

EAST INDIA: ACCOUNTS AND ESTIMATES 1917-1918.

EXPLANATORY MEMORANDUM

BY THE

UNDER SECRETARY OF STATE FOR INDIA.

Presented to 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 1915-16 and
the ESTIMATES for 1916-17 and 1917-18.

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, 1915-16.	Revised Estimate, 1916-17.	Budget, 1917-18.
	£	£	£
Revenue	84,413,537	90,774,500	98,870,800
Expenditure	85,602,198	90,785,800	98,735,400
Surplus or <i>Deficit</i>	- 1,838,661	5,988,700	135,400

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 refunds and assignments, 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 is accordingly the practice to present to Parliament an annual statement of Net Income and Expenditure (*see* H. of C. 90 of 1917), 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. The cost of the establishments maintained for the collection of revenue is not shown as a deduction from revenue but as a separate head of expenditure. In the following table the Net Revenue and Expenditure for 1915-16, 1916-17 and 1917-18 are calculated in the same manner as in the annual Parliamentary return mentioned above.

Net Revenue.

—	Accounts, 1915-16.		Budget, 1916-17.		Revised Estimate, 1916-17.		Budget, 1917-18.	
	£	£	£	£	£	£	£	£
I. Land Revenue, &c.:								
1. Land Revenue	21,259,748		21,135,000		21,225,300		21,435,100	
2. Forest	2,065,265		2,040,000		2,305,600		2,257,700	
3. Tributes from Native States	404,228		408,200		397,700		411,100	
		23,729,236		23,583,200		23,928,600		24,103,900
II. Opium		765,581		1,329,400		2,138,200		2,064,700
III. Taxation:								
1. Salt	3,372,798		3,718,800		4,520,200		3,704,200	
2. Stamps	5,376,750		5,424,100		5,744,100		5,895,200	
3. Exoise	8,498,271		8,443,100		9,036,300		9,219,100	
4. Provincial Rates	41,816		28,300		30,500		27,500	
5. Customs	5,720,307		7,549,500		8,364,700		9,170,100	
6. Income Tax	2,074,056		2,898,000		3,568,100		5,088,300	
7. Registration	517,913		516,500		541,100		553,300	
		25,601,911		28,578,300		31,805,000		33,657,700
IV. Commercial Undertakings:								
1. Posts and Telegraphs	637,798		373,400		621,100		743,800	
2. Railway Revenue Account	4,075,438		2,737,900		6,796,300		6,105,600	
3. Irrigation	1,057,983		1,066,500		1,287,600		1,291,200	
		5,771,219		4,177,800		8,705,000		8,140,600
V. Mint		12,545		—17,400		452,100		30,500
VI. Exchange		74,254		—		146,700		—
Total Net Revenue ...		55,954,746		57,651,300		67,175,600		67,997,400

Net Expenditure.

—	Accounts, 1915-16.		Budget, 1916-17.		Revised Estimate, 1916-17.		Budget, 1917-18.	
	£	£	£	£	£	£	£	£
I. Debt Services (excluding interest payment chargeable to Railways and Irrigation) ...		98,947		—185,600		—339,600		4,737,100
II. Military Services:								
1. Army	20,958,257		21,175,700		23,297,100		24,229,600	
2. Marine	522,250		525,100		371,400		577,700	
3. Military Works and Special Defence Works	785,848		799,200		1,486,500		1,092,700	
		22,261,853		22,500,000		25,155,000		25,900,000
III. Collection of Revenue		6,697,728		6,881,000		6,732,300		7,003,400
IV. Civil Services:								
1. Civil Departments	17,288,811		17,790,100		17,985,700		19,383,500	
2. Miscellaneous Civil Charges	4,523,441		4,718,200		4,725,800		4,676,200	
3. Civil Works	5,147,692		4,474,500		4,869,700		5,259,600	
		26,959,444		26,982,800		27,032,200		29,319,300
V Famine Relief and Insurance ...		1,000,000		1,000,000		1,000,000		1,000,000
VI. Provincial adjustments:								
1. Provincial Surpluses (which are added to the Provincial Balances and charged against the Revenue of the year)		—		—352,600		—		—97,800
2. Provincial Deficits (i.e., amounts taken from Provincial Balances towards defraying expenditure incurred in the year) ...		130,940				1,607,000		—
Total Net Expenditure charged against Revenue		57,143,407		56,825,600		61,186,900		67,862,000
Surplus or Deficit ...		—1,133,661		825,700		5,988,700		135,400

Accounts, 1915-16.

It will be seen from the table that the final accounts for 1915-16 show a deficit of £1,188,661; this is better by £605,539 than the amount shown in the Revised Estimate published in March, 1916.

Revised Estimate, 1916-17.

Although the War had imposed on India numerous financial obligations, both actual and prospective, it was not until the year 1916-17 that any increase in the pre-war taxation was made. In framing the Budget for that year the Government of India felt it essential, not only to make good the anticipated deficit, but also to provide a substantial balance against the uncertainty of outlook. Accordingly additional taxation was imposed as follows:—

	Estimated Yield, Budget 1916-17.
Custom duties	£2,130,000
Excise on beer and spirits as a corollary to increased tariff rates	20,000
Salt tax	600,000
Income tax	900,000
	<u>£3,650,000</u>

(For details of these increases, see previous year's Explanatory Memorandum Cd. 8422 of 1916, pages 5, 6 and 7.)

The Revised Estimate of 1916-17 shows, as compared with the Budget of that year, increases of £9,524,300 in net revenue and £4,361,300 in net expenditure, with a resulting increase of £5,163,000 in the surplus, which thus becomes £5,983,700 as against the Budget Estimate of £825,700. The revised estimate includes, however, a sum of £80,000 as a result of the application of the enhanced export duties on jute and cotton (*vide* page 6 below) from the 1st March, 1917. The increases and decreases in detail were as follows:—

			<i>Net Revenue.</i>		
Increases.			£	Decreases.	£
Railway Revenue Account	...	...	4,058,400	Tributes	10,500
Customs	...	...	815,200		
Opium	...	...	808,800		
Salt	...	...	801,400		
Income Tax	...	...	670,100		
Excise	...	...	593,200		
Mint	...	...	469,500		
Stamps	...	...	320,000		
Forest	...	...	265,600		
Posts and Telegraphs	...	...	247,700		
Irrigation	...	...	221,100		
Other Heads	...	...	263,800		
Total	...	...	<u>9,534,800</u>		

			<i>Net Expenditure.</i>		
Increases.			£	Decreases.	£
Army	...	...	2,121,400	Debt Services	154,000
Military Works	...	...	687,300	Marine	153,700
Political	...	...	474,500	Collection of Revenue	148,700
Other Heads	...	...	170,200	Civil Works	105,400
Provincial Adjustments	...	...	1,959,600	Education	104,600
				Police	103,200
				Medical and Sanitation	80,700
				Other Heads	201,400
Total	...	...	<u>5,413,000</u>	Total	<u>1,051,700</u>

Notes on the Heads under which the principal variations occur will be found in Appendix I. Provincial Adjustments and Famine Relief and Insurance are dealt with in some detail on page 22.

