Budget, 1908-9.

In view of the loss of revenue and increase of expenditure resulting from the unfavourable agricultural conditions in 1907-8 it is not practicable to remit taxation, or to undertake any expensive schemes of administrative improvements, during 1908-9. Provision is made, however, for grants to the Provincial Governments of £200,000 and £80,000, respectively, for sanitation and for the furtherance of the Police re-organization already in progress. It is intended that these grants shall be permanent.

The Budget Estimate of net revenue and expenditure is as follows:—

	£
Net Revenue	49,272,500
Net Expenditure	48,701,000
Surplus	<u>571,500</u>

As compared with the Revised Estimate for the previous year these figures shew an increase of £2,280,600 in net revenue, of £1,944,500 in net expenditure, and of £336,100 in the surplus.

The increase of £2,280,600 in the net revenue is explained in detail as follows:—

Increases are anticipated in—	£	£
Land Revenue (chiefly in the United Provinces, Bombay and Burma)	1,443,500	
Railways	473,400	
Excise	194,800	
Stamps	126,700	
Irrigation	107,900	
Forest	103,300	
Salt, Tributes, Assessed Taxes, Customs, Telegraph, Registration and Provincial Rates	258,400	
Total increases in revenue	<u>2,713,000</u>	

	£	£
Brought forward		2,713,000
Decreases are anticipated in—		
Opium (owing to a reduction in the number of chests to be sold, and in the estimated yield per chest)	204,400	
Mint (the estimated rupee coinage, on which a seigniorage of 2 per cent. is credited to Mint, is expected to be considerably less than in 1907-8)	148,100	
Exchange and Post Office	79,900	
Total decreases in revenue	<u>432,400</u>	
Net increase of Revenue		<u>2,280,600</u>

The details of the increase of £1,944,500 in the net Expenditure are as follows:—

	£	£
Increases are anticipated in—		
Provincial Adjustments (provincial balances being drawn upon to a smaller extent) ...	501,900	
Military Services (partly owing to postponement of various special measures from 1907-8)	363,800	
Famine Relief and Insurance (chiefly in the United Provinces, the Central Provinces, and Bombay)	349,200	
Police (owing to progress of schemes for the re-organisation of the police force) ...	311,100	
Medical	276,300	
Collection of Revenue	226,800	
Education	168,100	
Other heads	276,100	
Total increases in Expenditure	<u>2,473,300</u>	
Decreases are anticipated in—		
Civil Works	215,700	
Miscellaneous	133,400	
Debt Services	98,300	
Other heads	81,400	
Total decreases in Expenditure	<u>528,800</u>	
Net increase of Expenditure		<u>1,944,500</u>

Debt.

In 1906-7 a loan of 4½ crores of rupees (£3,000,000) was issued in India at an average price of 97·3 per cent. In England £2,000,000 3 per cent. Stock was offered for tender at a minimum price of £94 10s. per cent. The average price obtained was £94 16s. 5d. Of the proceeds of this loan £749,900 was used for the discharge of debentures of the Bombay, Baroda, and Central India Railway Company, and the remainder for advances to railway companies.

In 1907-8 a loan of 3 crores of rupees (£2,000,000) was issued in India, and loans of £3,500,000 and £5,000,000 in England. The loan of £3,500,000 was issued early in May, 1907, in the form of India 3½ per cent. Stock, subscribed at a fixed price of £98 10s. per cent. Of the proceeds, £701,700 was used for the discharge of debentures of the Bombay, Baroda, and Central India Railway Company and of the Madras Railway Company, whose undertaking was purchased on the 31st December, 1907, and the remainder for capital expenditure on State railways and advances to railway companies. The loan of £5,000,000, also in the form of 3½ per cent. Stock, was issued in January, 1908, in order to provide in advance for a portion of the capital requirements of 1908-9. The price of issue was £99 per cent. Of the proceeds, £798,800 will be used for the discharge of debentures of the Bombay, Baroda and Central India Railway Company in 1908-9, and the remainder for capital outlay on State railways in 1908-9, and for

advances to railway companies. In addition, £1,000,000 6 months' Sterling Bills were issued in October, 1907, at an average price of £97 18s. 4½d. per cent.

In the Budget for 1908-9 it is proposed to issue a loan of 3 crores (£2,000,000) in India for capital expenditure on railways and irrigation. In England £1,000,000 Sterling Bills were issued in April, 1908, at an average price of £96 15s. 10d., in replacement of those issued in October, 1907, and £2,500,000 in June, 1908, at an average price of £97 3s. 10d., to provide for capital expenditure on railways and to make good the reduction (due to the failure to sell bills on India) in the balances held by the Secretary of State in London.

Railways.

On the 31st of March, 1908, the length of Railways in India open for traffic was 30,286 miles, of which 985 were opened in 1907-8. The mileage under construction or sanctioned for construction was 2,457 miles, of which 301 were sanctioned in 1907-8.

The capital expenditure on Railways shewn in the Accounts for 1906-7 and Estimates for 1907-8 and 1908-9 is as follows:—

	Accounts, 1906-1907.	Revised Estimate, 1907-1908.	Budget, 1908-1909.
Expenditure not charged to Revenue:—	£	£	£
State railways (from money provided by State).	7,915,041	6,358,000	4,655,100
State railways (from money raised through Companies).	—	1,895,900	3,900,000
Old guaranteed Companies	234,923	—283,600	—
Other guaranteed or assisted Companies	1,534,440	2,118,500	1,442,900
Branch lines on firm guarantee	361	200	2,000
Local Boards	62,648	36,000	—
Expenditure charged to Revenue	4,337	9,600	1,000
Total outlay by Government or with Government assistance.	9,751,750	10,134,600	10,001,000
Branch lines not on firm guarantee	39,991	17,400	16,900
Total	9,791,741	10,152,000	10,017,900

The net traffic receipts in 1906-7 of open lines in which the Government is directly interested gave a return of 5·26 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 1906-7 a net receipt of £2,307,673, and in 1907-8 of £1,928,100. In the Budget for 1908-9 the net receipt is taken at £2,406,500. 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 made partly through sinking funds and partly through the annuities created for the purchase of railways, viz.:—

	£
In 1906-7	752,137
In 1907-8	777,598
In 1908-9	865,745

The Madras Railway was purchased on the 31st December, 1907, by means of an annuity of £553,398 payable for 48½ years.

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:— 1906-7, £1,108,400; 1907-8 (Revised Estimate), £1,241,800; 1908-9 (Budget),

£1,383,300. The allotment for 1908-9 includes grants of £266,700 for the Upper Chenab Canal, £200,000 for the Upper Jhelum Canal, £116,700 for the Lower Bari Doab Canal, and £357,500 for various protective projects. Of the gross outlay on Minor Works, amounting to £856,900 in 1906-7, £860,900 in 1907-8 (Revised Estimate), and £908,800 in 1908-9 (Budget), a considerable portion is devoted to capital expenditure on new works, but 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).
	£	£
1906-7	27,764,900	1,469,300
1907-8 (Revised Estimate) ...	29,348,400	1,240,600
1908-9 (Budget)	30,731,800	1,421,600

Liabilities and Assets.

On the 31st of March, 1908, the debt of India amounted to £246,033,817 (viz. :—rupee debt, converted into sterling at 1s. 4d. the rupee, £88,552,743, and sterling debt, £157,481,074). 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 £20,459,760.

Up to the same date the Government of India had devoted £110,001,638 to the construction of Railways, and £29,348,434 to the construction of Irrigation Works. It had purchased from guaranteed 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) nine railways, on which, at the time of purchase, £108,092,385 had been spent from capital raised by the companies. It had advanced £12,469,744 (net) to Railway Companies, and had lent £13,401,619 (net) to Native States, Corporations, Agriculturists, &c. Other assets were the Gold Standard Reserve, on account of which £13,186,521 had been invested, £4,000,000 was held in the form of rupees, and £1,131,223 as part of the cash balances in England; the cash balances in India, £12,833,300; and the cash balances in England, £4,607,231 (in addition to the sum held on behalf of the Gold Standard Reserve).

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 :—

£	
1905-6 ...	31,566,973 at an average rate of 1s. 4·043d. per rupee.
1906-7 ...	33,432,196 " " 1s. 4·084d. "
1907-8 ...	15,307,061 " " 1s. 4·029d. "

* 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; Great Indian Peninsula Railway Annuity, £1,268,516, to 17th August, 1948; and Madras Railway Annuity, £553,398, to 1st April, 1956.

The sales include £3,640,000, £3,820,000, and £175,000, respectively, for telegraphic transfers on India against shipments of sovereigns from Australia and Egypt consigned to the Secretary of State in London.

Among the causes contributing to the falling-off in the demand for bills and transfers on India in 1907-8 the most important were the exceptionally large imports, the check to the normal growth of the value of the exports due to the partial failure of the autumn monsoon and to the low price of jute, and the stringency in the London money market caused by the financial crisis in the United States. Towards the close of the year the Secretary of State authorised the Government of India to invite applications in India, week by week, for sterling bills on London at the rate of exchange of 1s. $3\frac{2}{3}\frac{1}{2}d.$ the rupee. The first sale took place on the 26th March. The total sales up to and including the 11th of June amounted to £4,178,000.

Gold Standard Reserve.

In accordance with a recommendation made by the Indian Currency Committee, it was decided that, with effect from 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 1900-1, £415,100 in 1901-2, £264,028 in 1902-3, £2,627,575 in 1903-4, £1,790,380 in 1904-5, £3,488,700 in 1905-6, £4,014,426 in 1906-7, and £1,127,000 in 1907-8. Up to 31st March, 1907, the whole of this profit, the bulk of which has been remitted to England for investment in British Government securities, was transferred to the Gold Standard Reserve. It has since been decided that, with effect from 1st April, 1907, half the profit accruing shall be used for capital expenditure on railways. The amount invested up to the 31st March, 1908, was £13,186,521, and the securities purchased were as follows:—£7,395,379 $2\frac{1}{2}$ per cent. Consolidated Stock, £1,464,175 National War Loan $2\frac{3}{4}$ per cent. Stock, £500,000 Local Loans 3 per cent. Stock, £1,494,324 Transvaal Government 3 per cent. Guaranteed Stock, £538,720 Guaranteed $2\frac{3}{4}$ per cent. Stock, £1,000,000 3 per cent. Exchequer Bonds, and £1,575,000 Treasury Bills. In addition, a sum of £1,131,223 was held on the date mentioned in the Secretary of State's balances on account of the Reserve.

