

EAST INDIA : ACCOUNTS AND ESTIMATES,
1910-1911.

EXPLANATORY MEMORANDUM

BY THE

UNDER SECRETARY OF STATE FOR INDIA.

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



LONDON:
PRINTED FOR HIS MAJESTY'S STATIONERY OFFICE,
By DARLING & SON, LTD., 34-40, BACON STREET, E.

And to be purchased, either directly or through any Bookseller, from
WYMAN AND SONS, LTD., FETTER LANE, E.C., and
32, ABINGDON STREET, WESTMINSTER, S.W.; or
OLIVER & BOYD, TWEEDDALE COURT, EDINBURGH; or
E. PONSONBY, LTD., 116, GRAFTON STREET, DUBLIN.

1910.

CONTENTS.

	PAGE.
Explanatory Memorandum	3
Appendix I.—Notes on the main heads of Net Revenue and Expenditure	14
“ II.—Home Charges: Detailed Statement	27
“ III.—Railways: Mileage, Traffic, Capital Outlay, and Net Traffic Receipts	28
“ IV.—Major Irrigation Works: Capital Outlay and Net Earnings,	30
“ V.—Trade Tables	31

MEMORANDUM

BY THE

UNDER SECRETARY OF STATE FOR INDIA,

RELATING TO THE

ACCOUNTS of the GOVERNMENT OF INDIA for 1908-1909 and
the ESTIMATES for 1909-1910 and 1910-1911.

REVENUE AND EXPENDITURE.

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, 1908-1909.	Revised Estimate, 1909-1910.	Budget, 1910-1911.
Revenue	£ 69,761,535	£ 74,374,500	£ 75,454,400
Expenditure	73,499,245	74,084,700	75,078,400
Surplus or Deficit	—3,737,710	289,800	376,000

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, the total receipts without any deduction on account of interest charges, working expenses, &c., 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, and the receipts of certain spending departments: while the figures of Gross Expenditure include the interest charges of railways, the working expenses and interest charges of other commercial undertakings, and the cost of cultivation and manufacture 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. 122 of 1910), in which the net revenue derived from commercial undertakings and opium is shown 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 the spending departments from the gross expenditure incurred by them. In the following table the Net Revenue and Expenditure for 1908-9, 1909-10, 1910-11, are calculated in the same manner as in the annual Parliamentary return last mentioned.

Net Revenue.

—	Accounts, 1908-1909.		Budget, 1909-1910.		Revised Estimate, 1909-1910.		Budget, 1910-1911.	
	£	£	£	£	£	£	£	£
I. Land Revenue, &c.:								
1. Land Revenue	19,005,038		20,162,000		20,552,500		20,405,500	
2. Forest	1,691,865		1,789,800		1,712,900		1,762,800	
3. Tributes from Native States.	387,557		391,700		396,800		395,200	
		21,084,460		22,343,500		22,662,200		22,563,500
II. Opium		4,645,113		3,314,300		4,232,600		3,550,100
III. Taxation:								
1. Salt	3,008,703		3,052,500		3,042,800		3,128,200	
2. Stamps	4,293,955		4,427,800		4,499,000		4,699,400	
3. Excise	6,313,779		6,717,100		6,458,500		6,760,500	
4. Provincial Rates...	532,976		533,600		545,300		542,100	
5. Customs	4,725,083		4,927,000		4,800,600		5,928,400	
6. Assessed Taxes	1,544,576		1,577,300		1,554,800		1,612,400	
7. Registration	429,975		441,300		435,100		449,900	
		20,849,047		21,676,600		21,336,100		23,120,900
IV. Commercial Undertakings:								
1. Post Office	—71,133		47,200		—22,300		26,200	
2. Telegraph	—49,978		—113,200		—107,500		—140,400	
3. Railway Revenue Account	—1,242,250		1,447,100		828,500		562,200	
4. Irrigation	608,823		522,600		590,600		493,600	
		—754,538		1,903,700		1,289,300		941,600
V. Mint		—89,475		41,700		—23,700		50,800
VI. Exchange		—34,437		—		42,900		—
Total Net Revenue ...		45,700,172		49,279,800		49,539,400		50,226,900

Net Expenditure.

—	Accounts, 1908-1909.		Budget, 1909-1910.		Revised Estimate, 1909-1910.		Budget, 1910-1911.	
	£	£	£	£	£	£	£	£
I. Debt Services (excluding interest payments chargeable to Railways and Irrigation).		979,507		978,300		916,900		1,027,600
II. Military Services:								
1. Army	18,314,327		18,424,000		18,086,400		18,479,100	
2. Marine	351,509		404,300		383,400		409,600	
3. Military Works and Special Defence Works	937,152		824,700		820,500		817,800	
		19,602,988		19,653,000		19,290,300		19,706,500
III. Collection of Revenue ...		6,026,572		6,135,000		6,054,100		6,292,400
IV. Civil Services:								
1. Civil Departments ...	13,342,704		13,369,800		13,138,900		13,900,200	
2. Miscellaneous Civil Charges	4,299,871		4,164,200		4,274,000		4,289,200	
3. Civil Works	4,208,404		3,949,100		3,891,900		4,257,200	
		21,850,979		21,483,100		21,304,800		22,446,600
V. Famine Relief and Insurance		1,645,179		1,000,000		1,000,000		1,000,000
VI. Provincial adjustments:								
1. Charge against Revenue of the Year arising from increase of Provincial Balances		—		—		683,500		—
2. Diminution of charge against Revenue of the Year owing to Expenditure being met from Provincial Balances ...		—607,343		—200,500		—		—622,200
Total Net Expenditure charged against Revenue. }		49,437,882		49,048,900		49,249,600		49,850,900
Surplus or Deficit ...		—3,737,710		230,900		289,800		376,000

Accounts, 1908-9.

It will be seen from the table that the final accounts for 1908-9 show a deficit of £3,737,710; this is greater by £17,210 than the amount shown in the Revised Estimate published in March, 1909. The causes of the deficit were set forth in the Explanatory Memorandum submitted to Parliament in 1909 [Cd. 4752].

Revised Estimate, 1909-10.

The Revised Estimate for 1909-10 shows, as compared with the Budget for that year, an increase of £259,600 in net revenue, and of £200,700 in net expenditure, resulting in a surplus of £289,800 instead of the surplus of £230,900 anticipated in the Budget.

The increase of £259,600 in the net revenue is the result of considerable increases and decreases under the several heads :—

Increase in Opium Revenue, £918,300.—The great increase under this head was due to a remarkable movement of prices in the China market towards the close of the year. In pursuance of the policy of restricting the opium trade adopted after negotiation with the Chinese Government (*see* Parliamentary Paper, Cd. 3881 of 1908) the number of chests of Bengal opium offered at the Calcutta auction sales (which averaged 4,200 chests per month in 1907) has been successively reduced to 3,900 per month in 1908, 3,600 in 1909, and 3,300 in 1910, while the shipments of Malwa opium, on which an export duty of Rs. 600 a chest is levied by the Government of India, have been restricted to 15,100 chests in 1908, 13,600 in 1909, and 12,100 in 1910. The Calcutta prices were not, however, materially affected by the reduction in supply until November, 1909, when a sharp advance in the China market in the previous month was followed by a rise in the prices realised at the Calcutta sales from Rs. 1,439 to Rs. 1,800, the highest price obtained for half a century. The price receded slightly in December, but it was Rs. 2,044 in January, 1910, Rs. 2,397 in February, and Rs. 2,329 in March; the average during the financial year 1909–10 being Rs. 1,610 against Rs. 1,350 taken in the Budget. The total increase of revenue from this source amounted to £735,000.

There has also been an increase over the Budget estimate of receipts from Malwa opium, owing to the fact that during the first seven and a half months of the year advance payments were allowed of the pass duty (Rs. 600 a chest) on Malwa opium so as to secure priority of shipment in subsequent years. This arrangement terminated in November, 1909, when it was decided that no priority of shipment should be granted for any date subsequent to 31st December, 1911, a decision which involved the refund of some pass duty already received; but, even after these refunds had been made, the number of chests upon which duty was received in 1909–10 amounted to 13,293 (net) as against 8,700 estimated. The Budget estimate of receipts from Malwa opium was thus exceeded by £179,700.

Increase in Land Revenue, £390,500 (chiefly in Burma, the Punjab, and Bombay).

Increase under other heads, £204,600.

The total increases in net revenue thus amounted to £1,513,400.

Decrease in Railway Revenue, £618,600.—In 1908–9, owing to bad harvests, commercial depression, high working expenses, and heavy outlay on repairs and renewals, the Railway Revenue Account, instead of the usual net gain, showed a net loss of £1,242,250. In the Budget for 1909–10 it was assumed that, with a return to more normal conditions, there would be an improvement of £2,689,350, and a net profit of £1,447,100. This expectation has not been fully realised, the improvement amounting to £2,070,750, and the net profit to £828,500.

Decreases under other heads, £635,200, of which £258,600 was under Excise and £126,400 under Customs.

The total decreases in net revenue thus amounted to £1,253,800.

The net increase of £200,700 in the net expenditure is due to the following variations from the Budget Estimates :—*Increases*: Provincial Adjustments (after taking into account special grants of £496,100 by the Government of India in aid of provincial balances and for expenditure on civil works in Eastern Bengal and Assam, Bengal and the Central Provinces, and of £193,800 to various provinces for other purposes), £884,000; other heads, £163,800. *Decreases*: Military Services, £362,700; Political, £114,000; other heads, £395,500.

Budget, 1910–11. Additional Taxation.

In framing the Budget for 1910–11, the Government of India had to take into account the prospect of a diminution, as compared with the previous year, of £682,500 in net opium receipts and the necessity of substituting a *quasi*-permanent provincial settlement with Eastern Bengal and Assam for the provisional settlement previously in force, a change involving the transfer to the Local Government of an annual sum of £254,900 from the resources previously at the disposal of the Government of India. It was also necessary to take into account the prospect that there will be in succeeding years a moderate growth of expenditure under certain heads and a further serious fall in opium revenue.

In view of these circumstances additional taxation has been imposed, as follows :—

(I.) Import duties—

Liquors.—The scale of duties on imported liquors has been simplified and the rates have been increased, as shown in the following table, by from 30 to 50 per cent., a corresponding increase being made in the excise duties.

	Duty under Tariff Amendment Act of 1906.	Duty under Tariff Amendment Act, 1910.
A. Beer and wines—		
(1.) Ale, beer, porter, cider, and other fermented liquors	2 annas (2 pence) ... per gallon.	3 annas (3 pence) per gallon.
(2.) Champagne and all other sparkling wines not containing more than 42 per cent. of proof spirit	Rs. 2. a. 8 (3s. 4d.) ... per gallon.	Rs. 3. a. 8 (5s.) per gallon.
All other sorts of wines not containing more than 42 per cent. of proof spirit ...	Rs. 1 (1s. 4d.) ... per gallon.	Rs. 1. a. 8 (2s.) per gallon.
B. Spirit—		
(1.) Liqueurs	Rs. 10 (13s. 4d.) per gallon.	(1.) Liqueurs and sweet- ened spirits, cordials, bitters, perfumed spirits and toilet preparations con- taining spirit Rs. 13 (17s. 4d.) per gallon.
(2.) Spirit when used in drugs, medicines, or chemicals in a pro- portion of less than 20 per cent. of spirit of the strength of London proof	5 per cent. <i>ad val.</i>	(2.) Spirit used in drugs, medicines or chemi- cals Rs. 7 a. 13 (10s. 5d.) per gallon.
When so used in a pro- portion of 20 per cent. and upwards	Rs. 7 (9s. 4d.) per gallon.	
(3.) Perfumed spirit	Rs. 11 (14s. 8d.) per gallon.	
(4.) Other sorts	Rs. 7 (9s. 4d.) per gallon.	(4.) Other sorts Rs. 9 a. 6 (12s. 6d.) per gallon.