Budget, 1917-18.—India's Contribution to the War and Additional Taxation.

In his speech introducing the Financial Statement for 1917-18, Sir W. S. Meyer, the Finance Member of the Indian Government, announced that it had been decided to make a contribution of £100 million towards the cost of the war, partly from the proceeds of loans issued in India (or elsewhere) for the benefit of His Majesty's Government, and as regards the balance, by assuming liability for interest on a portion of the Home War Debt. The consequent recurring liabilities, allowing for a sinking fund, are estimated at about £6 million a year, and in order to provide for this amount it was apparent that the revenue resources of the Government of India would have to be increased, even though it was calculated that the Budget would show a surplus of about £2 $\frac{3}{4}$ million on the 1916-17 basis of taxation. Accordingly additional taxation was imposed as follows:—

I. Income tax (in form of super-tax leviable in addition to ordinary income tax on incomes above Rs. 50,000 per annum):—

Incomes from Rs. 50,001 (£3,333) to Rs. 1,00,000 (£6,667) pay 1 anna per rupee on each rupee above Rs. 50,000, i.e., 1s. 3d. in the £ super-tax.

Incomes from Rs. 1,00,001 to Rs. 1,50,000 (£10,000) pay 1 $\frac{1}{2}$ annas per rupee, i.e., 1s. 10 $\frac{1}{2}$ d. in the £ super-tax.

Incomes from Rs. 1,50,001 to Rs. 2,00,000 (£13,333) pay 2 annas per rupee, i.e., 2s. 6d. in £ super-tax.

Incomes from Rs. 2,00,001 to Rs. 2,50,000 (£16,667) pay 2 $\frac{1}{2}$ annas per rupee, i.e., 3s. 1 $\frac{1}{2}$ d. in £ super-tax.

Incomes from Rs. 2,50,001 pay 3 annas per rupee, i.e., 3s. 9d. in £ super-tax.

The estimated yield from these increases is £1,350,000 for 1917-18.

II. Export Duties on Jute:—

(a) On raw jute.

Duty raised from Rs. 2 $\frac{1}{4}$ (3s.) to Rs. 4 $\frac{1}{2}$ (6s.) per bale of 400 lbs.

(b) On manufactured jute.

Duty raised from Rs. 10 (13s. 4d.) to Rs. 20 (£1 6s. 8d.) per ton for sackings, and from Rs. 16 (21s. 4d.) to Rs. 32 (£2 2s. 8d.) per ton on hessians. Forward contracts entered into before 1st March and exports for the War Office are exempted. The estimated yield from the enhancement of jute duties is £500,000 in 1917-18, but the increase takes effect from the 1st March, 1917.

III. Import Duties on Cotton:—

Previously these stood at 3 $\frac{1}{2}$ per cent. with a corresponding excise duty at the same rate. With effect from the 1st March, 1917, they have been increased to 7 $\frac{1}{2}$ per cent., which is the general tariff rate for India, the excise duty remaining unaltered. The estimated yield from this addition is £1,000,000 for the year 1917-18.

IV. Surcharge on Railway Goods and Traffic:—

As a war measure a surcharge on goods carried by railway or inland steam vessel has been imposed at the rate of one pie ($\frac{1}{12}$ d.) per maund (82 $\frac{2}{7}$ lb.) on coke, coal and firewood and 2 pies per maund on other articles. The yield from this taxation is estimated at approximately £500,000.

Budget Estimates of Net Revenue and Expenditure, 1917-18.

The net revenue and expenditure are estimated as follows:—

	£
Net Revenue	67,997,400
Net Expenditure	67,862,000
Surplus	<u>135,400</u>

As compared with the Revised Estimate for 1916-17 these figures show increases of £821,800 in net revenue, £6,675,100 in net expenditure, and an estimated surplus of £135,400 as compared with an estimated surplus of £5,988,700. The revised estimate of net revenue in 1916-17 includes £80,000 from additional taxation during March, 1917, while the Budget for 1917-18 includes £3,350,000 from that source.

The increases and decreases in the Budget as compared with the Revised Estimate for 1916-17 in detail are as follows:—

<i>Net Revenue.</i>					
Increases.		£	Decreases.		£
Income Tax ...	...	1,520,200	Salt ...	...	816,000
Customs ...	...	805,400	Railway Revenue Account	...	690,700
Land Revenue ...	...	209,800	Mint ...	...	421,600
Excise ...	...	182,800	Exchange ...	...	146,700
Stamps ...	...	151,100	Opium ...	...	73,500
Posts and Telegraphs ...	...	122,700	Forest ...	...	47,900
Other Heads ...	...	29,200	Provincial Rates...	...	3,000
Total ...	...	3,021,200	Total ...	...	2,199,400

<i>Net Expenditure.</i>					
Increases.		£	Decreases.		£
Debt Services ...	...	5,076,700	Provincial Adjustment ...	...	1,704,800
Army ...	...	932,500	Military Works...	...	393,800
Civil Works ...	...	890,700	Other Heads ...	...	200,900
Education ...	...	438,400			
Police ...	...	317,800			
Collection of Revenue ...	...	271,100			
Agriculture ...	...	230,900			
Marine ...	...	206,300			
Political ...	...	200,200			
Medical ...	...	169,700			
Other Heads ...	...	240,300			
Total ...	...	8,974,600	Total ...	...	2,299,500

Notes on the Heads under which the principal variations occur will be found in Appendix I.

BURDEN OF TAXATION.