The sterling bills on London referred to in the preceding section on "Exchange and Remittance" have been met from the portion of the Gold Standard Reserve held in England, the sums received in India for the Bills being at the same time paid to the Reserve.

Home Charges.

The net Expenditure in England chargeable to Revenue was £18,333,943 in 1906-7, £17,849,400 in the Revised Estimate for 1907-8, and £17,988,500 in the Budget for 1908-9. The last-named amount is thus divided:—

Interest and Management of Debt, and payment of Interest and Annuities on account of Railways and Irrigation Works	£	10,082,500
Payments in connection with Civil Departments in India ...		172,775
India Office (excluding pensions)		209,725
Army and Marine Effective Charges		847,300
Stores of all kinds charged against revenue		1,390,300
Furlough Allowances		848,000
Non-Effective Charges (Pensions and Gratuities)		4,437,900
		<hr/>
Total		17,988,500

Besides this, the outlay on stores, &c., for the construction of State Railways and Irrigation Works was £2,631,059 in 1906-7, and is estimated at £2,349,800 in 1907-8, and £3,093,100 in 1908-9.

Seaborne Trade.

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

	1905-6.	1906-7.	1907-8.
<i>On Private Account.</i>			
	£	£	£
Imports of Merchandise	68,722,700	72,205,100	86,565,900
Exports of Merchandise	107,812,000	117,710,700	118,102,300
Net Exports of Merchandise	39,089,300	45,505,600	31,536,400
Net Imports of Gold	6,301,300	9,862,300	11,566,500
Net Imports of Silver	3,346,400	4,463,000	6,675,100
Total Net Imports of Treasure	9,647,700	14,325,300	18,241,600
Net Exports of Merchandise and Treasure on Private Account.	29,441,600	31,180,300	13,294,800
<i>Government Transactions.</i>			
Imports of Merchandise	6,019,800	5,956,400	4,428,100
Exports of Merchandise	78,400	72,000	84,900
Net Imports of Merchandise	5,941,400	5,884,400	4,343,200
Net Imports of Gold	-5,996,000	41,700	12,000
Net Imports of Silver	7,135,700	11,540,700	6,295,800
Total Net Imports of Treasure	1,139,700	11,582,400	6,307,800

Burden of Taxation.

	Accounts 1906-7.	Revised Estimate, 1907-8.	Budget, 1908-9.
	£	£	£
Salt	4,095,173	3,066,500	3,129,900
Stamps	3,985,706	4,188,700	4,315,400
Excise	5,835,462	6,131,600	6,326,400
Provincial Rates	514,785	523,000	531,700
Customs	4,232,499	4,857,000	4,894,000
Assessed Taxes	1,416,327	1,474,700	1,513,800
Registration	378,891	410,600	428,800
Total	20,458,843	20,652,100	21,140,000
According to the census taken in March, 1901, the population of British India was 232,072,832. 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.	s. d.	s. d.
If the payment of Land Revenue be added, the average becomes...	1 8½	1 8½	1 9½
	3 3½	3 2½	3 4½

T. R. BUCHANAN.

APPENDIX I.

Notes on the main heads of Net Revenue and Expenditure.

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

NET REVENUE.

Land Revenue.

	£
Accounts, 1906-7	19,066,832
Budget, 1907-8	19,488,100
Revised Estimate, 1907-8	17,781,200
Budget, 1908-9	19,224,700

In 1906-7 harvests were good over the whole of India with the exception of a few eastern districts.

When the Budget Estimate for 1907-8 was framed the agricultural prospects were excellent, and increased collections of land revenue were anticipated in every province except Bombay, where a considerable portion of the amounts suspended in previous years had been collected in 1906-7. Owing to the partial failure of the autumn monsoon this expectation was not realised. In the province most severely affected, the United Provinces, the collections were less than was estimated by £945,300, and there were minor decreases in all the other provinces, except Eastern Bengal and Assam and the North-West Frontier Province.

In the Budget for the current year it is assumed that the revenue from the spring harvests will be considerably below the normal in the provinces which are suffering from scarcity, but that a favorable autumn monsoon will subsequently allow of the collection of substantial arrear payments. An improvement of £767,800, as compared with the Revised Estimate for 1907-8, is anticipated in the United Provinces, of £417,900 in Bombay, and of £193,000 in Burma.

Forest.

	£
Accounts, 1906-7	1,763,627
Budget, 1907-8	1,886,700
Revised Estimate, 1907-8	1,737,000
Budget, 1908-9	1,840,300

The chief variations occur in Burma, in which province more than one-third of the total revenue is obtained.

Tributes.

	Accounts, 1906-7.	Budget, 1907-8.	Revised Estimate, 1907-8.	Budget, 1908-9.
	£	£	£	£
Receipts	600,986	598,500	558,600	617,700
Assignments and Compensations, and Refunds and Drawbacks.	200,230	191,900	193,300	195,100
Net revenue	400,756	403,600	360,300	422,600

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.

Appendix
I.

Opium.

Notes on the main heads of Net Revenue and Expenditure.				Accounts, 1906-7.	Budget, 1907-8.	Revised Estimate, 1907-8.	Budget, 1908-9.
				£	£	£	£
Receipts	...	...	...	5,660,528	4,851,100	5,222,900	4,842,900
Charges	...	...	...	1,916,755	1,808,400	1,666,800	1,491,200
Net revenue	...	...	...	3,743,773	3,042,700	3,556,100	3,351,700

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 nine-tenths of the produce is sold for export, and the remainder is issued to the Excise and Medical Departments, under strict regulations, for consumption in India, the profits from its sale being credited under Excise. About seven-eighths of the net revenue under Opium is obtained from the Calcutta 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.

The Budget Estimate for 1907-8 anticipated a large reduction in the receipts because, in consequence of negotiations with the Chinese Government, it was proposed to reduce the sale of Bengal opium during the year from 52,800 chests, the number sold in 1906-7, to 49,200. It was also thought prudent to take the average price at a somewhat lower figure than in 1906-7. The number of chests sold was below the estimate, but the prices realised have exceeded expectation, the average obtained being Rs. 1,350 per chest against Rs. 1,250 taken in the Budget. In Malwa the opium crop was good and the exports were considerably higher than in 1906-7. The decrease in expenditure results from the contraction of the poppy-growing area in Bengal.

The number of chests of Bengal opium to be sold in 1908-9 is 45,900, a reduction of 3,000 as compared with the number sold in 1907-8. On the other hand the payments to cultivators will be somewhat less than in 1907-8, as the crop sown last winter is expected to yield a poor harvest, and the advances for next year's crop will be made on an area substantially reduced in accordance with the accepted policy of helping the Chinese reforms. The exports of Malwa opium are expected to be slightly higher.

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, 1905-6	...	Rs. 1,434	14,235	Rs. 600	55,501	£ 1,720,964
Accounts, 1906-7	...	1,391	13,792	600	48,750	1,744,008
Budget, 1907-8	...	1,250	13,292	600	—	1,630,700
Revised Estimate, 1907-8	...	1,350	15,000	600	38,125	1,500,100
Budget, 1908-9	...	1,300	15,100	600	—	1,320,000

				<i>Salt.</i>	£
Net Receipts, 1902-3	5,931,933
" " 1903-4	4,981,704
" " 1904-5	5,093,466
" " 1905-6	4,109,939
" " 1906-7	4,095,173
" " 1907-8 (Revised Estimate)	3,066,500
" " 1908-9 (Budget)	3,129,900

Appendix
I.

Notes on the main heads of Net Revenue and Expenditure.

The decreases in 1903-4, 1905-6, and 1907-8 are due to successive reductions in the rate of duty, which has been lowered during this period from 2½ rupees (3s. 4d.) to one rupee (1s. 4d.) per maund of 82½ lb. These reductions have been followed by a marked increase of consumption. The following figures show the consumption of salt in India, including Burma :—

1902-3	...	...	...	36,663,000 maunds of 82½ lb.
1903-4	...	...	...	37,603,000 " "
1904-5	...	...	...	39,132,000 " "
1905-6	...	...	...	40,729,000 " "
1906-7	...	...	...	43,086,000 " "
1907-8 (Revised Estimate)	...	...	...	44,289,000 " "
1908-9 (Budget)	...	...	...	47,192,000 " "

				<i>Stamps.</i>	£
Accounts, 1906-7	3,985,706
Budget, 1907-8	4,121,600
Revised Estimate, 1907-8	4,188,700
Budget, 1908-9	4,315,400

About two-thirds of the revenue is derived from court fee stamps and the remainder from commercial and other stamps.

				<i>Excise.</i>	£
Accounts, 1906-7	5,835,462
Budget, 1907-8	6,154,600
Revised Estimate, 1907-8	6,131,600
Budget, 1908-9	6,326,400

The Excise Revenue has been steadily expanding since 1897-8, when the net receipts were only £3,609,400. In 1907-8 the increase was greatest in Madras (£156,000), due mainly to a higher revenue from country spirits, Bombay (£80,900), Bengal (£61,300), and Eastern Bengal and Assam (£48,500). There was a decline of £65,000 in the Central Provinces and of £27,100 in the United Provinces. An improvement in all provinces is anticipated in 1908-9.