Tobacco.—The duties previously in force were 5 per cent. *ad valorem* on manufactured tobacco including cigars, and 5 per cent. on a tariff valuation on cigarettes, while unmanufactured tobacco was admitted free. Under the new tariff a carefully correlated scale of higher rates has been introduced as follows :—

Unmanufactured tobacco	Rs. 1 a. 8 (2s.) per lb.
Cigars	Rs. 2 a. 8 (3s. 4d.) per lb.
Cigarettes	Rs. 2 (2s. 8d.) per lb. or Rs. 5 (6s. 8d.) per 1,000.
Other manufactured tobacco	Rs. 1 a. 10 (2s. 2d.) per lb.

Silver.—A fixed duty of 4 annas (four pence) an ounce has been imposed in lieu of the 5 per cent. *ad val.* duty hitherto in force.

Petroleum.—The existing duty of one anna (one penny) per gallon has been raised to one and a half annas.

(II.) Stamp duties :—

The duties leviable under the Indian Stamp Act on certain instruments have been increased as follows :—

(1.) The duty chargeable on debentures issued by a local authority has been raised from 8 annas (*i.e.*, $\frac{1}{2}$) per cent. to one per cent.

(2.) The duty on an agreement or memorandum of an agreement has been raised

(a.) If relating to the sale of a bill of exchange from one anna (1d.), to two annas.

(b.) If relating to the sale of a Government security or share in an incorporated company or other body corporate, from one anna on each document to one anna for every Rs. 10,000 (£667) or part thereof of the value of the security or share, subject to a maximum of 10 rupees (13s. 4d.) on any one document.

- (3.) The duty on bills of exchange of a value between Rs. 600 (£40) and Rs. 1,000 (£66) has been raised from 10 annas (10*d.*) to 12 annas (1*s.*). In the case of bills of a value exceeding Rs. 1,000 the duty has been raised by one half.
- (4.) The duty on debentures transferable by delivery has been raised from $\frac{1}{2}$ to 1 per cent.
- (5.) The duty on a memorandum sent by a broker or agent to his principal intimating the purchase or sale on account of such principal of any goods, stock, or marketable security has been raised—
- (a.) In the case of goods exceeding in value Rs. 20 (26*s.* 8*d.*) from one anna (1*d.*) to two annas (2*d.*).
- (b.) In the case of stock or marketable security exceeding in value Rs. 20, from one anna (1*d.*) on each document to one anna for every Rs. 10,000 (£667) or part thereof of the value of the stock or security, subject to a maximum of Rs. 10 (13*s.* 4*d.*).
- (6.) The duty on share warrants to bearer has been raised from $\frac{3}{4}$ to $1\frac{1}{2}$ per cent.
- (7.) The duty on the transfer of securities has been raised from $\frac{1}{4}$ to $\frac{1}{2}$ per cent.

(III.) Probate duties :—

The duty payable on the probate of a will or letters of administration has been raised as follows under the Court Fees Amendment Act, 1910 :—

- (1.) In the case of estates valued at more than Rs. 10,000 (£667) but not more than Rs. 50,000 (£3,333) from 2 to $2\frac{1}{2}$ per cent.
- (2.) In the case of estates valued at more than Rs. 50,000 from 2 to 3 per cent.

The additional import duties on liquors, tobacco, silver, and petroleum, which have been imposed for purely revenue purposes, are estimated to yield about ₹967,000 a year, the excise duties on beer and spirits about ₹33,000 a year, and the additional stamp and probate duties about ₹126,000. The revised import and excise duties came into force on the 25th February, 1910.

Budget Estimates of Net Revenue and Expenditure 1910-11.

After taking account of the increased revenue expected from additional taxation, the net revenue and expenditure of 1910-11 are estimated as follows :—

Net Revenue	...	...	...	...	...	...	...	₹	50,226,900
Net Expenditure	...	...	...	...	...	...	...		49,850,900
Surplus	...	...	...	...	...	...	...		<u>376,000</u>

As compared with the Revised Estimate for the previous year these figures show an increase of ₹687,500 in net revenue, of ₹601,300 in net expenditure, and of ₹86,200 in the surplus.

The increase of ₹687,500 in the net revenue is explained in detail as follows :—

Increases are anticipated in—								₹	₹
Customs	...	...	...	...	...	...	1,127,800	
Excise	...	...	...	...	...	...	302,000	
Stamps	...	...	...	...	...	...	200,400	
Salt, Mint, Assessed Taxes, Forest, Post Office, and Registration	...	...	...	...	...	...	330,700	
Total increases	...	...	...	...	...	...	<u>1,960,900</u>	
Decreases are anticipated in—									
Opium (mainly owing to the abandonment of the system of receiving export duty in advance on shipments of Malwa opium)	...	...	...	...	...	...	682,500	
Railways (owing to expenditure on renewals and betterment postponed from the previous year)	...	...	...	...	...	...	266,300	
Land Revenue (the collections in 1909-10 having been swollen by famine arrears)	...	...	...	...	...	...	147,000	
Irrigation, Exchange, Telegraph, Provincial Rates and Tributes	...	...	...	...	...	...	177,600	
Total decreases	...	...	...	...	...	...	<u>1,273,400</u>	
Net increase of Revenue		<u>₹</u>	<u>687,500</u>

The details of the increase of £601,300 in the net expenditure are as follows :—

Increases are anticipated in—						£	£
Military Services	...	...	...	...	...	416,200	
Civil Works	...	...	...	...	...	365,300	
Collection of Revenue	...	...	...	...	...	238,300	
Education	...	...	...	...	...	185,700	
Police	...	...	...	...	...	171,300	
Debt Services	...	...	...	...	...	110,700	
Medical Services	...	...	...	...	...	106,500	
Other heads	...	...	...	...	...	385,100	
Total increases						1,979,100	
Decreases are anticipated in—							
Provincial Adjustments (owing to payments by Provincial Governments from their balances towards the expenditure of the year)						1,305,700	
Other heads	...	...	...	...	...	72,100	
Total decreases						1,377,800	
Net increase of Expenditure						601,300	

DEBT.

1909-10.—In England £1,000,000 Sterling Bills were issued in April, 1909, for 12 months at an average price of £97 16s., and £2,500,000 in June, also for 12 months, at an average price of £96 18s., in replacement of bills falling due. A rupee loan of 2½ crores (£1,666,700) was issued in India in July, 1909, at an average price of Rs. 93·94 per cent. In December £2,500,000 Sterling Bills were issued for 12 months at an average price of £96 16s. 2d. in replacement of a like amount of Bills falling due. In January, 1910, an issue of £7,500,000 India 3½ per cent. Stock was made in England at a fixed price of £96 10s. per cent. to provide funds for railway construction in 1910-11, for granting advances to Indian railway companies, and for the discharge of certain debentures issued by the Bombay, Baroda and Central India and the Madras Railway Companies.

1910-11.—In the Budget for 1910-11 it is proposed to issue a loan of 1½ crores (£1,000,000) in India. In England £1,000,000 Sterling Bills were issued in April, 1910, at an average price of £96 9s. 3d. and £2,500,000 in June, 1910, at an average price of £96 18s. 6d., both issues being for 12 months and in replacement of Bills falling due. It is also proposed to issue a temporary loan for the purpose of repaying the capital of the Indian Midland Railway Company.

IRRIGATION WORKS.

The outlay on the construction of Major Irrigation Works incurred during the last two years and estimated to be incurred during the present year is as follows :—1908-9, £1,352,253 ; 1909-10 (Revised Estimate), £1,519,100 ; 1910-11 (Budget), £1,579,900. The allotment for 1910-11 includes grants of £266,700 for the Upper Jhelum Canal, £240,000 for the Upper Chenab Canal, £150,000 for the Lower Bari Doab Canal, £134,300 for the Upper Swat River Canal, and £435,600 for various protective projects. Of the gross outlay on Minor Works, amounting to £895,263 in 1908-9, £918,800 in 1909-10 (Revised Estimate), and £931,100 in 1910-11 (Budget), a portion is devoted to capital expenditure on new works, but, like the outlay on Protective Works, it is charged against the revenue of the year in which it is incurred.

The following table shows 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).
	£	£
1908-9	30,738,992	1,284,752
1909-10 (Revised Estimate)	32,258,100	1,278,000
1910-11 (Budget)	33,838,000	1,204,500

RAILWAYS.

On the 31st December, 1909, the length of railways in India open for traffic was 31,485 miles, of which 915 miles were opened in 1909. The total mileage under construction or sanctioned for construction at the close of the year was 2,957 miles.

The capital expenditure on railways shewn in the Government Accounts for 1908-9 and Estimates for 1909-10 and 1910-11 is as follows :—

	Accounts, 1908-09.	Revised Estimate, 1909-10.	Budget, 1910-11.
	£	£	£
Expenditure not charged to Revenue :—			
(A) Outlay on lines worked by the State and by guaranteed companies :—			
(1) From funds provided by the State...	5,209,621	4,401,200	5,921,100
(2) From funds raised through companies or provided from other sources.	4,835,450	4,834,500	4,945,600
	10,045,071	9,235,700	10,866,700
(B) Outlay on branch lines not on firm guarantee	5,864	78,200	120,300
Expenditure charged to Revenue :—			
Famine protective lines	70	14,800	33,300
Provincial State lines	415	1,500	300
	485	16,300	33,600
Grand Total ...	10,051,420	9,330,200	11,020,600

The figures given above do not include expenditure on railways whose transactions do not pass through the Government Accounts. In 1908 the capital expenditure on these lines was £1,030,500, of which £410,700 was on railways owned by Native States.

The net traffic receipts in 1908-9 of open lines in which the Government is directly interested gave a return of 3.69 per cent. on the capital at charge. Details relating to the several lines will be found on page 29, below.

The Railway Revenue Account shewed in 1908-9 a net charge of £1,242,250, and in 1909-10 a net receipt of £828,500. The causes of the deterioration in 1908-9 are dealt with on page 19, below. In the Budget for 1910-11 the net receipt is taken at £562,200. These results are arrived at after charging in the Account not only all interest charges but also the following payments in redemption of capital which are made partly through sinking funds and partly through the annuities created for the purchase of railways, viz. :—

	£
In 1908-9	865,636
In 1909-10	925,600
In 1910-11	957,400

LIABILITIES AND ASSETS.

On the 31st of March, 1910, the debt of India amounted to £267,330,911 (viz. :—rupee debt, converted into sterling at 1s. 4d. the rupee, £91,225,000, and sterling debt, £176,105,911). 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 £22,825,349.