	Accounts, 1915-16.	Revised Estimate, 1916-17.	Budget, 1917-18.
	£	£	£
Salt ...	3,372,798	4,520,200	3,704,200
Stamps ...	5,376,750	5,744,100	5,895,200
Excise ...	8,498,271	9,036,300	9,219,100
Provincial Rates	41,816	30,500	27,500
Customs...	5,720,307	8,364,700	9,170,100
Income Tax	2,074,056	3,568,100	5,088,300
Registration	517,913	541,100	553,300
Total ...	25,601,911	31,805,000	33,657,700
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. 2 0·6	s. d. 2 6·3	s. d. 2 7·9
If the payment of Land Revenue be added, the average becomes ...	3 8·9	4 2·6	4 4·3

For the purpose of calculating the burden of taxation the figures of population in the three years under review have been based on the Census of March, 1911, an annual increase of population at the rate of $\frac{1}{2}$ per cent. being assumed.

DEBT TRANSACTIONS AND CAPITAL EXPENDITURE.

Debt.

1916-17.—£500,000 India Bonds were discharged during the year. The Budget contemplated the discharge of £1,500,000 India Bills and the renewal of the balance of the bills, but the Secretary of State has been enabled to discharge the total of India Bills outstanding (amounting to £7,000,000) in full and also to pay off the temporary loan of £4,000,000 from the Gold Standard Reserve.

A 4 per cent. terminable rupee loan in the form of Bonds, with certain conversion privileges attached, repayable in October 1936 at latest, but redeemable at the option of the Government after October 1931, was issued in July 1916. The loan was for not less than 6 crores (£4,000,000) and the amount realised was Rs. 640 lakhs (£4,266,667) exclusive of applications through the Post Office which amounted to about Rs. 33 lakhs (£220,000).

1917-18.—The Budget provided for the discharge of £500,000 India Bonds and for the issue of a rupee War Loan in India the proceeds of which, provisionally estimated at £10,000,000, will (as stated above) be made over to the Home Government as a war contribution. The War Loan has been issued accordingly in the following forms:—

- I. A 5 per cent. War Loan at 95, with certain conversion rights attached, repayable at par in August 1947, but redeemable at par at option of the Government after August 1929. A sinking fund of $\frac{1}{2}$ per cent. of the amount of War Loan will be set aside annually for the purpose of providing a fund for the purchase of securities of this loan.
- II. $5\frac{1}{2}$ per cent. War Bonds free of income tax repayable at par in August 1920 or 1922 at the option of the subscriber.
- III. Post Office Cash Certificates, free of income tax, payable 5 years after issue but encashable at any time during the 5 years at prescribed rates.

Irrigation Works.

The actual and estimated outlay on the construction of Major Irrigation Works is as follows:—

	£
1915-16	1,334,300
1916-17 (Revised Estimate)	918,300
1917-18 (Budget Estimate)	1,002,900

The total capital outlay on Major Irrigation Works up to 31st March, 1917, excluding indirect charges, is estimated at £43,374,626.

The net earnings (*i.e.*, gross receipts less working expenses) in 1915-16 gave a return of 7.666 per cent. on the mean of the capital expenditure at the beginning and the end of the year. (*See App. II. (c).*)

Railways.

On the 31st March, 1916, the length of railways in India open for traffic was 35,833 miles, of which 548 miles were opened in the preceding twelve months. The total mileage under construction or sanctioned for construction at the close of the year was 2,374 miles.

The capital expenditure on railways shown in the Government Accounts for 1915-16 and Estimates for 1916-17 and 1917-18 is as follows:—

	Accounts, 1915-16.	Revised Estimate, 1916-17.	Budget, 1917-18.
	£	£	£
Expenditure not charged to Revenue:—			
(A) Outlay on lines worked by the State and by guaranteed companies:—			
(1) From funds provided by the State ...	1,237,199	1,226,400	3,157,500
(2) From funds raised through companies or provided from other sources.	3,254,084	283,600	442,500
	4,491,283	1,510,000	3,600,000
(B) Outlay on branch lines not on firm guarantee ...	724,582	839,933	272,600
Expenditure charged to Revenue:—			
Famine protective lines	— 193	— 600	— 533
Provincial State lines	1,263	2,333	1,533
	1,070	1,733	1,000
Grand Total	5,216,935	2,351,666	3,873,600

The figures given above do not include expenditure on lines other than State and guaranteed railways. In 1915-16 the capital expenditure on such lines was £3,218,597 of which £910,067 was on railways owned or guaranteed by Native States.

In 1915-16 the net traffic receipts, *i.e.*, the gross receipts after paying working expenses but not interest charges, of open lines in which the Government is directly interested, gave a return of 5.35 per cent. on the mean of the capital expenditure at the beginning and end of the year. (*See App. II. (b).*)

Expenditure on the new capital at Delhi.

The capital expenditure incurred, or estimated to be incurred, on permanent works at Delhi is as follows:—

						£
1911-12	...	...	...	...	...	5,000
1912-13	...	...	...	...	...	114,900
1913-14	...	...	...	...	...	447,100
1914-15	...	...	...	...	...	360,400
1915-16	...	...	...	...	...	331,274
1916-17	(Revised Estimate	...	...	...	...	266,700
1917-18	(Budget)	...	...	...	...	266,700

Liabilities and Assets.

On the 31st of March, 1917, the debt of India amounted to £285,310,304 (*viz.*:—rupee debt, converted into sterling at 1s. 4d. the rupee, £111,165,580, and sterling debt, £174,144,724). 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 £31,604,377, and the various railway annuities, representing in 1916-17 a charge of £994,013.

Up to the same date the Government of India had devoted £178,295,439 to the construction of Railways, and £43,374,626 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. The liabilities created by the purchases have not yet been fully discharged, partly because in the case of some lines a portion of the amount due to the Companies was retained by the Secretary of State and treated as capital deposited with him by the Companies for the purpose of new working contracts, and partly because in all cases of purchase by annuity the period for which the annuity is payable has not yet terminated. If the assets in respect of purchased lines are estimated as being the equivalent of the debt created and liabilities assumed or redeemed in connection with purchase *plus* the capital actuarially calculated to have been discharged through annuities, the amount on the 31st March, 1917, was £75,117,823. On that date also the Government of India's advances to Railway Companies stood at £421,937 and it had lent £12,133,709 (net) to Native States, Corporations, Agriculturists, &c. Other assets were the Gold Standard Reserve, consisting of £103,000 held in gold in India, sterling securities of an estimated value of £25,405,570, and £6,001,456 in cash at short notice in London; the cash balances in India, £15,253,333; and the cash (Treasury) balances in England, £5,391,075 (these are actuals, and hence differ from the "Revised" figures in the following statement).