				<i>Provincial Rates</i>	£
Accounts, 1905-6	2,792,257
Accounts, 1906-7	514,785
Budget, 1907-8	525,600
Revised Estimate, 1907-8	523,000
Budget, 1908-9	531,700

The great reduction in the receipts under this head is partly due to the abolition in April, 1906, of village service cesses, amounting to £547,900 a year, but mainly to the exclusion from the Government accounts, with effect from the same date, of the transactions of District Boards and certain other local bodies, the bulk of whose revenue is derived from these rates (*see page 3*).

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penditure.*Customs.*

					£
Accounts, 1906-7	4,232,499
Budget, 1907-8	4,499,100
Revised Estimate, 1907-8	4,857,000
Budget, 1908-9	...	...	...	...	4,894,000

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

	Accounts, 1905-6.	Accounts, 1906-7.	Budget, 1907-8.	Revised Estimate, 1907-8.	Budget, 1908-9.
Import duties :—	£	£	£	£	£
On Cotton Manufactures ...	886,000	860,900	900,000	1,003,300	1,000,000
On Liquors	649,300	566,000	668,000	666,700	700,000
On Silver Bullion and Coin ...	195,600	272,000	246,700	336,700	286,700
On other Metals and Manu- factures of Metals.	205,200	230,100	233,300	296,700	286,700
On other Manufactured Articles.	551,900	565,600	563,300	656,700	663,300
On Petroleum	244,300	251,800	246,700	303,300	306,700
On other Articles	667,900	709,800	760,900	800,600	820,200
Excise duty on Cotton Goods ...	180,400	193,400	193,300	216,700	236,700
Export Duty on Rice	767,400	702,100	783,300	683,300	700,000
Total	4,348,000	4,351,700	4,595,500	4,964,000	5,000,300

The improvement in 1907-8 was remarkable. As will be seen from the table, it occurred chiefly in the receipts from cotton manufactures (£142,400), liquors (£100,700), manufactured articles (£91,100), metals and manufactures of metals other than silver (£66,600), silver (£64,700), and petroleum (£51,500). Statistics regarding imports will be found in Appendix V. (pages 32 to 35). The falling-off in the receipts from the export duty on rice is due to the famine, large quantities of rice which would ordinarily have been consigned abroad from Burma having been diverted to Indian ports.

Assessed Taxes.

					£
Accounts, 1906-7	...	...	...	...	1,416,327
Budget, 1907-8	...	...	...	...	1,425,100
Revised Estimate, 1907-8	...	...	...	...	1,474,700
Budget, 1908-9	...	...	...	...	1,513,800

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, 1906-7	...	...	...	...	378,891
Budget, 1907-8	...	...	...	...	390,200
Revised Estimate, 1907-8	...	...	...	...	410,600
Budget, 1908-9	...	...	...	...	428,800

The receipts are principally derived from fees for registering documents.

Post Office.

	Accounts, 1906-7.	Budget, 1907-8.	Revised Estimate, 1907-8.	Budget, 1908-9.
	£	£	£	£
Receipts	1,751,146	1,795,700	1,833,500	1,912,100
Charges	1,602,933	1,689,800	1,717,100	1,815,600
Net revenue	148,213	105,900	116,400	96,500

The postal rates for both inland and foreign letters and for parcels were reduced from the 1st October, 1907, at an estimated cost of £200,000 a year. The reduction of rates has, however, been followed by an increase in the volume of business, and the diminution in the net revenue has been less than was anticipated.

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Telegraph.

	Accounts, 1906-7.	Budget, 1907-8.	Revised Estimate, 1907-8.	Budget, 1908-9.
	£	£	£	£
Receipts	953,006	991,900	1,004,100	1,037,900
Charges	1,126,205	1,080,100	1,090,500	1,094,600
<i>Net charge</i>	<i>173,199</i>	<i>88,200</i>	<i>86,400</i>	<i>56,700</i>

The figures given represent the combined results of the working of the Indian Telegraph Department and the Indo-European Telegraph Department.

The charges include the following amounts for capital outlay, mainly on account of the Indian Telegraph Department:—1906-7, £377,073; 1907-8 (Revised Estimate), £278,200; 1908-9 (Budget), £273,000.

Railways.

	Accounts, 1906-7.	Budget, 1907-8.	Revised Estimate, 1907-8.	Budget, 1908-9.
	£	£	£	£
State Railways:—				
Gross Receipts	25,781,078	26,749,500	27,427,500	29,072,900
<i>Working Expenses</i>	<i>12,855,945</i>	<i>13,164,100</i>	<i>14,357,400</i>	<i>14,959,700</i>
Net Traffic Receipts	12,925,133	13,585,400	13,070,100	14,113,200
<i>Surplus Profits paid to Companies, &c.</i>	<i>396,300</i>	<i>400,900</i>	<i>424,700</i>	<i>436,000</i>
<i>Interest charges—</i>				
<i>Interest on capital spent or advanced by the State.</i>	<i>5,548,410</i>	<i>6,264,900</i>	<i>5,814,500</i>	<i>6,080,100</i>
<i>Interest on capital deposited by Com- panies.</i>	<i>1,409,022</i>	<i>1,510,500</i>	<i>1,464,800</i>	<i>1,693,700</i>
<i>Annuities in pur- chase of Railways.</i>	<i>2,869,366</i>	<i>2,869,400</i>	<i>2,869,400</i>	<i>3,268,200</i>
<i>Sinking Funds</i>	<i>148,896</i>	<i>153,900</i>	<i>154,100</i>	<i>159,600</i>
<i>Total</i>	<i>10,371,994</i>	<i>11,199,600</i>	<i>10,727,500</i>	<i>11,637,600</i>
Net Receipts	2,553,139	2,385,800	2,342,600	2,475,600
Guaranteed Railways:—				
<i>Net charge to the State</i>	<i>227,652</i>	<i>208,300</i>	<i>374,800</i>	—
<i>Miscellaneous charges (net)</i>	<i>17,814</i>	<i>36,100</i>	<i>39,700</i>	<i>69,100</i>
Net Receipts from all Rail- ways.	2,307,673	2,141,400	1,928,100	2,406,500

General.—As mentioned on page 3, the distribution of the charges for interest on the debt of the Government of India has been altered, with the effect of diminishing the interest payments charged to the Railway Revenue Account. But for this change the net revenue derived from the working of the railways, as shewn in the Accounts for 1906-7, the Revised Estimate for 1907-8, and the Budget for 1908-9, would have been less by about £500,000 in each case. The Budget for 1907-8, on the other hand, was framed before the new system of distribution was introduced (and also before the Accounts for 1906-7 were rendered).

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

Notes on the main heads of Net Revenue and Expenditure.				£
	1899–1900	...	...	Net receipt
	1899–1900	...	...	76,756
	1900–1	...	...	325,124
	1901–2	...	...	846,616
	1902–3	...	...	228,949
	1903–4	...	...	860,669
	1904–5	...	...	2,105,438
	1905–6	...	...	2,001,966
	1906–7	...	...	2,307,673
	1907–8 (Revised Estimate)	...	...	1,928,100
	1908–9 (Budget)	...	...	2,406,500

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, Indian Midland, Rajputana-Malwa, Southern Mahratta, South Indian, Madras (purchased by the Secretary of State on the 31st December, 1907), Assam-Bengal, 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 Bombay, Baroda and Central India Railway, which was purchased on the 31st December, 1905, and of the Madras Railway, the gross receipts for 5 years are as follows:—1904–5, £22,900,000; 1905–6, £23,315,000; 1906–7, £24,483,000; 1907–8, (Revised Estimate), £25,815,000; 1908–9 (Budget), £26,486,000.

Including the receipts of the Bombay, Baroda and Central India Railway, and of the Madras Railway, the figures are:—

1904–5.	1905–6.	1906–7.	Revised Estimate, 1907–8.	Budget Estimate, 1908–9.
£	£	£	£	£
25,055,000	25,505,000	26,835,000	28,241,000	29,073,000

The result of the working of the State Railways in 1907–8 was less favourable than was expected, the expansion of receipts being more than counterbalanced by the increase of expenditure. This was largely due to heavy expenditure on renewals and repairs, chiefly on the East Indian, Great Indian Peninsula, Rajputana-Malwa, Oudh and Rohilkhand, and Eastern Bengal Railways. A steady cause of increased working expenses is the pressing demand for more rapid transport facilities and more conveniences to the travelling public. The great rise in the price of coal has also seriously affected railway expenditure, and the increase in the cost of living in India, for Europeans as well as for Indians, has necessitated a considerable enhancement of the rates of pay of the working staff. As compared with 1906–7, the following are the chief variations, apart from those due to the inclusion of the figures of the Madras Railway for the last quarter of 1907–8:—*Gross receipts*: Increases—North-Western Railway, £492,700; East Indian, £176,300; South Indian, £138,900; Great Indian Peninsula, £103,200; Oudh and Rohilkhand, £102,900. *Working expenses*: Increases—North-Western, £300,600; Great Indian Peninsula, £236,900; Oudh and Rohilkhand, £149,200; Eastern Bengal, £140,100; East Indian, £94,900; Bengal-Nagpur, £94,000.

The Budget Estimate for 1908–9 anticipates an improvement of £1,023,100 in the net traffic receipts. The gross receipts are expected to be higher by £1,600,800, while the increase in the working expenses is estimated at only

£577,700. Of the net improvement, £238,700 is due to the inclusion in the State Railway figures of the receipts of the Madras line (formerly a Guaranteed railway) for the whole twelve months (only three months' receipts having been included in the State Railway figures in 1907-8), but, apart from this exceptional addition, which is accompanied by an increase in Annuity payments, almost all lines show an improved return, the chief increases being as follows:— Eastern Bengal Railway, £153,300; Bengal-Nagpur, £126,700; Rajputana-Malwa system, £113,300; Great Indian Peninsula, £104,000.