Up to the same date the Government of India had devoted £121,606,423 to the construction of Railways, and £32,258,059 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, £108,092,386 had been spent from capital raised by the companies. It had advanced £12,136,606 (net) to Railway Companies and had lent £12,804,620 (net) to Native States, Corporations, Agriculturists, &c. Other assets were the Gold Standard Reserve, on account of which £13,219,217 had been invested, £2,534,302 was held in the form of rupees, and £3,010,528 as part of the cash balances in England; the cash balances in India, £12,346,667; and the cash balances in England, £12,798,866 (in addition to the sum held on behalf of the Gold Standard Reserve).

EXCHANGE AND REMITTANCE.

The sales by the Secretary of State of bills and transfers on India during the last seven years have been as follows:—

1903-4	...	£23,859,303	at an average rate of	1s. 4·049d.	the rupee.
1904-5	...	£24,425,558	"	"	1s. 4·045d.
1905-6	...	£31,580,454	"	"	1s. 4·043d.
1906-7	...	£33,418,716	"	"	1s. 4·084d.
1907-8	...	£15,307,062	"	"	1s. 4·029d.
1908-9	...	£14,144,545	"	"	1s. 3·9305d.
1909-10	...	£27,444,609	"	"	1s. 4·041d.

It will be seen from these figures that the sales in 1905-6 and 1906-7 were considerably above, and those in 1907-8 and 1908-9 considerably below, the normal. As mentioned in Parliamentary Paper Cd. 4572 of 1909, the smallness of the amount in the latter years was the result of the exceptional trade conditions prevailing from the autumn of 1907 to the autumn of 1908. Owing to the poor harvests in India in the latter half of 1907, and to the depression of trade in many parts of the world, the excess of India's exports on private account over her imports was much less than it had been for some years, and for a time the values of her imports actually exceeded that of her exports. It was seen that a fall in the rate of exchange would occur unless special facilities were given to the public to obtain the means of remittance required for the adjustment of the balance of trade, and the Secretary of State accordingly authorised the Government of India to sell for rupees in India, at the rate of 1s. 3 $\frac{2}{3}$ d. the rupee, bills payable in London in sterling. Sales were made weekly from 26th March to 13th August, 1908, and amounted to £8,058,000 in all. The funds required for meeting them were obtained by the Secretary of State from the realisation of a portion of the securities held on behalf of the Gold Standard Reserve. In November, 1908, trade resumed its normal course, and since that time the weekly sales of bills and telegraphic transfers on India have not been interrupted.

GOLD STANDARD RESERVE.

In accordance with a recommendation made by the Indian Currency Committee of 1898-9 it was decided that, with effect from 1st April, 1900—

- (1) the net profit on the coinage of new rupees should not be treated as revenue, but should be paid to a special reserve (now called the Gold Standard Reserve);
- (2) the reserve should be held mainly in sterling securities, the interest being added to the reserve as it accrued.

* The annuities now outstanding are:—East Indian Railway Annuity, £1,145,288 (of which £294,750 is deferred under the existing contract for working the line), running to 14th February, 1953; Eastern Bengal Railway Annuity, £116,851, running to 31st July, 1957; Scinde, Punjab and Delhi Railway Annuity, £371,361, running to 31st December, 1953; Great Indian Peninsula Railway Annuity, £1,268,516, to 17th August, 1948; and Madras Railway Annuity, £488,381, to 1st April, 1956.

From July, 1906, a portion of the Reserve has been held in India in rupees in order that the Government of India may be in a favourable position for meeting without delay in times of pressure heavy demands for the issue of rupees in exchange for sterling.

In 1907 it was decided that half of the net profit on coinage from 1st April, 1907, should be used to supplement the funds available for capital expenditure on railways, the other half of the profit and the whole of the interest receipts being added to the Reserve as before. As at present arranged, however, no portion of the profit will be used for railway purposes unless the sterling assets of the Gold Standard Reserve and the gold held in the Paper Currency Reserve amount together to at least £25,000,000.

Statistics, &c., regarding the Gold Standard Reserve.

The total receipts from profit on coinage and from interest up to 31st March, 1910, have been as follows:—

Profits on Coinage.						£
1900-1	...	...	...	...	...	3,031,294
1901-2	...	...	...	...	...	415,100
1902-3	...	...	...	...	...	264,028
1903-4	...	...	...	...	...	2,627,575
1904-5	...	...	...	...	...	1,790,380
1905-6	...	...	...	...	...	3,677,880
1906-7	...	...	...	...	...	4,014,426
1907-8	...	...	...	...	...	2,247,207
1908-9	...	...	...	...	...	102
1909-10	...	...	...	...	...	—
Total						18,067,992
Interest and discount						1,985,042
						<u>20,053,034</u>

Of this sum £1,123,655 has been used for capital expenditure on railways; the remainder (£18,929,379) has been paid to the Reserve.

The following table summarises the position of the Reserve on 31st March, 1910:—

Profits on Coinage—		£	£	Sterling Securities held in England (cost price)		£
Total Profits realised 1st April, 1900, to 31st March, 1910	...	18,067,992	...	Cash held in England on account of the Reserve	...	3,010,528
Deduct amount used for Capital Expenditure on Railways	...	1,123,655	...	Rupees held in India on account of the Reserve	...	2,534,302
Profit paid to Gold Standard Reserve	...	16,944,337	...			
Interest and discount received up to 31st March, 1910	...	1,985,042	...			
Profits and Interest paid to Reserve from 1st April, 1900, to 31st March, 1910	...	18,929,379	...			
Deduct—						
Loss on Sale of Securities	...	146,852	...			
Miscellaneous Charges	...	18,480	...			
Total deductions	...	165,332	...			
Amount of Reserve on 31st March, 1910	...	£18,764,047	...			£18,764,047

The Securities purchased for £13,219,217 (as shown above) were as follows:—

Securities.	Nominal Value.	Cost Price.
	£	£
2½ per cent. Consolidated Stock	4,665,770	4,207,463
Local Loans 3 per cent. Stock	200,000	195,106
Guaranteed 2½ per cent. Stock	438,720	407,188
Transvaal Government 3 per cent. Guaranteed Stock	1,092,023	1,076,524
National War Loan 2½ per cent. Stock and Bonds	867,568	870,885
3 per cent. Exchequer Bonds	631,000	633,167
British Treasury Bills	4,351,000	4,287,327
Dominion of Canada Treasury Bills	1,080,000	1,057,182
Natal Treasury Bills	500,000	484,375
Total	13,826,081	13,219,217

HOME CHARGES.

The net Expenditure in England chargeable to Revenue was £18,323,421 in 1908-9, £18,510,500 in the Revised Estimate for 1909-10, and £19,054,500 in the Budget for 1910-11. 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 ...	11,107,400
Payments in connection with Civil Departments in India ...	139,625
India Office (excluding pensions)	202,975
Army and Marine Effective Charges	1,091,600
Stores of all kinds charged against revenue	1,046,800
Furlough Allowances	970,500
Non-Effective Charges (Pensions and Gratuities)	4,495,600
Total	19,054,500

SEABORNE TRADE.

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

	1907-8.	1908-9.	1909-10.
<i>On Private Account.</i>	£	£	£
Imports of Merchandise	86,596,700	80,843,800	78,039,300
Exports of Merchandise	118,238,700	102,018,600	125,164,900
Net Exports of Merchandise	31,642,000	21,174,800	47,125,600
Net Imports of Gold	11,566,500	3,144,100	14,446,000
Net Imports of Silver	6,683,000	7,972,700	6,242,500
Net Imports of Treasure	18,249,500	11,116,800	20,688,500
Net Exports of Merchandise and Treasure on Private Account.	13,392,500	10,058,000	26,437,100
<i>Government Transactions.</i>			
Imports of Merchandise	4,428,600	5,008,300	3,727,200
Exports of Merchandise	84,900	76,800	55,400
Net Imports of Merchandise	4,343,700	4,931,500	3,671,800
Net Imports or Exports of Gold	12,000	— 240,400	7,000
Net Imports of Silver	6,295,800	72,900	54,100
Total Net Imports or Exports of Treasure	6,307,800	— 167,500	61,100

BURDEN OF TAXATION.

	Accounts 1908-9.	Revised Estimate, 1909-10.	Budget, 1910-11.
	£	£	£
Salt	3,008,703	3,042,800	3,128,200
Stamps	4,293,955	4,499,000	4,699,400
Excise	6,313,779	6,458,500	6,760,500
Provincial Rates	532,976	545,300	542,100
Customs	4,725,083	4,800,600	5,928,400
Assessed Taxes	1,544,576	1,554,800	1,612,400
Registration	429,975	435,100	449,900
Total	20,849,047	21,336,100	23,120,900
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. 1 8·7	s. d. 1 9·1	s. d. 1 10·8
If the payment of Land Revenue be added, the average becomes	3 3·7	3 5·5	3 6·9

EDWIN S. MONTAGU.

India Office,
7th July, 1910.

APPENDIX I

Notes on the main heads of Net Revenue and Expenditure.

NET REVENUE.

Land Revenue.

	£
Accounts, 1907-8	17,982,592
Accounts, 1908-9	19,005,038
Budget, 1909-10	20,162,000
Revised Estimate, 1909-10	20,552,500
Budget, 1910-11	20,405,500

In 1908-9 the rainfall, though more favourable than in the preceding year, was still considerably below the normal, and the collections of land revenue were affected accordingly.

The improvement in 1909-10 has been even greater than was anticipated when the Budget was framed. The chief increases have occurred in the Punjab (£458,200 gross), Bombay (£400,800), the United Provinces (£262,500), the Central Provinces (£131,300), and Burma (£131,300). In Burma the improvement is the result of an extension of cultivation and of an excellent rice crop.

The slight falling-off anticipated in 1910-11 is due to the absence of the heavy famine arrears which swelled the returns of several provinces in 1909-10.

Forest.

	£
Accounts, 1908-9	1,691,865
Budget, 1909-10	1,789,800
Revised Estimate, 1909-10	1,712,900
Budget, 1910-11	1,762,800

More than one-third of the revenue under this head is obtained in Burma.

Tributes.

	Accounts, 1908-9.	Budget, 1909-10.	Revised Estimate, 1909-10.	Budget, 1910-11.
	£	£	£	£
Receipts	589,636	586,500	596,700	590,300
Assignments and Compensations, and Refunds and Drawbacks.	202,079	194,800	199,900	195,100
Net revenue	387,557	391,700	396,800	395,200

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.

Opium.

	Accounts, 1908-9.	Budget, 1909-10.	Revised Estimate, 1909-10.	Budget, 1910-11.
	£	£	£	£
Receipts	5,884,788	4,416,000	5,532,300	4,650,600
Charges	1,239,675	1,101,700	1,299,700	1,100,500
Net revenue	4,645,113	3,314,300	4,232,600	3,550,100

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 at factories at Patna and Ghazipur. The bulk of the produce is sold by auction at Calcutta 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. The main portion of the net revenue under Opium is obtained from the Calcutta sales. The remainder is derived from a pass duty levied on each chest of opium produced in the group of Native states known as Malwa, and exported *via* Bombay. The opium expenditure consists chiefly of payments to the cultivators in Bengal.