GENERAL STATEMENT OF THE RECEIPTS AND DISBURSEMENTS AND BALANCES OF THE GOVERNMENT OF INDIA, IN INDIA AND IN ENGLAND.

The following table shows the opening balances, receipts, disbursements and closing balances, estimated and actual, of the Government of India in 1916-17 and 1917-18 :—

	Budget, 1916-17.	Revised, 1916-17.	Budget, 1917-18.
	£	£	£
Opening Balance, England	(a) 14,475,536	(b) 12,803,348	(c) 11,419,648
Opening Balance, India	11,451,934	12,016,056	15,142,656
Total Opening Balance	25,927,470	22,819,404	26,562,304
RECEIPTS—			
Revenue surplus	825,700	5,988,700	135,400
Capital provided through Companies or Native States towards outlay on Public Works	741,600	799,700	385,300
Permanent debt (net incurred)	3,822,100	6,692,400	6,416,700
Unfunded debt (net incurred)	254,700	1,675,000	1,926,700
Loans, deposits, and advances (net)	1,432,300	2,077,800	938,000
Remittances (net)	59,100	—	—
Council Bills on India (receipts)	3,885,000	(h) 9,669,000	—
Total Receipts	11,020,500	26,902,000	9,802,100
Total	36,947,970	51,722,004	36,364,404
DISBURSEMENTS—			
Capital expenditure on Railways, Irrigation, and Delhi	4,919,700	3,206,900	4,739,300
Temporary Debt (net discharged)	1,500,000	11,000,000	333,300
Remittances (net)	—	(e) 2,366,900	7,279,800
Council Bills on India (payments)	3,885,000	8,585,900	466,700
Total Disbursements	10,304,700	25,159,700	12,819,100
Closing Balance	26,643,270	26,562,304	23,545,304
Total	36,947,970	51,722,004	36,364,404
DISTRIBUTION OF CLOSING BALANCE—			
Closing Balance, England	(d) 14,383,036	(c) 11,419,648	(c) 11,354,848
Closing Balance, India	12,260,234	15,142,656	12,190,456

(a) Of this amount £7,787,422 represents the funds of the Gold Standard Reserve.

(b) " " £5,792,631 " " " " " "

(c) " " £6,000,031 " " " " " "

(d) " " £9,044,922 " " " " " "

(e) In addition to £4,347,000 and £18,998,700 on account of the Gold Standard Reserve and the Paper Currency Reserve respectively.

GOLD STANDARD RESERVE.

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.

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

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. In June, 1912, this arrangement was modified, and it was decided that the interest on investments and the profits on coinage thereafter received, except profits retained in India for building up the rupee branch of the Reserve to the

amount of 6 crores, should be held in gold at the Bank of England until the amount so held reached £5,000,000; no portion of the profit was to be used for railway purposes until the total *sterling* assets of the Gold Standard Reserve amounted to at least £25,000,000.

The Royal Commission on Indian Currency and Finance which reported in February, 1914, made certain recommendations bearing on the Gold Standard Reserve. In view of the disturbance of financial conditions caused by the war decisions on the more important of these recommendations have been deferred; but in August, 1915, the silver branch of the Reserve was abolished, in accordance with the Royal Commission's proposal, and the 6 crores of rupees held therein were exchanged for a corresponding amount in gold (£4,000,000) from the Paper Currency Reserve.

Since 1915, in addition to profit on coinage, the profit or loss arising on the remittances of funds for the Gold Standard Reserve has also been credited or debited to that Reserve.

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

The total receipts from profit on coinage, interest and discount, and profit by exchange up to 31st March, 1917, have been as follows:—

Profits on Coinage—		£
1900-1905	...	8,128,377*
1905-6	...	3,677,880
1906-7	...	4,014,426
1907-8	...	2,247,207
1908-9	...	102 (arrears).
1909-10	...	25,190 („).
1910-11	...	—
1911-12	...	—
1912-13	...	3,265,698
1913-14	...	2,150,000
1914-15	...	25,110
1915-16	...	3,205
1916-17	...	4,032,397
Total	...	27,569,592
Interest and discount...	...	6,373,630
Profit by exchange	...	149,170
		34,092,392

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

The following table shows the disposal of the sums paid to the Reserve up to 31st March, 1917:—

Profits on Coinage—		£	•£	Sterling Securities held in England (estimated value)		£
Total Profits realised 1st April, 1900, to 31st March, 1917	...	27,569,592		...	...	25,405,570
Deduct amount used for Capital Expenditure on Railways	...	1,123,655		Cash held in England on account of the Reserve	...	6,001,456
				Gold held in India on account of the Reserve...	...	103,000
Profit paid to Gold Standard Reserve...			26,445,937			
Interest and discount received up to 31st March, 1917	...	6,373,630				
Profit by exchange	...	149,170				
			6,522,800			
Profits and Interest paid to Reserve from 1st April, 1900, to 31st March, 1917	...					
Deduct—						
Loss on Sale, Redemption, and Conversion of Securities	...	1,191,251				
Loss through depreciation	...	246,887				
Miscellaneous Charges	...	20,573				
Total deductions	...					
			1,458,711			
Amount of Reserve on 31st March, 1917	...					
			£31,510,026			£31,510,026

* Separate figures for the years 1900-1905 will be found in the Explanatory Memorandum for 1914-15. [Cd. 7539.]

The Securities, estimated at £25,405,570 (as shown above), were as follows:—

Securities.	Nominal Value.	Cost Price.	Estimated Value on 31st March, 1917.
	£	£	£
National War Loan 4½ per cent. Stock "B"	3,574,094	3,525,192	3,574,094
Local Loans 3 per cent. Stock	200,000	195,105	117,000
Guaranteed 2½ per cent. Stock	438,720	407,187	230,328
Exchequer Bonds	7,009,500	6,956,064	6,950,798
Treasury Bills	13,732,000	13,215,506	13,574,635
Transvaal Government 3 per cent. Guaranteed Stock ...	1,092,023	1,076,524	698,895
New South Wales Stock	113,000	112,442	108,480
Canada 3½ per cent. Bonds	161,000	164,437	151,340
Total	26,320,337	25,652,457	25,405,570

The net profit on the Gold Standard Reserve Investments up to 31st March, 1917, is shown below:—

Cost price of securities held on 31st March, 1917	...	£ 25,652,457
Estimated value on 31st March, 1917	... ..	25,405,570
Loss through depreciation	... ..	246,887
Loss on sale and redemption of securities	... ..	1,191,251
Total losses	... ..	1,438,138
Miscellaneous charges	... ..	20,573
Total of losses and charges	... ..	1,458,711
Interest and Discount received up to 31st March, 1917	... ..	£ 6,373,630
Profit by exchange	... ..	149,170
		6,522,800
Net profit on Investments	... ..	£5,064,089

EXCHANGE AND REMITTANCE.