The Annuities shewn among the charges of the State Railways were created for the purchase by the State of the East Indian, Eastern Bengal, Scinde Punjab and Delhi, Great Indian Peninsula, and Madras Railways. The payments include the following amounts in redemption of capital, viz.:— 1906-7, £752,137; 1907-8, £777,598; 1908-9, £865,745.

Guaranteed Railways.—An important feature of the railway estimates for 1908-9 is the disappearance of the sub-head "Guaranteed Companies," owing to the purchase by the Secretary of State on the 31st December, 1907, of the last of the lines owned by the companies in question, viz., the Madras Railway. The purchase price, as calculated in accordance with the provisions of the contracts between the Government and the Company was £12,819,558, and purchase was effected by means of an annuity of £553,398 for 48½ years, running from 1st January, 1908. In consequence of the purchase of this line a re-arrangement has been effected of the railway systems of Southern India. The system hitherto worked by the Southern Mahratta Railway Company has been enlarged so as to embrace a portion of the purchased line together with the railway hitherto known as the "North-East Line, Madras Railway," and a section of the South Indian Railway system. The name of the company has been changed to "The Madras and Southern Mahratta Railway Company," and its capital is to be increased by £1,500,000, stock for this amount being issued to Madras Railway annuitants in exchange for £65,016 of annuity. An agreement has been reached for altering the proportion in which the net earnings of the line are divided between the Secretary of State and the Company.

Irrigation.

—	Accounts, 1906-7.	Budget, 1907-8.	Revised Estimate, 1907-8.	Budget, 1908-9.
MAJOR WORKS:	£	£	£	£
Receipts	3,349,212	3,250,900	3,213,100	3,430,600
Working Expenses	944,632	932,100	934,900	976,400
Interest on Debt	935,231	1,122,900	987,600	1,032,600
Net Receipts	1,469,349	1,195,900	1,240,600	1,421,600
MINOR WORKS:				
Receipts	183,705	170,000	234,900	209,700
Expenditure	856,898	965,700	860,900	908,800
Net Expenditure	673,193	795,700	626,000	699,100
Net Receipts, Major and Minor Works.	796,156	400,200	614,600	722,500

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

In 1906-7 the agricultural conditions were favourable for an extension of irrigation, especially in the United Provinces and the Punjab, and the net revenue for the year was the highest on record. In 1907-8 the partial failure of the wheat crop necessitated large remissions on the Lower Chenab and Lower Jhelum canals in the Punjab. In the Budget for 1908-9 no provision is made for such loss, and it is also assumed that there will be a development of irrigation on the latter canal.

The alteration in the distribution of the charges for interest on the debt of the Government of India (*see* pages 3 and 19) has had the effect of reducing

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the portion of those charges which is debited to the head of irrigation by about £140,000 a year. This will be seen on a comparison of the figure given in the Budget Estimate for 1907-8 with that shewn in the Revised Estimate, the former having been computed before the new system was introduced.

A special grant of £33,300 has been made by the Government of India for expenditure on Minor Works in 1908-9.

Mint.

	Accounts, 1906-7.	Budget, 1907-8.	Revised Estimate, 1907-8.	Budget, 1908-9.
	£	£	£	£
Receipts	419,498	245,300	438,000	272,100
Charges	166,898	150,800	165,500	147,700
Net Receipts ...	252,600	94,500	272,500	124,400

The Mints are credited with a seigniorage of 2 per cent. on fresh issues of rupees, to cover the cost of coinage. In 1906-7 the coinage was exceptionally heavy, and the Mint receipts were accordingly high. The output continued to be heavy during the earlier months of 1907-8, but the conditions of trade in the latter half of the year brought about a marked slackening, and finally a cessation, of the demand for rupees, and the total coinage was considerably less than in the previous year. On the other hand, famine brought an extraordinary demand for bronze coinage in 1907-8, and there was also an unexpectedly heavy demand for the new nickel one-anna piece, which was coined for the first time during this year.

The Budget for 1908-9 is based on the assumption that the rupee coinage will be very much less than it was in the past year, that the great demand for bronze will cease with the return of favourable agricultural conditions, and that the new nickel coin will be in moderate request.

Including the re-coinage of withdrawn issues, the coinage of rupees during the last three years has been as follows:—

	Rs.	£
1905-6	195,987,621	(13,065,841)
1906-7	253,703,283	(16,913,552)
1907-8	173,070,146	(11,538,010)

As mentioned on page 9 above, the whole of the net profit on the coinage of rupees up to 31st March, 1907, was transferred to the Gold Standard Reserve, but it has since been decided to use for capital expenditure on railways half the profit accruing from 1st April, 1907.

The cost of the silver bought for coinage into rupees and its coined value are not included in the "Mint" expenditure and receipts, as shewn in the Revenue and Expenditure Accounts of the Government of India, but are recorded outside those accounts under appropriate deposit heads.

Exchange.

	£
Accounts, 1906-7	190,022
Budget, 1907-8	133,300
Revised Estimate, 1907-8	60,000
Budget, 1908-9	Nil.

The average rate obtained for bills and telegraphic transfers sold by the Secretary of State for India was 16·084 pence per rupee in 1906-7 and 16·029 pence in 1907-8. Of the small net receipt in 1907-8 £40,100 represents gain in connection with the transactions of the late Madras Railway Company.

No revenue is expected under this head in 1908-9.

NET EXPENDITURE.

Debt Services.

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	Accounts, 1906-7.	Budget, 1907-8.	Revised Estimate, 1907-8.	Budget, 1908-9.
Total payments for Interest on Debt ...	£ 7,903,353	£ 7,950,700	£ 8,099,800	£ 8,333,700
<i>Deduct</i> amount chargeable to Railways (included under Railways, page 15).	5,548,410	6,264,900	5,814,500	6,080,100
<i>Deduct</i> amount chargeable to Irrigation (included under Irrigation, page 17).	935,231	1,122,900	987,600	1,032,600
Interest on Ordinary Debt	1,419,712	562,900	1,297,700	1,221,000
Interest on other Obligations... ..	496,172	501,500	501,600	513,800
Total	1,915,884	1,064,400	1,799,300	1,734,800
Interest Receipts	972,193	951,000	980,800	1,014,600
Net Interest Payments other than those chargeable to Railways and Irrigation.	943,691	113,400	818,500	720,200

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, together with the amount advanced to Railway Companies for capital expenditure, and the interest on this portion of the debt is charged under Railways and Irrigation (*see* pages 15 and 17 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.

Since the Budget for 1907-8 was framed, the distribution of the charges for interest between the two portions of the debt has been altered. Hitherto the practice has been to charge to the Railway Revenue Account the actual interest paid on debt specifically created for the purchase of railway lines or the redemption of liabilities, or to provide funds for advances to companies; but to use a fixed all-round rate for calculating the amount of interest to be charged, under Railway Revenue Account and Irrigation, on all other capital expenditure on Public Works. The rate used for this purpose was revised in 1901, but it was found in 1907 to be in excess of the average rate of interest now paid on the non-specific debt, with the result of unduly increasing the portion of the interest charges debited to the Railway and Irrigation Accounts, and of unduly diminishing the remaining portion, which is treated as interest on Ordinary Debt. It has now been decided to divide the interest charges on the non-specific debt, which is more than four-fifths of the whole, in the same proportions as the debt itself is divided. A change has also been made, with the object of securing greater accuracy, in the distribution of the capital of the total debt between "Ordinary Debt" and "Public Works Debt." The net effect of these various changes, which have been carried out in the Accounts for 1906-7, the Revised Estimate for 1907-8, and the Budget for 1908-9, has been to diminish by about £600,000 the portion of the interest payments charged to the Railways and Irrigation Accounts and to increase by the same amount the portion charged to the head "Debt Services." This will be seen on comparing the figures of the Budget Estimate for 1907-8 in the table above, which were calculated under the former system, with those of the Revised Estimate for the same year, due allowance being made for the increase in the total debt.

The increase in 1908-9 (as compared with 1907-8) in the total payments, and in the portion chargeable to Railways, is mainly due to the fact that a full

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

year's interest has to be paid on the loan of £5,000,000 raised in January, 1908 (see page 6), whereas no payment on account of this loan was required in 1907-8. Provision has also been made in the Budget for the interest on the rupee loan which it is proposed to raise in India.

The most important of the "other obligations" referred to in the table on page 19 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 8 above.

The receipts shown in the table on page 19 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.

Military Services.

I, ARMY.

Net Army Charges in India.

	Accounts, 1906-7.	Budget, 1907-8.	Revised Estimate, 1907-8.	Budget, 1908-9.
NET CHARGES IN INDIA.				
Effective Services :—	£	£	£	£
Army and Garrison and Administrative Staff.	565,818	575,000	562,100	577,500
Regimental Pay, Allowances and Charges.	6,901,315	7,167,500	6,900,500	7,173,800
Supply and Transport... ..	2,929,700	2,967,000	2,917,300	3,054,700
Medical Establishments, Supplies and Services.	551,369	564,100	538,300	539,400
Ordnance Establishments, Stores and Camp Equipage.	703,341	878,700	764,700	774,500
Miscellaneous Services	168,710	184,300	194,200	154,000
Other Effective Services	990,830	1,002,800	986,400	988,100
Total Effective Services	12,811,083	13,333,400	12,863,500	13,262,000
Non-effective Charges	582,447	586,400	583,000	608,000
Total, India	13,393,530	13,919,800	13,446,500	13,870,000

Net Army Charges in England.

	Accounts, 1906-7.	Budget, 1907-8.	Revised Estimate, 1907-8.	Budget, 1908-9.
Effective Services :—	£	£	£	£
Charges—				
Payments to War Office for British Forces in India.	654,187	667,500	631,000	670,000
Furlough Allowances	457,774	429,000	482,900	461,000
Indian Troop Service and Passage of Officers.	367,133	362,500	333,500	339,100
Miscellaneous	694,962	42,400	111,200	47,000
Stores	1,573,031	794,000	658,700	613,000
Total	3,092,900	2,295,400	2,223,300	2,130,100

Net Army Charges in England—continued.