The variations in the revenue under this head in 1909-10 have been explained above at page 5. The improvement of over £900,000 in the Revised Estimate is chiefly accounted for by the remarkable rise in the prices realised at the Calcutta auctions, the average selling price per chest being Rs. 1,612 as against Rs. 1,350 taken in the Budget. The gross receipts from the sales were thus £739,000 in excess of the original forecast. The number of chests of Malwa opium on which pass duty was received during the year from traders anxious to secure priority in future shipments exceeded the Budget estimate by 9,393, and the gross receipts from this source showed an increase of about £377,000 above the Budget figure. A considerable portion of this sum was eventually refunded as the Government of India decided to discontinue the system of accepting payment of duty in advance and returned all sums received in respect of shipments after 1911.

The Budget for 1910-11 provides for the sale of 37,560 chests of Bengal opium, and it has been assumed that an average sale price of Rs. 1,750 per chest will be obtained. No provision has been made in the Budget estimate for any revenue from Malwa opium, as duty has already been received on all the opium that can be exported during the financial year.

Owing to the large decrease in the stock of opium held in reserve, it is doubtful whether a substantial reduction in the area under cultivation will be possible in 1910-11, and provision has been made for about the same scale of expenditure as in the preceding year.

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.		
		Rs.		Rs.		£
Accounts, 1907-8	48,900	1,350	15,512	600	33,126	1,503,876
Accounts, 1908-9	45,900	1,384	34,969½	600	40,001	1,086,208
Budget, 1909-10	42,300	1,350	8,700	600	—	943,300
Revised Estimate, 1909-10	42,300	1,612	13,293	600	28,125	971,467
Budget, 1910-11	37,560	1,750	—	600	28,000	966,667

Salt.

	Net Revenue.	Consumption (including Burma).
	£	
1903-4	4,981,704	37,603,000 maunds of 82½ lbs.
1904-5	5,093,466	39,132,000 " "
1905-6	4,109,939	40,729,000 " "
1906-7	4,095,173	43,086,000 " "
1907-8	3,072,378	44,390,000 " "
1908-9	3,008,703	45,410,000 " "
1909-10 (Revised Estimate)	3,042,800	45,627,000 " "
1910-11 (Budget) ...	3,128,200	46,466,000 " "

The salt duty was reduced from Rs. 2½ (3s. 4d.) to Rs. 2 (2s. 8d.) per maund (82½ lbs.) in March 1903, from Rs. 2 (2s. 8d.) to Rs. 1½ (2s.) in March 1905, and from Rs. 1½ (2s.) to Rs. 1 (1s. 4d.) in March 1907. The decreases of revenue in 1905-6 and 1907-8, are due to the latter two reductions. The reductions have been followed by a marked increase in consumption.

In 1908 an Act was passed permitting the payment of duty on Salt on a system of limited credit instead of in cash, and the reduction of revenue in 1908-9 and 1909-10 is partly attributable to this cause.

	<i>Stamps.</i>					£
Accounts, 1908-9	4,293,955
Budget, 1909-10	4,427,800
Revised Estimate, 1909-10	4,499,000
Budget, 1910-11	4,699,400

About two-thirds of the revenue is derived from court fee stamps and the remainder from commercial and other stamps. Of the improvement anticipated in the Budget for 1910-11, £126,000 is due to the enhancement of the stamp and probate duties referred to on page 6.

	<i>Excise.</i>					£
Accounts, 1908-9	6,313,779
Budget, 1909-10	6,717,100
Revised Estimate, 1909-10	6,458,500
Budget, 1910-11	6,760,500

The increase in Excise Revenue expected to occur in 1909-10 as a result partly of stricter administration and partly of the return of normal agricultural conditions has not been realised, except in Madras. High prices prevailed during the greater portion of the year and probably reduced the expenditure of the people on exciseable articles, while special causes also operated in various provinces.

Allowance has been made in the Budget of 1910-11 for a moderate growth in the revenue, which, it is expected, will be increased by £33,000 through the enhancement of duties referred to on page 6.

	<i>Provincial Rates.</i>					£
Accounts, 1908-9	532,976
Budget, 1909-10	533,600
Revised Estimate, 1909-10	545,300
Budget, 1910-11	542,100

The figures do not call for remark.

	<i>Customs.</i>					£
Accounts, 1908-9	4,725,083
Budget, 1909-10	4,927,000
Revised Estimate, 1909-10	4,800,600
Budget, 1910-11	5,928,400

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

	Accounts, 1907-8.	Accounts, 1908-9.	Budget, 1909-10.	Revised Estimate, 1909-10.	Budget, 1910-11.
Import duties :—	£	£	£	£	£
Cotton Manufactures	1,012,600	787,500	800,000	820,000	853,300
Liquors	670,000	696,700	714,000	693,100	826,700
Silver Bullion and Coin	344,700	424,300	283,300	377,400	666,700
Other Metals and Manufactures of Metals	304,200	313,700	333,300	303,300	313,300
Other Manufactured Articles	651,800	628,300	650,700	613,400	633,300
Petroleum	297,600	355,100	350,000	310,000	421,700
*Tobacco	—	—	—	—	420,000
Other Articles	814,800	845,000	877,400	882,200	853,000
Excise duty on Cotton Goods	226,600	236,300	250,000	240,000	250,000
Export duty on Rice	682,200	545,400	766,700	673,300	800,000
Total	5,004,500	4,832,300	5,025,400	4,912,700	6,038,300

* Before 1910-11 the import duty on tobacco was very low, and its yield is included in the figures given for "Other articles."

As compared with the Budget forecast the Revised Estimate for 1909-10 shows a substantial decline in the revenue expected from rice, petroleum, "other manufactured articles," "other metals and manufacture of metals," and liquors. The decrease in the yield of the export duty on rice is due in part to the diversion of rice from Burma to Indian ports. The imports of silver, the estimate of which must always be highly conjectural, have considerably exceeded the forecast of the Budget.

The Budget for 1910-11 anticipates a gross increase in the Customs revenue, amounting to £1,125,600. Of this sum £967,000 approximately represents the estimated yield of the enhanced duties on liquors, silver, petroleum, and tobacco, of which details have been given on page 6. A substantial rise is expected in 1910-11 from the yield of the export duty on rice as the demand in Bengal for Burma rice will decrease with the improvement in local agricultural prospects.

				<i>Assessed Taxes.</i>	£
Accounts, 1908-9	1,544,576
Budget, 1909-10	1,577,300
Revised Estimate, 1909-10	1,554,800
Budget, 1910-11	1,612,400

The receipts shown under this head are entirely derived from Income Tax. The tax is levied on non-agricultural incomes of Rs. 1,000 a year or more at rates equivalent to 5*d.* in the £ on incomes from Rs. 1,000 (£67) to Rs. 2,000 (£133), and 6½*d.* in the £ on incomes of Rs. 2,000 or more.

				<i>Registration.</i>	£
Accounts, 1908-9	429,975
Budget, 1909-10	441,300
Revised Estimate, 1909-10	435,100
Budget, 1910-11	449,900

The receipts are principally derived from fees for registering documents.

Post Office.

					Accounts, 1908-9.	Budget, 1909-10.	Revised Estimate, 1909-10.	Budget, 1910-11.
					£	£	£	£
Receipts ...	...	...	...	...	1,825,620	1,963,800	1,904,800	1,977,400
Charges ...	...	...	...	...	1,896,753	1,916,600	1,927,100	1,951,200
<i>Net revenue or charge</i>					<i>71,133</i>	<i>47,200</i>	<i>22,300</i>	<i>26,200</i>

The increase in the gross receipts anticipated in 1909-10 from the revival of trade and the return of normal agricultural conditions have been only partially realised. The estimate for the current year anticipates a moderate growth in the revenue.

Telegraph.

					Accounts, 1908-9.	Budget, 1909-10.	Revised Estimate, 1909-10.	Budget, 1910-11.
					£	£	£	£
Receipts ...	...	...	...	...	978,097	950,100	921,900	945,500
Charges ...	...	...	...	...	1,028,073	1,063,300	1,029,400	1,085,900
<i>Net charge</i>					<i>49,976</i>	<i>113,200</i>	<i>107,500</i>	<i>140,400</i>

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

The difference between the Revised Estimate of revenue for 1909-10 and the Budget forecast for that year, is largely due to the fact that it was not practicable to gauge precisely the effect of the change in the inland tariff introduced from the 1st January, 1909, in the Indian Telegraph Department. A moderate growth in the receipts is anticipated in 1910-11.

The charges include the following amounts for capital outlay, mainly on account of the Indian Telegraph Department :—1908-9, £196,187 ; 1909-10 (Revised Estimate), £156,100 ; 1910-11 (Budget), £204,700.

The increased expenditure anticipated in 1910-11 provides for larger purchases of stores for the Departments and for the construction of a line through Arabistan by the Indo-European Department.

Railways.

—	Accounts, 1908-9.	Budget, 1909-10.	Revised Estimate, 1909-10.	Budget, 1910-11.
State Railways :—	£	£	£	£
Gross Receipts	26,799,888	29,182,400	28,983,200	29,845,700
Working Expenses	16,592,200	15,747,800	16,188,000	16,845,600
Net Traffic Receipts... ..	10,207,688	13,434,600	12,795,200	13,000,100
Surplus Profits paid to Companies, &c.	320,889	350,200	361,700	408,200
Interest charges—				
Interest on capital spent or advanced by the State.	6,014,748	6,197,500	6,143,600	6,348,900
Interest on capital deposited by Companies.	1,649,196	1,834,200	1,905,900	2,020,300
Annuities in purchase of Railways.	3,268,132	3,357,800	3,357,800	3,357,800
Sinking Funds	159,491	165,100	165,200	171,200
Total	11,412,456	11,904,800	11,934,200	12,306,400
Net Receipts;	1,204,768	1,529,800	861,000	693,700
Guaranteed Railways :—				
Net charge to the State	13,704	—	1,600	600
Miscellaneous charges (net)	23,778	82,700	34,100	132,100
Net Receipts from all Railways ...	1,242,250	1,447,100	828,500	562,200

Before 1899-1900 the Railway Revenue Account always showed a net charge. The figures from that year onwards are as follows :—

	£
1899-1900 Net receipt	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 "	1,563,002
1908-9 Net charge	1,242,250
1909-10 (Revised Estimate) Net receipt	828,500
1910-11 (Budget) "	562,200

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 receiving guaranteed interest on their share capital and a share of the surplus profits, 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 (including Rajputana-Malwa), Indian Midland, Madras and Southern Mahratta, South Indian, Assam-Bengal, and Burma Railways. For some years until 1908-9 the gross receipts of the State lines showed rapid and continuous growth. Including, for the purpose of comparison, the receipts of the Madras Railway, which was purchased by the State on the 31st December, 1907, the gross receipts for 5 years are as follows:—

1906-7.	1907-8.	1908-9.	Revised Estimate, 1909-10.	Budget, 1910-11.
£ 26,835,000	£ 28,127,000	£ 26,800,000	£ 28,983,000	£ 29,845,700

In 1908-9 the railway revenue account showed a net charge of £1,242,250. This unsatisfactory result was due to a variety of causes. The gross earnings of the lines fell below the Budget estimate by £2,273,000 in consequence of bad harvests and the general stagnation of trade. At the same time working expenses were higher than was estimated by £1,632,500, the chief cause of increase being a rise in the price of coal, the grant of grain compensation allowances for employees in consideration of the prevailing high prices, a revision of the scale of wages, and heavy outlay on betterment and renewals, which were considered necessary for safety and efficiency.