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

Sales by Secretary of State.

1907-8	...	£15,307,062	at an average rate of 1s. 4·029d. the rupee.
1908-9	...	£14,144,545	" " 1s. 3·9305d. "
1909-10	...	£27,444,609	" " 1s. 4·041d. "
1910-11	...	£26,212,866	" " 1s. 4·061d. "
1911-12	...	£27,058,550	" " 1s. 4·083d. "
1912-13	...	£25,743,710	" " 1s. 4·058d. "
1913-14	...	£31,200,827	" " 1s. 4·070d. "
1914-15	...	£7,794,002	" " 1s. 4·004d. "
1915-16	...	£20,371,460	" " 1s. 4·088d. "
1916-17	...	£33,021,429	" " 1s. 4·148d. "

Sales by Government of India.

1908-9	...	£8,058,000	Bills at 1s. 3⅔d. the rupee.
1909-10	...	£156,000	" " " " " " " " " "
1914-15	...	£8,707,000	" and Transfers { Bills at 1s. 3⅔d. the rupee. Transfers at 1s. 3⅛d. and 1s. 3⅜d. the rupee.
1915-16	...	£4,893,000	deferred Transfers at 1s. 3⅔d. " "

SEA-BORNE TRADE.

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

	1914-15.	1915-16.	1916-17.
<i>On Private Account.</i>			
	£	£	£
Imports of Merchandise	91,952,600	87,990,800	99,765,800
Exports of Merchandise	121,061,100	131,586,800 (a)	160,588,000 (b)
Net Exports of Merchandise	29,108,500	43,596,000	60,822,200
Net Imports or Exports of Gold	5,636,100	764,400	8,355,100
Net Imports of Silver	6,675,300	3,717,400	2,133,500
Net Imports of Treasure	12,311,400	2,953,000	6,221,600
Net Exports of Merchandise and Treasure on Private Account	16,797,100	40,643,000	54,600,600
<i>Government Transactions.</i>			
Imports of Merchandise	4,667,800	4,122,000	7,075,800
Exports of Merchandise	397,700	1,400,100	1,440,300
Net Imports of Merchandise	4,270,100	2,721,900	5,635,500
Net Imports or Exports of Gold	537,800	25,000	27,100
Net Imports or Exports of Silver	761,000	497,600	14,748,000
Total Net Imports or Exports of Treasure	1,298,800	472,600	14,720,900

(a) Includes £1,599,300, being value of wheat exported on Government account.

(b) " £2,835,300, " " and tanned cowhide exported on Government account.

India Office,

, 1917.

APPENDIX I.

Notes on certain heads of Net Revenue and Expenditure.

NET REVENUE.

Land Revenue.

						£
Accounts, 1915-16	...	...	...	...	...	21,259,748
Budget, 1916-17	...	...	...	...	...	21,135,000
Revised Estimate, 1916-17	...	...	...	...	...	21,225,300
Budget, 1917-18	...	...	...	...	...	21,435,100

The revenue collections of 1916-17 are expected to exceed the Budget estimate by about £90,000. A large increase is expected in the Punjab owing to an excellent harvest and the extension of colonisation operations, and a smaller increase in Burma due mainly to improved revenue from petroleum and wolfram. The main shortages are in Bombay as the result of advanced collections in March 1916, and in the United Provinces owing to the effect of adverse weather conditions.

The estimate of revenue for the current year is based on the assumption of a normal monsoon, but allowance has been made for the failure of the winter rains in the Punjab and generally for normal growth in the revenue demand.

Forest.

						£
Accounts, 1915-16	...	...	...	...	...	2,065,265
Budget, 1916-17	...	...	...	...	...	2,040,000
Revised Estimate, 1916-17	...	...	...	...	...	2,305,600
Budget, 1917-18	...	...	...	...	...	2,257,700

The improvement in the Revised (for 1916-17 as compared with the Budget of that year) is due to the general recovery in the timber market and to the higher prices that have been realised, and is shared by almost all the provinces in Burma.

The Budget anticipates a decline in Burma, Madras, and Assam, where the receipts have been particularly large in the current year.

Opium.

						Accounts, 1915-16.	Budget, 1916-17.	Revised Estimate, 1916-17.	Budget, 1917-18.
						£	£	£	£
Receipts	...	...	...	...	...	1,918,514	2,286,900	3,153,100	3,389,300
Charges...	...	...	...	...	...	1,147,933	957,500	1,014,900	1,324,600
Net revenue	...	...	...	...	...	765,581	1,329,400	2,138,200	2,064,700

The increase of £866,200 in the opium revenue as compared with the Budget figures for 1916-17 was due chiefly to the raising of the upset price from Rs. 1,800 to Rs. 2,500 per chest from the 1st July, 1916. A further enhancement to Rs. 3,200 a chest with effect from the 1st April, 1917, has been notified. The increase in expenditure is mainly due to additional purchases of Malwa opium undertaken towards the close of the current year.

Including the expected requirements of the Governments of the Straits Settlements and the Netherlands Indies which are supplied direct, and taking into account opium sent to England for medicinal purposes, the Budget for 1917-18 provides for the sale of 16,900 chests of Bengal opium at an average price of Rs. 2,667 a chest.

The Budget provides for an expansion of the area cultivated in the United Provinces, an increase in the rate of payment to cultivators, and purchases in Malwa to supplement the supply of Bengal opium.

The following table shows the average prices per chest obtained in the years under review :—

							Rs.
Accounts, 1915-16	...	...	...	...	...	...	1,778
Budget, 1916-17	...	...	...	...	...	...	1,832
Revised Estimate, 1916-17	...	...	...	...	...	...	2,576
Budget, 1917-18	...	...	...	...	...	...	2,667

	<i>Salt.</i>						£
Accounts, 1915-16	3,372,798
Budget, 1916-17	3,718,800
Revised Estimate, 1916-17	4,520,200
Budget, 1917-18	3,704,200

The revised figures are higher than those shown in the Budget for 1916-17 by £801,400. The excess is attributable to the expectation of additional revenue in Northern India, owing partly to the usual speculative clearances in apprehension of an enhanced salt duty and partly to a rise in prices resulting from a demand for Northern India salt in place of the imported article. The Budget for 1917-18 allows for these advance payments of duty made in 1916-17.