Appendix
I.

	Accounts, 1906-7.	Budget, 1907-8.	Revised Estimate, 1907-8.	Budget, 1908-9.
<i>Effective Services—continued.</i>				
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
Payment by Imperial Government (on capitation basis) for Indian Native Regiments serving in the Colonies.	95,000	90,000	82,000	86,600
Transfer and Sale of Stores, Recoveries, &c.	116,956	40,100	34,100	34,200
Total	441,956	360,100	346,100	350,800
Net Charge for Effective Services ...	2,650,944	1,935,300	1,877,200	1,779,300
Non-effective Charges (net) ...	2,395,802	2,432,000	2,422,700	2,442,000
Total, England	5,046,746	4,367,300	4,299,900	4,221,300
Grand Total	18,440,276	18,287,100	17,746,400	18,091,300

Notes on the main heads of Net Revenue and Expenditure.

It will be seen from the table above that in the Revised Estimate for 1907-8 the net "Army" charges are lower by £693,876 than in the Accounts for 1906-7, while the amount provided in the Budget for 1908-9 is higher by £344,900 than that shewn in the Revised Estimate. 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. The bulk of this expenditure is brought to account under the head "Army," the remainder being included under "Military Works," "Special Defences," and "Marine." The annual grant provided to meet this expenditure was reduced in the Budget for 1907-8 from £2,166,700 to £1,666,700, to which, however, was added £316,700 on account of lapses, making £1,983,400 in all. Owing partly to the postponement of certain measures for further consideration, the actual outlay was only £1,462,200. The grant for 1908-9 has been fixed at £1,666,700.

In the following table the figures relating to the head "Army" in the Estimates for 1907-8 and 1908-9 are analysed so as to shew 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, 1907-8.	Revised Estimate, 1907-8.	Budget, 1908-9.
Ordinary Expenditure :—			
India	£ 13,556,400	£ 13,345,600	£ 13,442,700
England	4,635,600	4,590,400	4,533,300
Total	18,192,000	17,936,000	17,976,000
Special Expenditure :—			
India	1,037,100	732,000	930,700
England	121,800	86,600	65,800
Total	1,158,900	818,600	996,500
Total Expenditure	19,350,900	18,754,600	18,972,500
Deduct Receipts	1,063,800	1,008,200	881,200
Net Charges	18,287,100	17,746,400	18,091,300

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penditure.

In the ordinary expenditure the most important variations in 1908-9, as compared with the Revised Estimate for 1907-8, are the provision of an additional sum of £130,100 for food for the troops, owing to the rise in prices resulting from the prevailing scarcity, and a reduction of £116,700 in expenditure due to the fact that the British troops in India are now required to make their own arrangements for the purchase of malt liquor. This reduction of expenditure is accompanied by a corresponding reduction in the receipts.

After the Budget for 1908-9 was framed it became necessary to despatch a punitive expedition against the Mohmands. The cost of the expeditionary force, the operations of which have now been concluded, has not yet been reported, but it will probably be about £150,000.

Of the sum of £1,666,700 provided (under the heads "Army," "Military Works," "Special Defence Works," and "Marine") for special expenditure in 1908-9 about £666,700 is required to meet recurring expenditure on measures already brought into effect, and the provision for new expenditure is therefore about £1,000,000. The bulk of this sum will be required for work already in progress, but it includes some provision for new measures. Among the objects to which it is proposed to devote the portion chargeable to the head "Army" are the following:—*Measures already in progress*: Re-armament of Horse and Field Artillery; re-organization of Horse and Field Batteries and Ammunition Columns; addition of two batteries of Native Mountain Artillery; increase to the Native Army Reserve; provision of lines for native troops and purchase of land for this purpose. *New measures*: Addition of two further batteries of Native Mountain Artillery; increase in the reserve of rifles.

2.—Military Works.

					£
Accounts, 1906-7	...	...	...	...	1,076,516
Budget, 1907-8	...	...	...	...	1,210,300
Revised Estimate, 1907-8	...	...	...	...	1,077,500
Budget, 1908-9	...	...	...	...	1,142,500

The Budget includes a provision of £532,100 for Special Expenditure, chiefly on buildings, acquisition of land, and other outlay in connection with the redistribution of the Army.

3.—Special Defence Works.

					£
Accounts, 1906-7	...	...	...	...	138,358
Budget, 1907-8...	...	...	...	...	145,700
Revised Estimate, 1907-8	...	...	...	...	118,200
Budget, 1908-9...	...	...	...	...	109,400

This expenditure is for a scheme of special coast defences begun in 1903-4. The whole of the outlay is met from the grant for "Special" Military Expenditure.

4.—Marine.

					£
Accounts, 1906-7	...	...	...	...	515,210
Budget, 1907-8...	...	...	...	...	453,200
Revised Estimate, 1907-8	...	...	...	...	431,800
Budget, 1908-9...	...	...	...	...	394,500

The figures given represent the net expenditure on the Royal Indian Marine, the contribution towards the expenses of H.M. Ships in Indian Waters, and the retired pay of certain survivors of the old Indian Navy.

As mentioned above at page 3, these charges have hitherto been shewn under the head "Civil Departments—Marine."

The variations occur chiefly in the "Special" expenditure, the sums included on this account being as follows:—1906-7, £151,000; 1907-8 (Budget), £86,800; 1907-8 (Revised Estimate), £58,300; 1908-9, £28,700.

Collection of Revenue.

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I.

	Accounts, 1906-7.	Budget, 1907-8.	Revised Estimate, 1907-8.	Budget, 1908-9.	Notes on the main heads of Net Revenue and Ex- penditure.
	£	£	£	£	
Land Revenue	3,353,922	3,524,400	3,522,500	3,574,800	
Forest	948,866	1,070,900	985,600	1,050,300	
Salt (including cost of pro- duction).	364,489	370,700	364,300	340,500	
Stamps	186,266	191,200	195,700	212,800	
Excise	274,609	314,900	294,200	385,500	
Provincial Rates	4,419	3,800	5,700	6,200	
Customs	200,184	207,500	205,500	221,200	
Assessed Taxes	23,828	24,300	24,300	25,500	
Registration	199,431	209,100	210,700	218,500	
Total	£ 5,556,014	5,916,800	5,808,500	6,035,300	

The variations under Land Revenue occur mainly in connection with Survey and Settlement operations and with changes in Provincial and Village establishments. Extra allowances have been granted to these establishments in several Provinces as compensation for the dearness of grain.

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

Civil Departments.

	£
Accounts, 1906-7	11,545,529
Budget, 1907-8	11,955,900
Revised Estimate, 1907-8	11,941,800
Budget, 1908-9	12,896,700

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

	Accounts, 1906-7.	Budget, 1907-8.	Revised Estimate, 1907-8.	Budget, 1908-9.
	£	£	£	£
General Administration ..	1,524,835	1,581,300	1,622,400	1,674,400
Law Courts and Jails ...	2,860,459	2,818,200	2,929,600	2,934,400
Police	3,384,395	3,645,800	3,629,500	3,940,600
Ports and Pilotage ...	17,048	37,500	48,700	57,500
Education	1,207,594	1,311,100	1,302,800	1,470,900
Ecclesiastical	125,906	131,900	125,100	129,400
Medical	760,742	788,500	787,200	1,063,500
Political	1,060,033	934,600	814,900	885,600
Scientific and Minor Departments.	604,517	707,000	681,600	740,400
Total	11,545,529	11,955,900	11,941,800	12,896,700

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 Education, and £133,000 for the development of agricultural research and

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penditure.

instruction, and in 1906-7 these grants were increased to £500,000, £266,700, and £160,000 a year, respectively. The grant for Police reform was still further raised to £703,000 in the Budget for 1907-8. A portion of these grants has 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.

Of the increase of £311,100 under Police in 1908-9, £80,000 is due to a further grant by the Government of India, and the remainder to the progress made by the various provinces in the development of their schemes for the reorganization of the police force.

Under Medical the Budget Estimate for 1908-9 includes provision for a special grant of £200,000 by the Government of India for expenditure on sanitation (*see page 5*). Provision is also made for plague expenditure in the Punjab and Bombay, for improvements in the lighting and equipment of hospitals, and for grants-in-aid of the expenditure of local bodies which have hitherto been brought to account under the head "Provincial Adjustments" as contributions from Provincial to Local Expenditure. Owing to the exclusion of the "Local" figures from the accounts of the Government of India (*see page 3*), such grants-in-aid will henceforth be entered as Provincial expenditure under the appropriate heads.

The additional expenditure on Education in 1908-9 occurs chiefly in the United Provinces, where it is proposed to take over all English schools from District Boards and simultaneously to give large grants to these bodies for primary education; but in other provinces also the similar grants which formerly appeared as "contributions from Provincial to Local revenues" have now been brought to account under this head.

As mentioned on page 3, the Marine charges connected with the military and naval defence of India have been transferred to the head "Military Services" (*see page 22*), the remaining Marine charges being shown as hitherto under "Civil Departments," but under the new sub-head "Ports and Pilotage."

Miscellaneous Civil Charges.

	£
Accounts, 1906-7	3,756,653
Budget, 1907-8	4,089,000
Revised Estimate, 1907-8	4,233,800
Budget, 1908-9	4,095,700

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

	India.	England.	Total.
	£	£	£
1906-7	817,337	1,938,535	2,755,872
1907-8 (Revised Estimate)	832,300	1,954,800	2,787,100
1908-9 (Budget)	888,900	1,974,900	2,863,800

Famine Relief and Insurance.

	Accounts, 1906-7.	Budget, 1907-8.	Revised Estimate, 1907-8.	Budget, 1908-9.
	£	£	£	£
Direct Famine Relief	317,458	60,100	516,000	880,500
Protective Railways... ..	3,442	2,300	8,500	700
Protective Irrigation Works	356,460	466,700	407,500	400,000
Reduction or avoidance of Debt	332,383	470,700	250,000	250,000
Total	1,009,743	999,800	1,182,000	1,531,200

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 the sum appropriated, 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."