The Budget of 1909-10 anticipated an improvement of £3,226,900 in the net traffic receipts over the returns for 1908-9, but the Revised Estimate of gross receipts is about £200,000 less than the figure taken in the Budget, while working expenses are higher than was shown in the Budget by about £440,000. The Revised Estimate of the net traffic receipts is thus £639,400 less than the Budget Estimate, the improvement over the results of 1908-9 being £2,587,500 as compared with £3,226,900 anticipated in the Budget. When account is taken of the interest charges, the Revised Estimate of net receipts in 1909-10 shows an improvement of £2,065,800 over the results of 1908-9. The revised estimates for 1909-10 show the following important variations in detail when compared with the figures for 1908-9:—

—	Gross Receipts.	Working Expenses.	Net Improvement.
	£	£	£
North-Western	+1,001,500	+119,700	881,800
Bengal Nagpur	+125,600	-7,700	133,300
Great Indian Peninsula	+603,900	+131,100	472,800
Madras and Southern Mahratta	+113,300	-13,800	127,100
Rajputana-Malwa	+104,700	-54,200	158,900
East Indian Railway	-113,600	-411,900	298,300
Oudh and Rohilkand	+3,900	-147,900	151,800

The Budget for 1910-11 anticipates an improvement of £204,900 in net traffic receipts, an increase of £372,200 in charges for interest, annuities, &c., an increase of £99,000 in miscellaneous charges, and a consequent decrease in the profits to the State of £266,300 as compared with the Revised Estimate for 1909-10.

The estimated increase of £204,900 in net traffic receipts is based on the assumption that normal agricultural conditions and a further revival of trade will bring an addition of £862,500 to gross earnings, and that working expenses will rise by £657,600. The increase in working expenses is mainly attributable to the need for improving the service for both passenger and goods traffic, which has necessitated the inclusion in the estimates of most of the important lines of provision for the renewal with heavier rail of considerable lengths of permanent way, for the strengthening of bridges, and for renewals of rolling stock.

The following are the chief variations in the net traffic receipts between the Budget Estimate for 1910-11 and the Revised Estimate for 1909-10. *Increases*:—North-Western, £633,300; Eastern Bengal, £96,700; Oudh and Rohilkand, £86,700. *Decreases*:—East Indian, £260,000; Great Indian Peninsula, £280,000; Bombay, Baroda and Central India, £133,300; South Indian, £110,000.

Irrigation.

	Accounts, 1908-9.	Budget, 1909-10.	Revised Estimate, 1909-10.	Budget, 1910-11.
MAJOR WORKS:	£	£	£	£
Receipts	3,338,668	3,335,500	3,432,500	3,384,600
Working Expenses	1,036,589	1,033,100	1,088,700	1,062,800
Interest on Debt	1,017,327	1,073,500	1,065,800	1,117,300
Net Receipts	1,284,752	1,228,900	1,278,000	1,204,500
MINOR WORKS:				
Receipts	219,334	214,800	231,400	220,200
Expenditure	895,263	921,100	918,800	931,100
Net Expenditure	675,929	706,300	687,400	710,900
Net Receipts, Major and Minor Works.	608,823	522,600	590,600	493,600

Two-fifths of the gross receipts under this head are obtained in the Punjab.

The variations in the figures shown above are not important, and do not call for remark.

Mint.

	Accounts, 1908-9.	Budget, 1909-10.	Revised Estimate, 1909-10.	Budget, 1910-11.
Receipts	£ 102,654	£ 147,700	£ 103,200	£ 142,900
Charges	192,129	106,600	126,900	92,100
Net Receipt or Charge	89,475	41,700	23,700	50,800

No new rupees were coined from purchased silver in 1908-9 or 1909-10. In the latter year the anticipated profits from the issue of bronze and nickel coins were substantially reduced by the continued return from circulation of coins issued during the famine of 1907-8.

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

	Rs.	£
1907-8	173,070,146	(11,538,010)*
1908-9 (recoinage only)	25,130,598	(1,675,373)
1909-10 (recoinage only)	20,871,585	(1,391,439)

* The profit made on the coinage of new rupees in 1907-8 was transferred to the Gold Standard Reserve (see page 11).

Exchange.

Accounts, 1908-9	£ 34,437
Budget, 1909-10	Nil.
Revised Estimate, 1909-10	42,900
Budget, 1910-11	Nil.

The average rate obtained for bills and telegraphic transfers sold by the Secretary of State for India was 15·9305 pence per rupee in 1908-9 and 16·041 pence in 1909-10.

Owing to the impossibility of forecasting the course of exchange no provision is made in the Budget for 1910-11 for any gain or loss under this head.

NET EXPENDITURE.

Debt Services.

	Accounts, 1908-9.	Budget, 1909-10.	Revised Estimate, 1909-10.	Budget, 1910-11.
Total payments for Interest on Debt	£ 8,469,594	£ 8,737,700	£ 8,757,200	£ 9,044,300
<i>Deduct amount chargeable to Railways (included under Railways, page 18).</i>	6,014,748	6,197,500	6,143,600	6,348,900
<i>Deduct amount chargeable to Irrigation (included under Irrigation, page 20).</i>	1,017,327	1,073,500	1,065,800	1,117,300
Interest on Ordinary Debt... ..	1,437,519	1,466,700	1,547,800	1,578,100
Interest on other Obligations	529,313	529,900	546,600	564,800
Total	1,966,832	1,996,600	2,094,400	2,142,900
Interest Receipts	987,325	1,018,300	1,177,500	1,115,300
Net Interest Payments other than those chargeable to Railways and Irrigation.	979,507	978,300	916,900	1,027,600

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 Railways and Irrigation 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 18 and 20 above); the "Ordinary Debt" consists of the difference between the total debt in existence and the amount entered as Public Works Debt. In any year in which, owing to the use of surplus revenue or deposits for the construction of Public Works, the capital expenditure 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, the interest thereon showing a corresponding reduction in due course. In 1908-9 and 1909-10 the capital expenditure of the year was less than the additional debt incurred during the year, and the amount of the Ordinary Debt rose accordingly. In 1910-11 it is expected that the capital outlay will exceed the addition to the total Debt, and that the Ordinary Debt will be reduced. The reduction in interest charges will not, however, come fully into operation until the following year.

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

The amount of the debt and other obligations is shown on page 9 above.

The receipts shown in the table above 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.

	Accounts, 1908-9.	Budget, 1909-10.	Revised Estimate, 1909-10.	Budget, 1910-11.
Army	£ 18,314,327	£ 18,424,000	£ 18,086,400	£ 18,479,100
Marine	351,509	404,300	383,400	409,600
Military Works	903,108	796,800	783,800	816,300
Special Defence Works	29,044	27,900	36,700	1,500
Total	19,602,988	19,653,000	19,290,300	19,706,500

The details of the Army Charges, which form the most important part of the charges grouped together in the table above, are as follows :—

Net Army Charges in India.

	Accounts, 1908-9.	Budget, 1909-10.	Revised Estimate, 1909-10.	Budget, 1910-11.
NET CHARGES IN INDIA.				
Effective Services :—	£	£	£	£
Army and Garrison and Administrative Staff.	590,542	612,700	610,600	636,000
Regimental Pay, Allowances and Charges	7,693,263	8,158,000	8,136,400	8,270,700
Supply and Transport	2,046,471	2,019,600	2,005,400	1,999,000
Medical Establishments, Supplies and Services.	395,177	377,700	390,500	390,700
Ordnance Establishments, Stores and Camp Equipage.	668,237	589,900	578,300	555,500
Other Effective Services	1,227,670	1,021,000	1,020,400	1,170,900
Compensation for dearness of food and forage.	573,948	508,000	422,900	400,000
Total Effective Services	13,195,308	13,286,900	13,164,500	13,422,800
Non-effective Charges	606,790	597,500	604,700	623,800
Total, India	13,802,098	13,884,400	13,769,200	14,046,600

Net Army Charges in England.

	Accounts, 1908-9.	Budget, 1909-10.	Revised Estimate, 1909-10.	Budget, 1910-11.
Effective Services :—	£	£	£	£
Charges—				
Payments to War Office for British Forces in India.	901,498	955,200	911,100	938,700
Furlough Allowances	498,284	510,000	510,000	503,000
Indian Troop Service and Passage of Officers.	333,050	322,700	282,400	310,300
Miscellaneous	47,317	37,000	35,600	93,500
Stores	605,187	639,700	516,400	515,900
Total	2,385,336	2,464,600	2,255,500	2,361,400
Receipts—				
Contribution of Imperial Government towards Sea 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.	46,000	122,000	124,000	126,000
Transfer and Sale of Stores, Recoveries, &c.	38,282	34,200	20,700	33,900
Total	314,282	386,200	374,700	389,900
Net Charge for Effective Services	2,071,054	2,078,400	1,880,800	1,971,500
Non-effective Charges (net)	2,441,175	2,461,200	2,436,400	2,461,000
Total, England	4,512,229	4,539,600	4,317,200	4,432,500
Grand Total	18,314,327	18,424,000	18,086,400	18,479,100

It will be seen from the table that the net Army Charges were less by £227,927 in 1909-10 than in 1908-9. The most important reduction is in the amount expended as compensation for dearness of food and forage (£151,048).

The Budget for 1910-11 provides for an increase of £392,700 over the Revised Estimate of 1909-10. Of this sum £133,900 is required for additional expenditure on the operations for the suppression of the arms traffic in the Persian Gulf, and £106,700 is provided to meet increased conveyance charges.

Special Military Expenditure.—As explained in Parliamentary Paper Cd. 4752 of 1909, the practice of making fixed annual grants for special military expenditure which was in force from 1904-5 to 1908-9 was discontinued from the 1st April, 1909, and the Budget grants for such expenditure are now determined by the urgency of the need, the claims of other branches of the administration, and the condition of the revenue. Excluding recurring expenditure on completed measures and the recurring expenditure already attained on measures in progress, the total outlay on special measures in 1908-9, 1909-10, and 1910-11 is approximately as follows:—

	£
1908-9	640,200
1909-10 (Revised Estimate) ...	397,500
1910-11 (Budget)	482,700

These figures include outlay under the four military heads of account, "Army," "Marine," "Military Works" and "Special Defences," but the bulk of the expenditure is under Army and Military Works.

Collection of Revenue.