	<i>Stamps.</i>						£
Accounts, 1915-16	5,376,750
Budget, 1916-17	5,424,100
Revised Estimate, 1916-17	5,744,100
Budget, 1917-18	5,895,200

The excess in the Revised Estimate for 1916-17 over the Budget Estimate for that year reflects the revival in internal trade and business, and is shared by all provinces except Assam and Burma. In Bengal and Bombay in particular trade has been stimulated by war conditions. The Budget for 1917-18 provides for a further moderate growth in almost all provinces.

	<i>Excise.</i>						£
Accounts, 1915-16	8,498,271
Budget, 1916-17	8,443,100
Revised Estimate, 1916-17	9,036,300
Budget, 1917-18	9,219,100

The increase in revenue is due to the improvement in agricultural and economic conditions during the year 1916-17, and is most marked in Bombay, though it is shared by all the provinces except Bengal. The Budget for 1917-18 allows for a moderate growth of revenue along the same lines.

	<i>Customs.</i>						£
Accounts, 1915-16	5,720,307
Budget, 1916-17	7,549,500
Revised Estimate, 1916-17	8,364,700
Budget, 1917-18	9,170,100

The expectation on which the Budget for 1916-17 was based, that the reduction of freight and other results of war conditions would continue to affect adversely the yield of import and export duties, has not been fulfilled, with the result that the Revised Estimates are better than was anticipated by about £868,000, apart from the yield of additional taxation during the month of March. The increase is shared by most of the tariff heads except petroleum and silver. Private imports of silver (on which alone duty is payable) have become almost negligible owing to the high prices ruling as a result of the demands for this metal for coinage purposes.

The increases in cotton import and jute export duties are given on page 6.

Apart from the newly-imposed duties, the Budget for 1917-18 assumes that revenue will be considerably less than in the very favourable year 1916-17, and allows for the growing acuteness of war conditions. On the other hand an excise duty on motor spirit has been imposed as a war measure with effect from 16th February.

The gross receipts in detail, without deduction on account of drawbacks, &c., are as follows :—

	Accounts, 1915-16.	Budget, 1916-17.	Revised Estimate, 1916-17.	Budget, 1917-18.
Import Duties :—	£	£	£	£
Cotton Manufactures	901,500	800,000	1,120,000	1,900,000
Liquors	786,000	874,700	849,200	818,500
Silver Bullion and Coin	637,100	600,000	96,700	33,300
Other Metals and Manufactures of Metals	245,300	310,000	556,700	490,000
Other Manufactured Articles	828,700	1,056,700	1,533,300	1,433,300
Chemicals, Drugs, Medicines and Dyeing and Tanning Materials	99,500	126,700	206,700	206,700
Petroleum	476,900	466,600	383,300	266,700
Sugar (ordinary duties)	404,400	840,000	893,300	840,000
Other articles of Food and Drink	211,900	284,000	253,300	266,700
Tobacco	189,100	217,000	304,300	364,300
Other Articles	238,900	475,600	354,300	331,400
Excise Duties :—				
Cotton Goods	328,400	300,000	315,600	323,900
Motor Spirit	—	—	—	150,000
Export Duties :—				
Rice	508,400	466,700	622,500	566,700
Jute (raw and manufactured)	11,600	580,000	760,000	1,200,000
Tea	6,200	300,000	276,700	233,300
Total	5,873,900	7,698,000	8,625,800	9,394,800

Posts and Telegraphs.

	Accounts, 1915-16.	Budget, 1916-17.	Revised Estimate, 1916-17.	Budget, 1917-18.
Indian Postal and Telegraph Department :—	£	£	£	£
Receipts	3,647,076	3,764,600	3,979,300	4,168,300
Expenditure	3,134,463	3,402,600	3,313,500	3,491,800
Net Receipts	512,613	362,000	665,800	676,500
Indo-European Telegraph Department :—				
Receipts	140,402	112,300	197,400	177,400
Expenditure	15,217	100,900	242,100	110,100
Net Receipts	125,185	11,400	44,700	67,300
Net Receipts—Posts and Telegraphs	637,798	373,400	621,100	743,800

The increase in revenue during the year 1916-17 is due mainly to the more satisfactory conditions of internal trade ; while expenditure has decreased in consequence of heavy credits for stores supplied to the Indian Expeditionary Forces. The Budget for 1917-18 allows for a further advance in collections in India, chiefly as a result of enhanced charges, and a decrease in capital outlay on the construction of telegraph lines.

Railways.

	Accounts, 1915-16.	Budget, 1916-17.	Revised Estimate, 1916-17.	Budget, 1917-18.
State Railways :—				
Gross Receipts	£ 38,176,193	£ 37,577,900	£ 41,581,500	£ 41,839,200
Working Expenses	19,636,677	20,088,000	19,940,000	20,900,000
Net Traffic Receipts	18,489,516	17,489,900	21,641,500	20,939,200
Surplus Profits paid to Companies, &c. ...	603,327	620,000	758,800	730,000
Interest charges—				
Interest on capital spent or advanced by the State.	8,022,623	8,148,700	8,064,700	8,132,700
Interest on capital deposited by Companies.	2,131,862	2,231,700	2,226,600	2,275,600
Annuities in purchase of Railways ...	3,357,691	3,357,700	3,357,700	3,357,700
Sinking Funds	208,893	217,700	323,800	230,000
Total	14,324,896	14,575,800	14,731,400	14,776,000
Net Receipts	4,164,620	2,914,100	6,910,100	6,163,200
Guaranteed Railways :—				
Miscellaneous charges (net)	89,182	176,200	113,800	57,600
Net Receipts from all Railways	4,075,438	2,737,900	6,796,300	6,105,600

The position of the Railway Revenue Account in recent years is exhibited in the following table :—

	£
1908-9 Net charge	1,242,250
1909-10 Net receipt	824,922
1910-11 "	2,017,496
1911-12 "	3,787,770
1912-13 "	4,803,354
1913-14 "	4,789,533
1914-15 "	2,158,034
1915-16 "	4,075,438
1916-17 (Revised Estimate) ..	6,796,300
1917-18 (Budget) "	6,105,600

These figures are arrived at after charging in the Account not only all interest charges, but also payments in redemption of capital which are made partly through sinking funds and partly through the annuities created for the purchase of various railways.