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penditure.

Up to the 1st April, 1907, the expenditure on direct Famine Relief was borne by the province or provinces visited by famine. A new system was introduced from that date, under which such expenditure is now borne partly, if not entirely, by Imperial Revenues. The scheme enables each Local Government whose Province is liable to famine to build up gradually a fund, to be held to its credit by the Imperial Government, on which it is at liberty to draw when expenditure on famine relief becomes necessary. For this purpose the Local Governments in question are now annually credited with a fixed sum, determined with reference to, but not in exact proportion to, the average expenditure incurred by them on famine relief during the past 25 years. The amounts annually credited are as follows:—Madras, £16,700; Bombay, £91,300; Bengal, £17,300; United Provinces, £30,000; Punjab, £9,300; Central Provinces, £85,300. When famine occurs, the Local Government is entitled to draw upon the amount standing to its credit to meet its famine expenditure, and charges thus incurred are shown in the accounts of the Government of India as Imperial expenditure. In the event of the amount at credit being exhausted owing to widespread or severe famine, any further expenditure on famine relief is shared between the Government of India and the Local Government, either equally or in such proportions as may be determined when the circumstances arise. In addition to making these arrangements for the future the Government of India allotted special grants to the United Provinces and Bombay of £189,000 and £82,100 respectively to cover the expenditure on famine which the Governments of these Provinces incurred in 1905-6 and 1906-7.

In accordance with the arrangements just described, the expenditure on direct Famine Relief in 1907-8 and 1908-9 has been shared as follows:—

	1907-8 (Revised Estimate).		1908-9 (Budget).	
	Government of India.	Local Government.	Government of India.	Local Government.
	£	£	£	£
United Provinces	300,000	150,000	333,300	333,300
Bengal	40,800	—	56,300	10,400
Central Provinces	16,700	—	66,700	—
Other Provinces	8,400	100	80,500	—
Total	365,900	150,100	536,800	343,700

In addition to the expenditure on direct relief which is brought to account under the head "Famine Relief and Insurance," heavy loss or expenditure is usually sustained in affording indirect relief, chiefly, though not exclusively, in the form of suspensions or remissions of land revenue. Nearly £1,480,000 of land revenue was suspended in 1907-8, and about £900,000 will, it is estimated, be suspended in 1908-9. Of this sum a large proportion will necessarily be remitted, but it is too early to frame any definite estimate of the amount.

The total loss of revenue and increase of expenditure under all heads attributable to the famine in 1907-8 and 1908-9 has been roughly estimated at about £3,000,000 and £3,500,000 respectively.

Of the total outlay on Protective Irrigation Works in 1908-9 £153,900 is expected to occur in the United Provinces, £93,700 in Bombay, and £93,300 in the Central Provinces.

Appendix
I.*Civil Works.*

					£
Notes on the main heads of Net Revenue and Expenditure.	Accounts, 1906-7	...	...	...	4,071,689
	Budget, 1907-8	...	...	...	4,319,800
	Revised Estimate, 1907-8	...	...	...	4,425,000
	Budget, 1908-9	...	...	...	4,209,300

A portion of the permanent grants made to the Provincial Governments for expenditure on Police Reform, Education, and Agricultural development and research (*see* above under "Civil Departments," pages 23 and 24) has been devoted to the construction of buildings, and the money so spent goes to increase the charges under this head.

The reduction of expenditure in 1908-9 is due to the restriction of public works expenditure in Burma and Bengal in view of the comparatively low Provincial balance, to the adoption of a smaller programme in the Punjab, where Provincial revenues have suffered by reason of the prevailing distress, and to the absence of special expenditure which was undertaken in 1907-8 in Bombay.

The exclusion of "Local" figures from the accounts of the Government of India (*see* page 3) has caused a reduction of about £1,000,000 a year in the net expenditure shown under this head.

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, 1906-7	£ 312,242	£ —
Budget, 1907-8	—	517,900
Revised Estimate, 1907-8	—	1,027,000
Budget, 1908-9	—	525,100

In the Budget for 1907-8 it was anticipated that the share of the revenue of the year to be credited to the Provincial Governments in accordance with the system of financial decentralisation in force in India, would amount (including certain special grants made by the Government of India at the beginning of the year) to £21,962,300, and that the share of the expenditure of the year chargeable to the Provincial Governments would be £22,480,200, of which £517,900, being the excess of Provincial expenditure over Provincial revenue, would be met from the balances of the Provincial Governments, instead of being charged against the revenue of the year.

The revenue actually credited to the Provincial Governments during the year amounted to £21,721,800, the decrease being chiefly due to the falling off in the receipts from Land Revenue, while the Provincial share of expenditure rose to £22,748,800, mainly in consequence of increased expenditure on Famine Relief and Civil Works. Thus the contribution from Provincial Balances towards the expenditure of the year was £1,027,000 instead of £517,900 as estimated in the Budget.

In 1908-9 it is assumed that the Provincial Balances will make a net contribution of £525,100 towards the expenditure of the year. In the calculations on which this assumption is based, account is taken of the special grants to Provincial revenues of £200,000 and £80,000 for sanitation and police reform mentioned on page 5, and of certain modifications in the settlements with the United Provinces and Madras.

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, 1906-7.	Revised Estimate, 1907-8.	Budget, 1908-9.
Interest and Management of Debt (excluding Interest charged in Railway Revenue and Irrigation Accounts)	£ 1,539,378	£ 1,634,900	£ 1,701,400
Railway Revenue Account	7,969,535	8,074,500	8,269,700
Irrigation: Interest on Debt	106,788	109,800	111,400
Civil Administration:			
Payments on account of Departments in India, passage, outfit, &c. ..	43,377	63,100	54,770
Postal Subsidy	61,228	60,100	54,600
Telegraph: Red Sea Company's Annuity	18,027	18,000	9,000
" Indo-European	38,570	18,100	23,700
" Joint Purse Guarantees	4,339	3,500	2,000
Public Works: Civil Engineering College	- 9,153	200	—
" Other Charges	2,783	2,700	4,100
Indian Civil Service: Allowances to Candidates, Examinations, &c. ..	9,593	16,300	14,130
Lunatics: Maintenance	1,652	1,600	1,600
Political Charges: Persian Mission and Minor Consulates	- 6,212	- 8,200	- 10,125
" Pensions: Territorial and Political	10,480	23,000	10,500
" Other Charges	2,727	2,500	3,500
India Office: Salaries of Establishment	136,229	138,700	141,900
" Auditor's Department	6,734	6,600	6,900
" Store Department	25,204	23,800	23,800
" India Store Depot—additions to building	—	12,000	12,000
" Stationery, Postage, Telegrams, and other Charges	21,145	27,000	25,125
Army, and Marine, Effective: Home Charges of British Forces serving in India (including receipt on account of Aden) ..	570,129	540,300	538,000
" " Troop Service and Transport (including receipt from War Office)	151,532	200,400	199,900
" " Receipt on account of Indian Native Regiments lent for service in the Colonies	- 95,000	- 82,000	- 86,800
" " His Majesty's ships in Indian Seas	100,068	100,100	100,100
" " Other Charges	42,422	111,800	48,200
Stores: Civil and Public Works	347,677	414,500	436,300
" Telegraph	241,470	180,000	150,000
" Marine	254,047	134,100	94,200
" Army	1,542,468	635,500	589,600
" Military Works	58,922	67,500	36,100
" Special Defences (1902)	44,271	22,500	79,100
" Miscellaneous Charges	- 4,330	11,400	5,000
Furlough: Civil	243,015	339,000	337,500
" Army and Marine	452,014	482,600	454,000
" Telegraph and Public Works	48,985	61,200	59,500
Non-Effective Charges (including India Office pensions):			
Civil	1,404,847	1,372,100	1,393,900
Army and Marine	2,949,498	3,027,400	3,044,100
Total	18,333,943	17,849,400	17,963,500

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

Expenditure.	Accounts, 1906-7.	Revised Estimate, 1907-8.	Budget 1908-9.
Capital outlay on construction of State Railways	£ 2,551,691	£ 2,264,800	£ 3,065,000
" " on Irrigation Works	79,368	85,000	28,100
Total	2,631,059	2,349,800	3,093,100

APPENDIX III.

RAILWAYS : MILEAGE AND TRAFFIC.

Length of railways open in India on 31st March, 1906	28,619·48 miles.
Length of railways open in India on 31st March, 1907	29,303·37 „
Additional mileage opened in 1907-1908:—	
Nagda-Muttra	140·54 miles
Burma Extensions	134·77 „
Tirhoot	118·30 „
Shahdara-Saharanpur	93·02 „
Rohilkhand-Kumaon	84·12 „
Purulia-Ranchi	72·28 „
North-Western	59·24 „
East Indian	58·64 „
Bezwada-Masulipatam	49·38 „
Jaipur	40·66 „
Great Indian Peninsula... ..	37·50 „
Bengal and North-Western	21·72 „
Azikhal-Mangalore	20·91 „
Dholpur-Bari	19·25 „
Bengal-Nagpur	14·24 „
Jubbulpore-Gondia	8·43 „
Eastern Bengal	7·26 „
Sangli	4·90 „
Total	985·16 „
Length of railways open in India on 31st March, 1908	30,288·53 miles.

	1905.	1906.	1907.
Number of passengers carried	248,157,000	271,063,000	307,585,000
Tons of goods carried	54,936,000	58,869,000	69,593,000

RAILWAYS : CAPITAL OUTLAY AND NET TRAFFIC RECEIPTS.

Appendix
III.
—
Railways.

(The Capital at charge for each line on 31st March, 1907, is calculated by deducting from the total capital outlay up to 31st March, 1907, half the outlay in 1906-7.)