	Accounts, 1908-9.	Budget, 1909-10.	Revised Estimate, 1909-10.	Budget, 1910-11.
	£	£	£	£
Land Revenue	3,653,932	3,677,600	3,673,600	3,774,300
Forest	994,158	1,057,600	1,022,900	1,092,900
Salt (including cost of production) ...	343,108	358,800	330,300	358,000
Stamps	174,038	141,900	141,400	110,700
Excise	390,552	399,800	399,100	431,700
Provincial Rates	4,384	6,200	5,100	6,500
Customs	209,023	229,900	217,600	242,000
Assessed Taxes	25,568	27,100	26,300	28,100
Registration	231,809	236,100	237,800	248,200
Total	£ 6,026,572	6,135,000	6,054,100	6,292,400

The variations under Land Revenue occur mainly in connection with Survey and Settlement operations and with changes in Provincial and Village establishments. The increase in the Budget for 1910-11 as compared with the Revised Estimate of 1909-10 occurs mainly in Madras and Bengal; in Madras provision has been made for the constitution of additional districts and for an extended programme of Survey and Settlement operations, while in Bengal the increase is due to the introduction of a scheme for the improvement of the pay of ministerial officers.

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

Civil Departments.

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

	Accounts, 1908-9.	Budget, 1909-10.	Revised Estimate, 1909-10.	Budget, 1910-11.
	£	£	£	£
General Administration	1,694,833	1,667,700	1,664,700	1,744,500
Law Courts and Jails	3,160,232	3,065,200	3,119,200	3,179,500
Police	4,038,099	4,114,500	4,094,400	4,265,700
Ports and Pilotage	112,110	40,800	28,000	41,300
Education	1,523,905	1,562,300	1,542,900	1,728,600
Ecclesiastical	120,082	127,700	124,700	126,900
Medical	961,163	1,039,800	965,200	1,071,700
Political	1,007,512	972,200	858,200	913,400
Scientific and Minor Departments ...	724,768	779,600	741,600	828,600
Total	13,342,704	13,369,800	13,138,900	13,900,200

During the five years 1905-6 to 1909-10 the Government of India made permanent annual grants to the Provincial Governments of the following amounts for police reform, education, agricultural research and instruction, and sanitation :—

						£
Police	...	...	...	...	...	860,000 a year.
Education	...	...	...	...	...	287,700 "
Agriculture	...	...	...	...	...	160,000 "
Sanitation	...	...	...	...	...	200,000 "

A portion of these grants has been devoted to the construction of buildings, of which the cost is entered under the head Civil Works. It has not yet been possible to utilise fully the remaining portion, but provision has been made in the Budget for 1910-11 for increased outlay under the heads affected ("Police," "Education," "Scientific and Minor Departments," and "Medical"). A further annual grant of £21,100 is also made for police reform.

Under "General Administration" provision is made in 1910-11 for the cost of the enlarged legislative councils and of the re-organization and strengthening of various secretariat establishments.

Miscellaneous Civil Charges.

						£
Accounts, 1908-9	...	...	...	...	...	4,299,871
Budget, 1909-10	...	...	...	...	...	4,164,200.
Revised Estimate, 1909-10	...	...	...	...	...	4,274,000
Budget, 1910-11...	...	...	...	...	...	4,289,200

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.
						£	£	£
1908-9	...	...	...	...	...	884,857	1,978,366	2,863,223
1909-10 (Revised Estimate)	...	...	...	...	...	928,400	1,984,400	2,912,800
1910-11 (Budget)	...	...	...	...	...	961,606	2,010,600	2,972,206

Famine Relief and Insurance.

						Accounts, 1908-9.	Budget, 1909-10.	Revised Estimate, 1909-10.	Budget, 1910-11.
						£	£	£	£
Direct Famine Relief	...	...	...	...	...	992,079	204,400	66,500	—
Protective Railways	...	...	...	...	...	70	20,000	14,800	33,300
Protective Irrigation Works	...	...	...	...	...	403,030	480,000	480,000	466,700
Reduction or avoidance of Debt	...	...	...	...	...	250,000	295,600	438,700	500,000
Total	...	...	...	...	...	1,645,179	1,000,000	1,000,000	1,000,000

A sum of not less than £1,000,000 is annually appropriated for the purposes of Famine Relief and Insurance. When the outlay on direct famine relief is less than 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."

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

fixed sums as follows:—Bombay, £91,300; Central Provinces, £85,300; United Provinces, £30,000; Bengal, £17,300; Madras, £16,700; Punjab, £9,300. 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 shewn 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 accordance with the arrangements just described; the expenditure on direct Famine Relief in 1908-9 and 1909-10 has been shared as follows:—

	1908-9.		1909-10 (Revised Estimate).	
	Government of India.	Local Government.	Government of India.	Local Government.
	£	£	£	£
United Provinces	434,391	404,391	12,200	—
Bengal	52,220	10,455	34,000	16,500
Central Provinces	74,516	—	1,500	—
Eastern Bengal and Assam	—	2,201	—	1,400
Other Provinces	13,905	—	900	—
Total	575,032	417,047	48,600	17,900

In view of the favourable agricultural prospects for 1910-11 no provision for direct famine relief has been made in the Budget.

Civil Works.

	£
Accounts, 1908-9	4,208,404
Budget, 1909-10...	3,949,100
Revised Estimate, 1909-10	3,891,900
Budget, 1910-11	4,257,200

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

The decrease in expenditure under this head in 1909-10 was due to the depletion of the provincial balances owing to famine and other causes.

In 1910-11 provision is made for increased expenditure in all provinces except Bombay and the North-West Frontier province. The most important increases are in Madras (£140,600) and Burma (£118,100). In Burma the expenditure includes a contribution of £100,000 towards a scheme for training the Rangoon river. This sum was provided by the Government of India in 1909-10, and that Government also made special grants in the same year to the Central Provinces, Bengal, and Eastern Bengal and Assam to enable them to restore their expenditure on Civil Works in the current year to a normal scale.

Provincial Adjustments.

	Provincial Surpluses (which are added to the Provincial Balances and charged against the Revenue of the Year).	Provincial Deficits (i.e., amounts taken from Provincial Balances towards defraying expenditure incurred in the Year).
	£	£
Accounts, 1907-8	—	667,343
Budget, 1908-9	—	200,500
Revised Estimate, 1908-9	683,500	—
Budget, 1909-10	—	622,200

In the Budget for 1909-10 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 now in force, would amount (including certain special grants made by the Government of India at the beginning of the year) to £24,178,500, and that the share of the expenditure of the year chargeable to Provincial Governments would be £24,379,000, of which £200,500, 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 revenues of the year. During the year, however, the Government of India made the following additional grants to the Provincial Governments :—

	£
(1.) To Eastern Bengal and Assam, Bengal, and the Central Provinces, partly in aid of their balances and partly for expenditure on Civil Works, the scale of which had been reduced owing to famine and other causes	496,100
(2.) To Burma, as a contribution towards the cost of the Rangoon river training scheme	100,000
(3.) To Eastern Bengal and Assam, as a contribution towards the improvement of the Port of Chittagong	36,700
(4.) To the United Provinces, in consequence of the reduction of certain irrigation rates and as a grant-in-aid for tank restoration works	46,100
(5.) To various provinces in aid of University and Collegiate education	21,000
Total	<u>£699,900</u>

Owing mainly to these grants, the revenue credited to the Provincial Governments in the year was £24,977,200 as compared with £24,178,500 shown in the Budget. The Provincial share of expenditure was £24,293,700 as compared with £24,379,000 shown in the Budget. Thus the Provincial Governments, instead of providing from their balances £200,500 towards the expenditure of the year added £683,500 to their balances, this amount being charged against the revenue of the year.

In 1910-11 special assignments of £317,000 have been made to the Provincial Governments including an addition of £254,900 to the annual assignment made to Eastern Bengal and Assam under the terms of its provincial settlement, which has just been revised. The Provincial Governments will, however, be required to hand over to the Government of India a sum (estimated at £80,000) equivalent to their share of the receipts from the increased Excise and Stamp duties. After taking account of these adjustments it is assumed that the Provinces will contribute from their balances £622,200 towards the expenditure of the year.

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, 1908-9.	Revised Estimate, 1909-10.	Budget, 1910-11.
	£	£	£
Interest and Management of Debt (excluding Interest charged in Railway Revenue and Irrigation Accounts)	1,896,649	1,967,800	2,238,200
Railway Revenue Account	8,191,322	8,564,100	8,757,500
Irrigation : Interest on Debt	108,989	110,600	111,700
Civil Administration :			
Payments on account of Departments in India, passage, outfit, &c. ...	61,075	42,300	46,000
Postal Subsidy	54,588	54,600	54,600
Telegraph : Red Sea Company's Annuity	9,014	—	—
" Indo-European	7,533	13,200	23,500
" Joint Purse Guarantee	—	—	—
Public Works : Civil Engineering College	1,090	1,000	1,000
" Other Charges	2,808	2,000	1,500
Indian Civil Service : Allowances to Candidates, Examinations, &c. ...	13,887	13,200	12,500
Lunatics : Maintenance	1,429	1,500	1,500
Political Charges : Persian Mission and Minor Consulates	— 8,475	— 13,000	— 14,175
" Pensions : Territorial and Political	11,085	13,600	10,400
" Other Charges	4,522	5,600	2,800
India Office : Salaries of Establishment	141,924	142,500	143,200
" Auditor's Department	6,563	6,600	6,700
" Store Department	24,302	25,600	25,600
" India Store Depot—additions to building	12,142	6,800	1,500
" Stationery, Postage, Telegrams, and other Charges	24,353	24,200	25,975
Army, and Marine, Effective : Home charges of British forces serving in India (deducting receipt of £100,000 from War Office on account of Aden).	812,576	822,100	851,700
" Troop Service and Transport (deducting receipt of £130,000 from War Office).	181,584	147,900	171,300
" Receipt on account of Indian Native Regiments lent for service in the Colonies.	— 46,000	— 124,000	— 126,000
" His Majesty's ships in Indian Seas	100,094	100,100	100,100
" Other Charges	48,434	37,000	94,500
Stores : Civil and Public Works	433,614	349,700	307,700
" Telegraph	118,419	90,000	118,600
" Marine	98,643	81,600	94,700
" Army	589,185	501,400	492,000
" Military Works	41,067	33,800	26,300
" Special Defences (1902)	12,029	25,000	—
" Miscellaneous Charges	— 10,958	37,900	7,500
Furlough : Civil	366,639	398,000	398,000
" Army and Marine	495,305	507,000	498,090
" Telegraph and Public Works	74,829	76,500	74,500
Non-Effective Charges (including India Office Pensions) :			
Civil	1,399,000	1,410,500	1,438,300
Army and Marine	3,044,161	3,033,800	3,057,300
Total	18,323,421	18,510,500	19,054,500

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

Expenditure.	Accounts, 1908-9.	Revised Estimate, 1909-10.	Budget, 1910-11.
	£	£	£
Capital outlay on construction of State Railways	3,329,587	2,165,000	1,897,600
" on Irrigation Works	59,866	37,000	30,700
Repayment of Capital of Indian Midland Railway Company on termination of its contract.	—	—	2,250,000
Total	3,389,453	2,202,000	4,178,300

APPENDIX III.

RAILWAYS.

MILEAGE AND TRAFFIC (including railways outside the Government accounts).