The following are the amounts of such payments in the three years under review :—

	£
In 1915-16	1,138,320
In 1916-17	1,284,760
In 1917-18	1,224,013

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. Among the most important of the lines included in the latter class are the East Indian, Bengal-Nagpur, Bombay, Baroda and Central India (including Rajputana-Malwa), Madras and Southern Mahratta, South Indian, Great Indian Peninsula, Assam-Bengal, and Burma Railways.

The Budget for 1916-17 was based on a cautious estimate anticipating a decrease from the high earnings of 1915-16, but actually, the Revised Estimate shows an increase of £4,000,000 over the Budget on the gross earnings. The increase is shared by all principal Companies and is partly due to a diversion of traffic from sea routes to rail routes owing to scarcity of freights, and enhanced coaching receipts from the

constant movements of troops and military stores, and partly to the development of traffic on new lines. A considerable decline in working expenses is also shown in the Revised Estimates attributable to the increasing difficulty experienced in obtaining railway materials from the United Kingdom, and the consequent restriction of renewals and repairs.

Apart from the surcharge on goods traffic mentioned on p. 6, the yield from which is taken at £500,000, the Budget for 1917-18 estimates a decrease of nearly £1,200,000 in net receipts from the exceptional earnings of 1916-17.

Irrigation.

	Accounts, 1915-16.	Budget, 1916-17.	Revised Estimate, 1916-17.	Budget, 1917-18.
MAJOR WORKS:	£	£	£	£
Receipts	4,511,711	4,557,600	4,662,800	4,830,400
Working Expenses	1,374,920	1,367,500	1,367,000	1,391,300
Interest on Debt	1,451,350	1,509,400	1,492,000	1,526,200
Net Receipts	1,685,441	1,680,700	1,803,800	1,912,900
<i>Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance.</i>	12,632	—	—	—
MINOR WORKS:				
Receipts	267,368	279,800	303,400	294,900
Expenditure	882,194	894,000	819,600	916,600
Net Expenditure... ..	27,458	614,200	516,200	621,700
Net Receipts, Major and Minor Works.	1,057,983	1,066,500	1,287,600	1,291,200

The Revised Estimate of net receipts from Major Irrigation Works shows an increase of £123,100 as compared with the Budget figure, and a further improvement of £109,100 is expected in 1917-18.

It was decided, with effect from 1911-12, to supplement the amount available from the Famine Insurance Grant (page 21) for outlay on Protective Irrigation Works by an annual allotment under the head of "Irrigation" not exceeding 25 lakhs (£166,700). No provision has been made under this head in the Budgets for 1916-17 and 1917-18, but the actual expenditure for 1915-16 was £12,632.

Mint.

Accounts 1915-16	£ 12,545
Budget 1916-17	—17,400
Revised Estimate 1916-17	452,100
Budget 1917-18	30,500

The excess shown in the Revised Estimate for 1916-17 over the Budget for that year is due for the most part to seigniorage on new coinage of rupees amounting to nearly £400,000 not allowed for in the Budget, and there has also been an increase of £120,000 from the profit on the circulation of nickel coins, which has been stimulated by trade activity. *Per contra*, as a result of the heavy coinage of purchased silver working expenses have considerably increased. In this connection it is to be noticed that in the year under review (1916-17) new rupees were coined to the value (at Rs. 15 = £) of over £20,000,000. The Budget for 1917-18 follows the accepted practice of omitting from the estimates provision for seigniorage and shows in consequence a large decrease.

NET EXPENDITURE.

Debt Services.

	Accounts, 1915-16.	Budget, 1916-17.	Revised Estimate, 1916-17.	Budget, 1917-18.
	£	£	£	£
Total payments for Interest on Debt	9,985,529	9,957,000	9,598,800	15,578,500
<i>Deduct amount chargeable to Railways (included under Railways, page 17).</i>	8,022,623	8,143,700	8,064,700	8,132,700
<i>Deduct amount chargeable to Irrigation (included under Irrigation, as above).</i>	1,451,350	1,509,400	1,492,000	1,526,200
Interest on Ordinary Debt	511,556	298,900	42,100	5,919,600
Interest on other Obligations	678,808	690,800	728,400	913,200
Total	1,190,364	989,700	770,500	6,832,800
<i>Interest Receipts on loans, &c., in England and India ...</i>	1,096,417	1,175,300	1,110,100	2,095,700
Net Interest Payments or Receipts other than those chargeable to Railways and Irrigation.	93,947	185,600	339,600	4,737,100

The Budget estimate for 1917-18 makes provision for the sum of £600,000 in respect of charges in connection with the Indian War Loan (*see page 6*), and also for a sum of £5,400,000 to be applied to meeting interest and sinking fund charges in respect of a portion of the Home Government's war debt equal to the difference between India's total contribution of £100,000,000 and the amount raised in India by means of the Indian War Loan. (*See page 6 above.*)

The total permanent 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, including 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 17 and 18*); 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, for the construction of Public Works, of surplus revenue or deposits or a portion of the Famine Grant appropriated to the Reduction or avoidance of Debt (*see page 22*), 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, while there is a corresponding increase in the Public Works Debt and the interest on it. In 1916-17, in consequence of a portion of the Indian War Loan being raised within that year, the addition to total debt largely exceeded the capital outlay and the ordinary debt was increased to £6,602,600, and it is expected that by the end of 1917-18 owing to India's contribution to the war of £100,000,000 this figure will stand at £92,610,400. The receipts from the sale of Post Office Cash Certificates (*see p. 6*) are treated as additions to unfunded debt and are thus included under "other obligations."

The most important of the remaining "other obligations" referred to in the table above are the Savings Bank Balances, the Service Funds and other special funds held by the Government of India. The sums paid in the form of annuities in respect of the purchase of various railways, being directly chargeable to the Railway Revenue Account (*see page 17*) are not shown under the head of "Debt Services," though their payment is of course an obligation similar to that of the interest on debt.

The amount of the debt and other obligations is shown on page 9 above, under "Liabilities and Assets."

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 about £40,700,000) of the Paper Currency Reserve.

* Ordinary Debt includes debt incurred in the New Capital at Delhi which stood at £1,525,400 on the 31st March, 1917, and is estimated to amount to £1,792,100 by the end of 1918.

Military Services.