		Capital at Charge, March 31st, 1907.	Net Receipts, 1906-1907.	Percentage of Net Receipts on Capital Outlay.
Guaranteed	...	£	£	
State	...	12,613,291	384,993	3.05
	Madras	776,094	2,053	.27
	Azikhall-Mangalore	41,722,038	3,235,414	7.23
	East Indian	51,789	376	.73
	Bellary-Rayadrug	10,703,222	968,593	9.05
	Rajputana-Malwa	217,907	11,917	5.47
	Bhopal	15,907	1,233	7.75
	Palampur-Deesa	19,805,071	959,919	4.85
	Bengal-Nagpur	85,967	- 4,275	—
	Warora Colliery	8,986,795	389,514	4.33
	Burma	8,620,681	39,455	.46
	Assam-Bengal	61,019	- 194	—
	Jorhat	12,981,366	732,290	5.64
	Eastern Bengal	94,034	- 24	—
	Hospet-Kottur	930,544	18,896	2.03
	Kalka-Simla	10,992,479	717,324	6.53
	Bombay, Baroda and Central India	55,323	- 30	—
	Morappur-Dharmapuri	4,413,098	267,720	6.07
	Tirhoot	13,426,281	459,575	3.42
	Oudh and Rohilkhand	842,524	54,358	6.45
	Agra Delhi Chord	8,781,386	367,691	4.19
	Indian Midland	71,970	1	—
	Tirrupattur-Krishnagiri	827,711	55,258	6.68
	Lucknow-Bareilly Section	180,416	11,519	6.38
	Hardwar-Dehra	41,697,236	2,007,916	4.81
	North Western	7,194,159	432,411	6.01
	South Indian	4,373,093	148,108	3.39
	North East Line, Madras Railway	248,174	2,407	.97
	Nilgiri	78,750	12,783	16.23
	Bezwada Extension	394,967	25,150	6.36
	Guntakal-Mysore Frontier	1,213,483	49,200	4.05
	Mysore	318,759	17,404	5.46
	Mayavaram-Mutupet	291,223	16,190	5.55
	Tinnevelly-Quilon (British Section)	29,245,224	1,696,446	5.80
	Great Indian Peninsula	8,129,571	226,457	2.78
	Southern Mahratta	266,617	33,292	12.48
	Jodhpur - Hyderabad (British Section).	253,703,169	13,341,338	5.26
Unopened lines, stores, &c.	...	6,595,346		
Private Companies :—	...	260,303,514	13,341,338	5.13
Government payments.	...	1,391,694		
		261,695,209		

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APPENDIX IV.

Irrigation
Works.

MAJOR IRRIGATION WORKS: CAPITAL OUTLAY AND NET EARNINGS.

	Capital Outlay to end of 1906-1907.	Net Earnings (being gross receipts less working expenses).	Percentage of net Earnings on Capital Outlay.
Bengal :—	£	£	
Orissa Project	1,735,793	6,842	·39
Midnapore	553,685	—307	—·08
Sone	1,720,959	66,062	3·45
United Provinces :—			
Ganges	2,051,890	276,228	13·46
Lower Ganges	2,309,958	148,946	6·45
Agra	684,276	52,497	7·67
Eastern Jumna	306,373	94,826	30·95
Betwa	388,062	10,371	2·67
Punjab and N.W. Frontier Province :—			
Western Jumna	1,102,326	138,265	12·54
Upper Bari-Doab	1,289,970	178,801	13·86
Sirhind	1,581,436	145,711	9·21
Lower Chenab	1,836,058	462,115	25·17
Lower Jhelam	1,007,043	58,755	5·83
Loyer Swat River	270,846	29,927	11·05
Upper Chenab	379,453	—	—
Madras :—			
Godavari Delta	808,529	185,355	22·92
Kistna Delta	962,958	164,610	17·09
Pennér Anicut	367,150	28,623	7·79
Kurnool-Kuddapah	1,461,818	9,146	·63
Periyar Project	642,023	28,380	4·42
Rushikulya Project	309,903	2,157	·69
Bombay :—			
E. Nara Works	429,568	40,423	9·41
Mutha	462,050	15,157	3·28
Jamrao	526,802	26,797	5·09
Nira	358,800	9,706	2·74
Barma :—			
Mandalay	334,179	13,603	4·07
Shwebo	301,359	4,455	1·48
Other Works	3,581,594	207,129	5·78
Total	27,764,861	2,404,580	8·66

APPENDIX V.

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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.

I.—Summary of Sea-borne Trade (Private and Government transactions combined).

	1905-6.	1906-7.	1907-8.
	£	£	£
Imports :—			
Merchandise	71,742,500	78,161,500	90,994,000
Treasure	21,100,700	29,719,900	28,181,700
Total	95,843,200	107,881,400	119,175,700
Exports :—			
Merchandise :—			
Indian Produce	105,513,000	115,439,700	115,634,500
Re-exports	2,377,400	2,343,000	2,552,700
Total	107,890,400	117,782,700	118,187,200
Treasure	10,313,300	3,812,200	3,632,300
Total	118,203,700	121,594,900	121,819,500
Total Imports and Exports	214,046,900	229,476,300	240,995,200
Net Exports... ..	22,360,500	13,713,500	2,643,800

Appendix V.
Trade Tables.

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

	1905-6.	1906-7.	1907-8.
	£	£	£
Imports of Merchandise :—			
Private	68,722,700	72,205,100	86,565,900
Government	6,019,800	5,956,400	4,428,100
Total Imports	74,742,500	78,161,500	90,994,000
Exports of Merchandise :—			
Private	107,812,000	117,710,700	118,102,300
Government	78,400	72,000	84,900
Total Exports	107,890,400	117,782,700	118,187,200
Net Exports, Private	39,089,300	45,505,600	31,536,400
Net Imports, Government	5,941,400	5,884,400	4,343,200

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

	1905-6.	1906-7.	1907-8.
	£	£	£
Gold :—			
Net Imports on Private Account	6,301,300	9,862,300	11,566,500
Net Imports on Government Account	—5,996,000	41,700	12,000
Total Net Imports	305,300	9,904,000	11,578,500
Silver :—			
Net Imports on Private Account	3,346,400	4,463,000	6,675,100
Net Imports on Government Account	7,135,700	11,540,700	6,295,800
Total Net Imports	10,482,100	16,003,700	12,970,900
Total Net Imports of Treasure	10,787,400	25,907,700	24,549,400

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

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	1905-6.	1906-7.	1907-8.
	£	£	£
<i>A. On Private Account—</i>			
1. Live Animals	329,400	310,400	294,000
2. Articles of Food and Drink :—			
Liquors	1,345,200	1,237,800	1,336,600
Provisions :—			
From United Kingdom... ..	609,600	651,500	709,700
From elsewhere	980,800	964,100	1,117,000
Total	1,590,400	1,615,600	1,826,700
Salt	438,100	445,200	535,100
Spices	733,700	959,500	1,041,100
Sugar (Refined) :—			
From United Kingdom... ..	189,700	107,600	19,300
From Mauritius	1,302,400	1,318,400	1,549,500
From Austria-Hungary and Germany ...	1,914,300	2,108,600	485,600
From Java	953,700	1,491,300	3,419,300
From elsewhere	455,000	186,400	92,400
Unrefined Sugar, Molasses, and Confectionery	367,900	613,100	585,300
Total	5,183,000	5,825,400	6,151,400
Other articles	433,600	393,300	532,200
Total value of articles of Food and Drink ...	9,724,000	10,476,800	11,423,100
3. Metals and Manufactures of Metals :—			
Hardware and Cutlery :—			
From United Kingdom	1,038,700	1,164,800	1,324,600
From Germany	208,500	282,700	388,300
From elsewhere	263,300	321,500	397,400
Total	1,510,500	1,769,000	2,110,300

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

	1905-6.	1906-7.	1907-8.
<i>A. On Private Account—cont.</i>			
3. Metals and Manufactures of Metals—cont.	£	£	£
<i>Machinery and Millwork :—</i>			
From United Kingdom	3,141,600	3,692,500	4,122,900
From elsewhere	142,200	167,500	267,500
Total	3,283,800	3,860,000	4,390,400
Iron and Steel	4,429,300	5,045,500	6,499,300
Copper	956,500	928,800	1,375,600
Other Metals	642,700	719,100	917,600
Railway Plant (other than Government Stores)	1,081,700	2,772,200	4,803,500
Total value of Metals and Manufactures of Metals.	11,904,500	15,094,600	20,096,700
4. Chemicals, Drugs, Medicines, Narcotics, Dyeing and Tanning Materials.	1,981,800	2,072,400	2,392,400
5. Oils	1,629,700	1,845,300	2,437,400
6. Raw materials and unmanufactured articles :—			
Jewellery	894,100	622,500	463,800
Wood	556,200	539,500	546,700
Silk	474,600	378,700	654,300
Other articles	1,316,000	1,391,400	1,671,200
Total	3,240,900	2,932,100	3,336,000
7. Articles manufactured and partly manufactured :—			
<i>Cotton—Twist and Yarn, Piece Goods, and Thread :—</i>			
From United Kingdom	25,992,800	25,099,300	29,504,800
From elsewhere	1,097,200	988,500	1,176,300
Other sorts of Cotton	1,205,400	1,190,500	1,347,300
Total	28,295,400	27,278,300	32,028,400
Silk	1,267,700	1,216,700	1,423,200
Wool	1,616,800	1,368,100	1,845,100
<i>Apparel (excluding hosiery and boots) :—</i>			
From the United Kingdom	646,300	591,400	633,300
From elsewhere	602,900	623,000	835,000
Total	1,249,200	1,214,400	1,468,300