Length of railways open in India on 31st December, 1907	29,956·67 miles.
Length of railways open in India on 31st December, 1908	30,570·23 „
Additional mileage opened in 1909:—	
Eastern Bengal	226·71 miles
Nagda-Muttra	202·72 „
North-Western	104·59 „
Bengal and North-Western	75·96 „
Jodhpur	61·32 „
Mirpur-Khas-Jhudo	50·43 „
Gwalior Light	46·88 „
Dhone-Kurnool	32·00 „
Baran-Kotah	26·71 „
Jubbulpore-Gondia	26·40 „
Bengal-Nagpur	15·20 „
Bukharpore-Bihar Light	9·50 „
Baraset-Basirhat Light	8·50 „
Gaekwar's-Mehsana	7·73 „
Oudh and Rohilkhand	7·62 „
Gondia Kandia	4·37 „
Madras and Southern Mahratta	2·84 „
Bezwada-Masulipatam	2·33 „
Bikaner	1·68 „
Kalka-Simla	0·63 „
Total	914·12
Add, minor corrections of mileage	1·00
	915·12 „
Length of railways open in India on 31st December, 1909	31,485·35 miles.

	1907.	1908.	1909.
Number of passengers carried	305,889,000	321,169,000	338,092,900
Tons of goods carried	62,098,000	62,398,000	67,200,000

CAPITAL OUTLAY AND NET TRAFFIC RECEIPTS.

The lines mentioned below are those of which the transactions are recorded in the Government accounts. The Capital at charge in 1908-9, including outlay by companies and local boards, is calculated by deducting from the total capital outlay up to 31st March, 1909, half the outlay in 1908-9.

		Capital at Charge, 1908-9.	Net Receipts, 1908-9.	Percentage of Net Receipts on Capital at Charge.
		£	£	
State	...	47,433,297	2,961,750	6.24
	Rajputana-Malwa	11,568,750	614,344	5.31
	Bhopal	233,499	10,820	4.63
	Palanpur-Deesa	16,213	1,253	7.73
	Bengal-Nagpur	22,157,247	783,385	3.53
	Burma	11,011,074	506,789	4.60
	Assam-Bengal	9,055,552	5,281	.06
	Jorhat	62,227	1,242	1.99
	Eastern Bengal	14,700,849	577,788	3.93
	Bombay, Baroda and Central India	11,480,610	685,947	5.97
	Nagda-Muttra	2,240,463	-6,124	—
	Tirhoot	4,860,551	285,605	5.88
	Oudh and Rohilkhand	14,341,912	268,130	1.87
	Agra Delhi Chord	856,588	38,007	4.44
	Indian Midland	8,973,266	238,580	2.65
	Lucknow-Bareilly Section	889,333	59,982	6.74
	Hardwar-Dehra	181,380	12,539	6.91
	North Western	47,733,114	518,191	1.09
	South Indian	12,069,828	606,301	5.02
	Bezwada Extension	78,898	12,775	16.19
	Kurnool Dhone	45,245	1,166	2.58
	Mysore	1,224,000	75,750	6.19
	Baran Kotah	258,901	105	.04
	Tinnevely-Quilon (British Section)	292,543	19,223	6.57
	Great Indian Peninsula	31,274,113	1,213,813	3.88
	Madras and Southern Mahratta	23,457,704	696,244	2.97
	Jodhpur - Hyderabad (British Section).	285,681	16,509	5.78
		276,782,838	10,205,395	3.68
Unopened lines, stores, &c.		3,235,092		
		280,017,930	10,205,395	3.64
Private Companies :— Government pay- ments.		1,422,963		
	GRAND TOTAL	281,440,893		

APPENDIX IV.

MAJOR IRRIGATION WORKS.

CAPITAL OUTLAY AND NET EARNINGS.

	Capital Outlay to end of 1908-9.	Net Earnings (being gross receipts less working expenses).	Percentage of net Earnings on Capital Outlay.
Bengal :—	£	£	
Orissa Project	1,740,978	6,381	·37
Midnapore	553,897	-2,508	-·45
Sone	1,720,933	78,140	4·54
United Provinces :—			
Ganges	2,065,454	248,832	12·04
Lower Ganges	2,332,407	138,267	5·93
Agra	716,300	32,150	4·49
Eastern Jumna	311,912	81,802	26·23
Betwa	489,019	-918	-·19
Punjab and N.W. Frontier Province :—			
Western Jumna	1,103,973	94,567	8·56
Upper Bari-Doab	1,334,654	166,081	12·44
Sirhind	1,585,998	141,324	8·81
Lower Chenab	1,842,113	434,968	23·61
Lower Jhelum	1,040,564	99,102	9·52
Lower Swat River	273,132	30,495	11·16
Upper Chenab	972,990	—	—
Upper Jhelum	685,291	—	—
Madras :—			
Godavari Delta	811,265	191,242	23·57
Kistna Delta	987,050	181,567	18·39
Pennér Anicut	371,208	33,961	9·15
Kurnool-Kuddapah	1,502,085	10,366	·69
Periyar Project	660,513	24,245	3·67
Rushikulya Project	308,051	4,290	1·39
Bombay :—			
E. Nara Works	434,772	24,384	5·61
Mutha Canal and Matoba Tank	485,188	16,933	3·41
Jamrao	528,921	8,819	1·67
Nira Canal and Shetphal Tank	404,679	13,795	3·41
Burma :—			
Mandalay	337,873	16,478	4·88
Shwebo	343,641	14,845	4·32
Other Works	4,794,131	212,466	4·43
Total	30,738,992	2,302,079	7·50

APPENDIX V.

TRADE TABLES.

SEA-BORNE TRADE:—

- I.—General Summary.
 II.—Analysis of Imports of Merchandise, shewing the principal articles separately.
 III.—Analysis of Exports of Merchandise, shewing the principal articles separately.
 IV.—Analysis of Imports of Merchandise on Private Account, shewing separately the principal countries of origin.
 V.—Analysis of Exports of Indian Merchandise on Private Account, shewing separately the principal countries of destination.

I.—Summary of Sea-borne Trade.

	Merchandise.	Treasure.			Total Merchandise and Treasure.
		Gold.	Silver.	Total.	
1907-8.	£	£	£	£	£
Imports:—					
Private ...	86,596,700	13,823,100	8,057,200	21,880,300	108,477,000
Government ...	4,428,600	12,000	6,297,300	6,309,300	10,737,900
Total ...	91,025,300	13,835,100	14,354,500	28,189,600	119,214,900
Exports:—					
Private ...	Indian produce } 115,727,100 Re-exports } 2,511,600				
Government ...	118,238,700 84,900	2,256,600 —	1,374,200 1,500	3,630,800 1,500	121,869,500 86,400
Total ...	118,323,600	2,256,600	1,375,700	3,632,300	121,955,900
Excess of Imports over Exports:—					
Private ..	—	11,566,500	6,683,000	18,261,500	—
Government ...	4,343,700	12,000	6,295,800	6,307,800	10,651,500
Excess of Exports over Imports:—					
Private ...	31,642,000	—	—	—	13,392,500
Government ...	—	—	—	—	—
1908-9.					
Imports:—					
Private ...	80,843,800	5,602,800	9,485,100	15,087,900	95,931,700
Government ...	5,008,300	—	74,900	74,900	5,082,500
Total ...	85,852,100	5,602,800	9,559,300	15,162,100	101,014,200
Exports:—					
Private ...	Indian produce } 99,904,800 Re-exports } 2,113,800				
Government ...	102,018,600 76,800	2,458,700 240,400	1,512,400 2,000	3,971,100 242,400	105,989,700 319,200
Total ...	102,095,400	2,699,100	1,514,300	4,213,500	106,308,900
Excess of Imports over Exports:—					
Private ...	—	3,144,100	7,972,700	11,116,800	—
Government ...	4,931,500	—	72,900	—	4,763,400
Excess of Exports over Imports:—					
Private ...	21,174,800	—	—	—	10,058,000
Government ...	—	240,400	—	167,500	—

I.—Summary of Sea-borne Trade—cont.

	Merchandise.	Treasure.			Total Merchandise and Treasure.				
		Gold.	Silver.	Total.					
1909-10.	£	£	£	£	£				
Imports :—									
Private	78,039,300	16,678,300	8,272,400	24,950,700	102,990,000				
Government	3,727,200	9,000	55,900	64,900	3,792,100				
Total	81,766,500	16,687,300	8,328,300	25,015,600	106,782,100				
Exports :—									
Private	<table border="0"> <tr> <td rowspan="2">} Indian produce</td> <td>122,905,800</td> </tr> <tr> <td>Re exports</td> <td>2,259,100</td> </tr> </table>	} Indian produce	122,905,800	Re exports	2,259,100				
} Indian produce	122,905,800								
	Re exports	2,259,100							
Government	125,164,900 55,400	2,232,300 2,000	2,029,900 1,800	4,262,200 3,800	129,427,100 59,200				
Total	125,220,300	2,234,300	2,031,700	4,266,000	129,486,300				
Excess of Imports over Exports :—									
Private	—	14,446,000	6,242,500	20,688,500	—				
Government	3,671,800	7,000	54,100	61,100	3,732,900				
Excess of Exports over Imports :—									
Private	47,125,600	—	—	—	26,437,100				
Government	—	—	—	—	—				

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

					1907-8.	1908-9.	1909-10.
					£	£	£
A. On Private Account—							
1. Live Animals					294,000	203,700	231,100
2. Articles of Food and Drink :—							
Liquors					1,336,600	1,320,600	1,273,600
Provisions :—							
From United Kingdom					709,000	746,200	776,900
From elsewhere					1,117,700	1,129,200	1,155,500
Total					1,826,700	1,875,400	1,932,400
Salt					534,700	560,500	459,300
Spices					1,041,100	916,000	858,400
Sugar (Refined) :—							
From United Kingdom					19,300	7,300	8,300
From Mauritius					1,549,500	1,638,300	1,601,500
From Austria-Hungary and Germany					485,600	1,307,700	608,200
From Java					3,419,300	3,446,000	4,874,800
From elsewhere					92,400	96,500	79,700
Unrefined Sugar, Molasses, and Confectionery					585,300	775,300	509,300
Total					6,151,400	7,271,100	7,681,800
Other articles					532,300	1,074,000	434,100
Total value of articles of Food and Drink					11,422,800	13,017,600	12,639,600
3. Metals and Manufactures of Metals :—							
Hardware and Cutlery :—							
From United Kingdom					1,324,400	1,300,100	1,209,600
From Germany					388,500	251,000	242,800
From elsewhere					397,400	399,400	392,900
Total					2,110,300	1,950,500	1,844,300
Machinery and Millwork :—							
From United Kingdom					4,122,600	4,107,800	3,165,900
From elsewhere					267,600	302,800	215,500
Total					4,390,200	4,410,600	3,381,400

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

	1907-8.	1908-9.	1909-10.
<i>A. On Private Account—cont.</i>			
	£	£	£
3. Metals and Manufactures of Metals— <i>cont.</i>			
Iron and Steel	6,501,000	6,029,300	5,894,600
Copper	1,375,600	1,814,200	1,762,300
Other Metals	917,600	825,200	854,700
Railway Plant (other than Government Stores)	4,800,500	4,946,600	3,619,900
Total value of Metals and Manufactures of Metals.	20,095,300	19,976,400	17,357,200
4. Chemicals, Drugs, Medicines, Narcotics, Dyeing and Tanning Materials.	2,392,400	2,181,100	2,509,000
5. Oils	2,463,300	2,772,300	2,232,300
6. Raw materials and unmanufactured articles:—			
Jewellery	463,800	344,100	537,300
Wood	546,700	491,600	440,100
Silk	654,300	679,300	651,300
Coal	395,700	548,300	471,800
Other articles	1,275,500	1,127,700	1,097,500
Total	3,336,000	3,191,000	3,198,000
7. Articles manufactured and partly manufactured:—			
Cotton—Twist and Yarn, Piece Goods, and Thread:—			
From United Kingdom	29,503,900	22,788,900	23,717,600
From elsewhere	1,177,200	1,310,900	1,113,000
Other sorts of Cotton	1,347,300	1,243,300	1,416,400
Total	32,028,400	25,343,100	26,247,000
Silk	1,423,200	1,520,900	1,511,300
Wool	1,845,000	1,940,600	1,387,400
Apparel:—			
From the United Kingdom	843,400	851,800	857,000
From elsewhere	878,600	759,700	730,600
Total	1,722,000	1,611,500	1,587,600
Glass and Glassware	963,500	779,500	851,100
Instruments, apparatus, and appliances	908,800	825,400	722,800
Other articles	7,702,000	7,480,700	7,564,900
Total value of articles manufactured and partly manufactured.	46,592,900	39,501,700	39,872,100
Total value of Imports of Merchandise on Private Account.	86,596,700	80,843,800	78,039,300
<i>B. Government Stores</i>	4,428,600	5,008,300	3,727,200
Grand Total, Imports of Merchandise	91,025,300	85,852,100	81,766,500

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

	1907-8.	1908-9.	1909-10.
A. Indian Merchandise exported on Private Account.			
	£	£	£
1. Animals, living	143,900	105,700	129,900
2. Articles of Food and Drink :—			
Coffee	743,000	926,600	730,900
Rice and Rice-flour	13,559,400	10,593,500	12,164,900
Wheat and Wheat-flour	6,097,000	1,240,800	8,868,600
Other grains and Pulse	1,349,400	544,800	1,353,100
Provisions	503,000	507,400	591,200
Spices	351,300	390,200	472,300
Tea	6,866,900	6,929,100	7,811,800
Other articles	351,100	561,500	707,700
Total, Articles of Food and Drink	29,821,100	21,693,900	32,700,500
3. Metals and Manufactures of Metals	812,700	600,600	738,100
4. Chemicals, Drugs, Dyeing Materials, &c. :—			
Opium :—			
To China	4,362,700	4,934,600	4,611,700
To other countries	1,419,000	1,298,200	1,597,400
Total	5,781,700	6,232,800	6,209,100
Indigo :—			
To the United Kingdom	126,900	134,400	33,500
To other countries	297,900	192,600	201,000
Total	424,800	327,000	234,500
Other articles	1,152,100	1,088,800	1,063,100
Total, Chemicals, Drugs, &c.	7,358,600	7,648,600	7,506,700
5. Oils	572,100	629,600	805,800
6. Raw Materials and Unmanufactured Articles :—			
Cotton :—			
To Japan	4,828,600	4,461,000	7,966,300
To Germany	3,638,500	2,130,700	2,702,000
To other countries	8,667,900	6,587,300	10,183,100
Total	17,135,000	13,179,000	20,851,400
Hides and Skins (Unprepared) :—			
To the United States	1,530,900	2,163,900	2,440,900
To Germany	1,292,900	1,330,900	2,623,400
To other countries	1,877,400	2,064,300	1,369,800
Total	4,701,200	5,559,100	6,434,100
Jute :—			
To the United Kingdom	4,678,900	5,527,200	4,286,000
To Germany	2,558,100	2,859,000	2,215,200
To other countries	4,744,900	4,836,800	3,557,700
Total	11,981,900	13,223,000	10,058,900
Linseed :—			
To United Kingdom	1,115,800	714,600	1,056,000
To other countries	2,075,300	988,900	1,560,900
Total	3,191,100	1,703,500	2,616,900

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

	1907-8.	1908-9.	1909-10.
A. Indian Merchandise exported on Private Account—cont.			
	£	£	£
6. Raw Materials and Unmanufactured Articles—cont.			
Other seeds	8,019,000	6,081,900	9,867,200
Fodder, Bran, and Cattle-food	984,800	878,400	864,200
Wool, raw	1,402,600	1,389,100	1,905,200
Other articles	3,404,400	2,776,300	3,053,300
Total, Raw Materials and Unmanufactured Articles.	50,820,000	44,790,300	55,651,200
7. Manufactured and partly manufactured articles :—			
Cotton twist and yarn :—			
To China	4,443,700	5,694,000	5,644,300
To other countries	1,538,300	759,700	828,400
Total	5,982,000	6,453,700	6,472,700
Other cotton	1,195,700	1,237,700	1,471,000
Total cotton	7,177,700	7,691,400	7,943,700
Jute :—			
Gunny bags and cloth :—			
To the United Kingdom	1,068,000	836,300	779,700
To the United States	4,430,900	3,486,300	4,114,300
To Argentine Republic	1,617,100	1,502,000	1,156,500
To other countries	4,996,000	4,613,100	5,308,400
Other Jute manufactures	86,400	52,900	38,800
Total	12,198,400	10,490,600	11,397,700
Hides and Skins, dressed or tanned :—			
To the United Kingdom	2,223,100	2,359,700	2,245,100
To other countries	376,700	392,700	400,600
Total	2,599,800	2,752,400	2,645,700
Lace	2,584,700	1,823,900	1,831,900
Other articles	1,638,100	1,677,800	1,554,600
Total, manufactured and partly manufactured articles.	26,198,700	24,436,100	25,373,600
Total exports of Indian merchandise on Private Account.	115,727,100	99,904,800	122,905,800
B. Government Stores, exports	43,100	18,200	25,500
Total exports, Indian merchandise	115,770,200	99,923,000	122,961,200
C. Re-exports—On Private Account :—			
Cotton, wool and apparel	1,304,600	1,056,800	1,105,200
Other articles	1,207,000	1,057,000	1,153,900
D. Re-exports—Government Stores	41,800	58,600	29,900
Total	2,553,400	2,172,400	2,289,000
— Grand Total, Exports of Merchandise	118,323,600	102,095,400	125,230,300

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

Countries.					1907-8.	1908-9.	1909-10.*
Europe :—					£	£	£
United Kingdom	...	...	...	...	57,757,900	50,612,700	48,799,700
Belgium	...	...	...	...	3,538,500	3,448,300	3,026,500
Germany	...	...	...	...	3,443,300	3,285,600	2,776,600
Austria-Hungary	...	...	...	...	1,770,100	2,577,700	1,817,900
France	...	...	...	...	1,354,700	1,207,300	1,176,200
Italy ...	...	...	...	...	795,000	756,800	752,000
Other countries	...	...	...	...	1,492,100	1,685,800	1,347,800
Total	...	...	...	...	70,151,600	63,574,200	59,696,700
Africa and adjacent Islands :—							
Mauritius and dependencies including Seychelles ...					1,642,800	1,782,200	1,678,100
Egypt	...	...	...	...	201,400	232,500	169,400
British East Africa	...	...	...	...	209,600	211,800	229,200
Other countries	...	...	...	...	74,000	89,400	160,500
Total	...	...	...	...	2,127,800	2,315,900	2,237,200
America :—							
United States ...	...	...	...	...	2,158,200	2,175,300	2,450,200
Other countries	...	...	...	...	1,400	900	26,900
Total	...	...	...	...	2,159,600	2,176,200	2,477,100
Asia :—							
Borneo, Java, and Sumatra	...	...	...	...	4,101,800	4,537,100	5,578,500
Straits Settlements	...	...	...	...	2,097,100	2,334,500	1,973,400
China; Hong Kong	...	...	...	...	746,600	794,400	682,500
„ other ports (excluding Macao)	...	...	...	...	718,700	754,500	821,400
Japan	...	...	...	...	1,445,000	1,411,400	1,656,800
Ceylon	...	...	...	...	629,900	472,800	450,900
Arabia	...	...	...	...	370,400	235,500	338,000
Other countries	...	...	...	...	1,560,500	1,540,000	1,487,700
Total	...	...	...	...	11,670,000	12,080,200	12,989,200
Australasia	...	...	...	...	487,700	697,300	639,100
Grand Total	...	...	...	...	86,596,700	80,843,800	78,039,300

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

Countries.					1907-8.	1908-9.	1909-10.*
Europe :—					£	£	£
United Kingdom	...	...	...	...	29,962,200	24,058,200	32,003,200
Germany	...	...	...	...	13,493,800	10,198,700	11,336,000
France	...	...	...	...	7,668,100	6,407,800	7,818,600
Belgium	...	...	...	...	6,096,300	4,116,000	6,670,000
Austria-Hungary	...	...	...	...	4,234,600	3,219,700	4,085,900
Italy ...	...	...	...	...	3,695,100	3,356,600	3,963,400
Holland	...	...	...	...	1,692,500	1,186,300	1,058,600
Other Countries	...	...	...	...	2,035,400	1,994,000	1,912,300
Total	...	...	...	...	68,878,000	54,537,300	68,848,000

* Preliminary figures.

V.—Sea-borne Trade—Analysis of Exports of Indian Merchandise on Private Account, shewing separately the principal countries of destination—concluded.

Countries.	1907-8.	1908-9.	1909-10.
	£	£	£
Africa and adjacent Islands :—			
*Egypt	1,237,800	1,556,600	3,278,100
Mauritius and dependencies including Seychelles ...	735,200	786,600	721,600
Natal	446,600	361,100	384,200
British East Africa	412,100	400,900	357,200
Other Countries	756,100	663,000	779,500
Total	3,587,800	3,768,200	5,520,700
America :—			
United States	9,056,700	8,815,600	9,538,800
South America	2,424,100	2,187,500	1,924,800
Canada	329,600	316,100	408,800
West Indies	325,700	286,900	340,300
Other Countries	17,100	4,500	2,500
Total	12,153,200	11,610,600	12,215,200
Asia :—			
Hong Kong	5,658,800	6,715,200	6,567,400
China (exclusive of Hong Kong and Macao) ...	4,330,000	5,260,100	5,734,100
Japan	5,913,800	4,782,300	8,352,000
Straits Settlement	4,546,800	3,504,600	3,983,900
Ceylon	4,167,300	3,877,100	4,585,900
Aden and Dependencies	651,200	532,600	591,600
Turkey	1,202,700	1,101,800	1,297,800
Borneo, Java, and Sumatra	889,700	502,200	934,100
Other Countries	1,565,400	1,724,500	2,001,300
Total	28,925,700	28,000,400	34,018,100
Australasia	2,182,400	1,988,300	2,273,800
Grand Total	115,727,100	99,904,800	122,905,800

* The figures for exports to Egypt in 1909-10 include goods shipped to Egyptian ports "for orders" which, on later adjustment, will be shown as exports to the countries of their final destination.