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

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	1905-6.	1906-7.	1907-8.
<i>A. On Private Account—cont.</i>	£	£	£
7. Articles manufactured and partly manufactured—cont.			
Glass and Glassware	749,800	807,600	963,400
Instruments, apparatus, and appliances ...	608,600	799,100	908,800
Other articles	6,124,800	6,789,300	7,949,100
Total value of articles manufactured and partly manufactured.	39,912,300	39,473,500	46,586,400
Total value of Imports of Merchandise on Private Account.	68,722,700	72,205,100	86,565,900
<i>B. Government Stores</i>	6,019,800	5,956,400	4,428,100
Grand Total, Imports of Merchandise ...	74,742,500	78,161,500	90,994,000

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

	1905-6.	1906-7.	1907-8.
<i>A. Indian Merchandise exported on Private Account.</i>	£	£	£
1. Animals, living	128,900	150,900	143,900
2. Articles of Food and Drink :—			
Coffee	1,171,100	664,300	743,000
Rice	12,426,600	12,353,000	13,559,000
Wheat and Wheat-flour	6,115,100	5,226,800	6,097,000
Other grains and Pulse	1,141,700	857,100	1,349,400
Provisions	473,800	434,100	503,000
Spices	605,200	401,400	351,300
Tea	5,898,400	6,571,800	6,829,200
Other articles	384,900	315,800	351,200
Total, Articles of Food and Drink	28,216,800	26,824,300	29,783,100
3. Metals and Manufactures of Metals ..	388,400	650,300	737,700

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

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						1905-6.	1906-7.	1907-8.
						£	£	£
A. Indian Merchandise exported on Private Account—cont.								
4. Chemicals, Drugs, Dyeing Materials, &c.:								
Opium :—								
	To China	...	...	...	...	4,906,200	4,802,500	4,362,700
	To other countries	...	...	...	...	1,408,300	1,402,800	1,418,900
	Total	...	...	...	...	6,314,500	6,205,300	5,781,600
Indigo :—								
	To the United Kingdom	...	...	...	...	100,200	110,700	126,900
	To other countries	...	...	...	...	290,700	356,300	297,900
	Total	...	...	...	...	390,900	467,000	424,800
	Other articles	...	...	...	...	926,900	1,032,600	1,152,200
	Total, Chemicals, Drugs, &c.	...	...	...	...	7,632,300	7,704,900	7,358,600
5. Oils						544,500	465,700	572,100
6. Raw Materials and Unmanufactured Articles :—								
Cotton :—								
	To Japan	...	...	...	...	4,577,700	3,704,900	4,808,600
	To Germany	...	...	...	...	2,462,600	3,147,600	3,639,600
	To other countries	...	...	...	...	7,187,400	7,799,800	8,664,600
	Total	...	...	...	...	14,227,700	14,652,300	17,112,800
Hides and Skins (Unprepared) :—								
	To the United States	..	...	...	...	2,883,100	2,602,500	1,530,900
	To Germany	...	...	...	...	1,443,200	1,722,900	1,292,900
	To other countries	...	...	...	...	2,406,100	2,937,200	1,877,400
	Total...	...	...	...	...	6,732,400	7,262,600	4,701,200
Jute :—								
	To the United Kingdom	...	...	...	...	4,876,800	7,707,900	4,678,900
	To Germany	...	...	...	...	2,153,100	3,937,900	2,558,100
	To other countries	...	...	...	...	4,387,200	6,246,700	6,744,900
	Total	...	...	...	...	11,417,100	17,892,500	11,981,900
Linseed :—								
	To United Kingdom	...	...	...	...	818,600	774,600	1,115,800
	To other countries	...	...	...	...	1,925,100	1,398,600	2,075,300
	Total	...	...	...	...	2,743,700	2,173,200	3,191,100

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

	1905-6.	1906-7.	1907-8.
	£	£	£
<i>A. Indian Merchandise exported on Private Account—cont.</i>			
6. Raw Materials and Unmanufactured Articles—cont.			
Other seeds	4,329,100	6,507,900	8,020,100
Fodder, Bran, and Cattle-food	787,700	626,600	984,800
Wool, raw	1,409,800	1,617,700	1,402,300
Other articles	3,116,100	3,622,100	3,403,200
Total, Raw Materials and Unmanufactured Articles.	44,763,600	54,354,900	50,797,400
7. Manufactured and partly manufactured articles :—			
Cotton twist and yarn :—			
To China	7,784,900	6,332,300	4,443,700
To other countries	473,600	598,700	1,538,300
Total	8,258,500	6,931,000	5,982,000
Other cotton	1,358,500	1,181,200	1,195,700
Total cotton	9,617,000	8,112,200	7,177,700
Jute :—			
Gunny bags and cloth :—			
To the United Kingdom	706,900	1,175,500	1,068,000
To the United States	2,627,400	3,918,300	4,430,900
To other countries	4,921,300	5,310,200	6,613,100
Other Jute manufactures	43,100	73,500	86,400
Total	8,298,700	10,477,500	12,198,400
Hides and Skins, dressed or tanned :—			
To the United Kingdom	2,104,500	2,539,500	2,223,100
To other countries	334,500	428,000	376,700
Total	2,439,000	2,967,500	2,599,800
Lac	2,068,100	2,247,400	2,584,700
Other articles	1,362,200	1,432,400	1,638,100
Total, manufactured and partly manufactured articles.	23,785,000	25,237,000	26,198,700
Total exports of Indian merchandise on Private Account.	105,459,500	115,388,000	115,591,500
<i>B. Government Stores, exports</i>	53,500	51,700	43,000
Total exports, Indian merchandise	105,513,000	115,439,700	115,634,500

Appendix V.
Trade Tables.

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

	1905-6.	1906-7.	1907-8.
	£	£	£
<i>C. Re-exports—On Private Account:—</i>			
Cotton, wool and apparel	1,209,700	1,186,400	1,334,600
Other articles	1,142,900	1,136,300	1,176,300
<i>D. Re-exports—Government Stores</i>	24,800	20,300	41,800
Total	2,377,400	2,343,000	2,552,700
Grand Total, Exports of Merchandise	107,890,400	117,782,700	118,187,200

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

Countries.	1905-6.	1906-7.	1907-8.
	£	£	£
Europe :—			
United Kingdom	45,825,900	48,198,600	57,760,300
Belgium	2,984,000	2,903,600	3,537,700
Germany	2,915,000	3,860,600	3,445,600
Austria-Hungary	2,738,300	2,045,600	1,769,300
France	1,152,500	975,200	1,354,700
Italy	802,300	720,700	795,300
Other countries	855,700	879,800	1,464,400
Total	57,273,700	59,584,100	70,127,300
Africa and adjacent Islands :—			
Mauritius and dependencies including Seychelles ...	1,385,800	1,445,100	1,642,200
Egypt	229,000	104,800	201,400
British East Africa	179,500	141,000	209,700
Other countries	55,300	79,800	73,900
Total	1,849,600	1,770,700	2,127,200
America :—			
United States	1,495,000	1,698,000	2,158,200
Other countries	12,400	2,300	1,500
Total	1,507,400	1,700,300	2,159,700

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

Countries.	1905-6.	1906-7.	1907-8.
	£	£	£
Asia :—			
Borneo, Java, and Sumatra	1,415,800	2,214,600	4,101,800
Straits Settlements	1,701,200	1,845,700	2,089,600
China : Hong Kong	679,400	561,800	747,200
„ other ports (excluding Macao)	503,600	433,900	718,700
Japan	856,200	1,073,400	1,445,000
Ceylon	447,300	566,300	629,200
Arabia	630,100	380,900	370,400
Other countries	1,243,100	1,600,200	1,562,200
Total	7,476,700	8,676,800	11,664,100
Australasia	615,300	473,200	487,600
Grand Total	68,722,700	72,205,100	86,565,900

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

Countries.	1905-6.	1906-7.	1907-8.
	£	£	£
Europe :—			
United Kingdom	26,665,100	31,289,500	29,842,500
Germany	9,798,600	13,149,700	12,794,400
France	6,359,900	7,470,000	7,609,500
Belgium	4,333,600	4,798,500	5,967,100
Austria Hungary	3,194,200	4,012,300	3,867,900
Italy	3,126,400	3,803,600	3,691,300
Holland	1,186,600	1,201,800	1,060,700
Other Countries	1,746,500	1,956,200	1,995,600
Total	56,410,900	67,681,600	66,829,000
Africa and adjacent Islands :—			
*Egypt	1,061,300	1,316,800	3,217,400
Mauritius and dependencies including Seychelles	753,000	832,700	735,000
Natal	361,600	358,400	446,600
British East Africa	327,700	368,900	411,500
Other Countries	809,100	726,500	756,000
Total	3,312,700	3,603,300	5,566,500

* The figures for exports to Egypt in 1907-8 include goods shipped to Egyptian ports "for orders" which, on later adjustment, will be shown as exports to the countries of their final destination.

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

Trade
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Countries.	1905-6.	1906-7.	1907-8.
America :—	£	£	£
United States	8,672,100	10,415,700	9,012,100
South America	1,806,100	1,575,400	2,424,100
Canada	506,500	517,900	324,900
West Indies	411,500	341,200	325,700
Other Countries	12,900	11,400	17,200
Total	11,409,100	12,861,600	12,104,000
Asia :—			
Hong Kong	8,836,300	7,249,600	5,658,700
China (exclusive of Hong Kong and Macao) ...	5,374,100	5,318,500	4,330,000
Japan	6,618,000	4,730,000	5,892,600
Straits Settlement	4,199,800	4,352,700	4,550,000
Ceylon	3,690,100	4,254,400	4,165,000
Aden and Dependencies	838,600	746,400	651,500
Arabia	920,300	644,800	339,500
Borneo, Java and Sumatra	737,200	446,700	887,000
Other Countries	1,476,800	1,563,800	2,430,600
Total	32,691,200	29,306,900	28,904,900
Australasia	1,635,600	1,934,600	2,187,100
Grand Total	105,459,500	115,388,000	115,591,500