	Accounts, 1915-16.	Budget, 1916-17.	Revised Estimate, 1916-17.	Budget, 1917-18.
	£	£	£	£
Army	20,953,257	21,175,700	23,297,100	24,229,600
Marine	522,250	525,100	371,400	577,700
Military Works	772,332	778,300	1,457,000	1,078,700
Special Defence Works	13,514	20,900	29,500	14,000
Total	22,261,353	22,500,000	25,155,000	25,900,000

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, 1915-16.	Budget, 1916-17.	Revised Estimate, 1916-17.	Budget, 1917-18.
NET CHARGES IN INDIA.				
Effective Services:—	£	£	£	£
Army and Garrison and Administrative Staff ...	553,005	515,500	533,800	578,300
Regimental Pay, Allowances and Charges ...	5,329,744	5,119,200	5,148,800	5,133,800
Supply and Transport	1,445,476	1,606,500	1,640,600	1,888,100
Medical Establishments, Supplies and Services	145,022	142,900	167,500	187,600
Ordnance Establishments, Stores and Camp Equipage	538,078	655,000	739,000	817,600
Other Effective Services... ..	7,517,446	8,216,600	8,987,500	9,714,100
Compensation for dearness of food and forage	238,933	215,600	226,700	82,400
Total Effective Services	15,770,704	16,471,300	17,443,900	18,401,900
Non-effective Charges... ..	696,606	836,500	772,000	1,014,300
Total, India	16,467,310	17,307,800	18,215,900	19,416,200

Net Army Charges in England.

	Accounts, 1915-16.	Budget, 1916-17.	Revised Estimate, 1916-17.	Budget, 1917-18.
Effective Services:—	£	£	£	£
Charges—				
Payments to War Office for British Forces in India.	929,251	930,700	930,700	930,700
Furlough Allowances	165,423	157,000	210,000	210,000
Indian Troop Service and Passage of Officers...	565,413	292,300	291,600	297,300
Miscellaneous	42,565	28,500	43,000	39,500
Stores	705,185	450,100	1,735,800	1,522,900
Total	2,407,837	1,858,600	3,211,100	3,000,400
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 capita- tion basis) for Indian Native Regiments serving in the Colonies.	30,000	36,000	49,000	30,000
Transfer and Sale of Stores, Recoveries, &c. ...	41,705	11,700	14,900	6,000
Total	301,705	277,700	293,900	266,000
Net Charge for Effective Services	2,106,132	1,580,900	2,917,200	2,734,400
Non-effective Charges (net)	2,379,815	2,287,000	2,164,000	2,079,000
Total, England	4,485,947	3,867,900	5,081,200	4,813,400
Grand Total	20,953,257	21,175,700	23,297,100	24,229,600

The net Army Charges for 1916-17 exceeded the Budget Estimate by £2,340,300. This large increase is due to various causes arising directly from the War. Of these the more important are an enhanced outlay on account of special war services in respect of internal defence, increased railway and food charges, and certain revised arrangements in regard to the practical application of the decision that India should bear the normal cost of the troops sent to India to take part in the War.

The Budget for 1917-18 is higher by £922,500 than the Revised estimate, but includes a reserve of about £700,000 to meet unforeseen expenditure. The remainder of the excess is accounted for by an increased provision for food charges and pay and pension of the Indian Army. On the other hand, there is a lower provision under net Army Charges in England, mainly due to a reduction in the estimate for stores to be sent out to India.

Under Non-effective Charges (India) is included an increase of £180,000 for wound and family pension charges arising out of the War; this is counterbalanced by a corresponding reduction of (Home) non-effective payments to the Imperial Government, which bears the extra pensionary charges attributable to the War.

Schedule Expenditure.—Any new measure, the expenditure on which during the first year is likely to exceed £3,300, is included in a Schedule for special sanction. The Budget grants for such expenditure are 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 1915-16, 1916-17, and 1917-18 is estimated to be approximately as follows:—

		£
1915-16	}	381,300
1916-17		1,711,300
1917-18 (Budget)		1,901,300

These figures include outlay under the four military heads of account, "Army," "Marine," "Military Works" and "Special Defences." During the War, in addition to measures specifically classed as "Schedule," there has been considerable expenditure on measures immediately necessitated by war requirements.

Civil Departments.

The following table shows the net charges for the several departments:—

	Accounts, 1915-16.	Budget, 1916-17.	Revised Estimate, 1916-17.	Budget, 1917-18.
	£	£	£	£
General Administration	1,968,738	2,010,900	2,081,400	2,056,900
Law Courts and Jails	3,683,688	3,732,000	3,675,900	3,754,900
Police	5,210,416	5,379,000	5,275,800	5,593,600
Ports and Pilotage	85,215	67,800	82,600	77,800
Education	2,816,091	2,984,300	2,879,700	3,318,100
Ecclesiastical	131,046	136,400	130,600	142,500
Medical and Sanitation	1,397,428	1,389,100	1,308,400	1,478,100
Political	1,168,027	1,178,500	1,653,000	1,853,200
Agriculture... ..	519,036	540,100	532,700	763,600
Scientific and Miscellaneous Departments	308,626	372,000	315,600	344,800
Total	17,288,311	17,790,100	17,935,700	19,383,500

The main increase in the Revised Estimate for 1916-17 falls under "Political" attributable to special expenditure in Persia necessitated by the war, and the main decrease under "Education," in consequence of expenditure provided for school buildings, &c., being transferred to "Civil Works." There is a reduction also under Police as a result of the non-filling up of vacancies in the executive forces and the discontinuance of grain compensation in the Punjab.

The Budget for 1917-18 allows for a considerable increase of expenditure, particularly under the heads of (1) "Education," where provision is made for improvement in the pay and training of teachers and a general expansion of

expenditure in all provinces; (2) "Police," owing to the cost of reforms and changes in Bengal; (3) "Agriculture," under which grants have been made to certain provinces from the profits of the wheat scheme of 1915, and (4) "Political," as a result of higher anticipated expenditure in Persia and on the North-West Frontier.

Famine Relief and Insurance.

	Accounts, 1915-16.	Budget, 1916-17.	Revised Estimate, 1916-17.	Budget, 1917-18.
	£	£	£	£
Direct Famine Relief	74,695	46,300	192,700	56,300
Protective Railways	— 193	— 700	— 600	— 500
Protective Irrigation Works	500,193	433,300	345,500	420,000
Reduction or avoidance of Debt	425,305	521,100	462,400	524,200
Total	1,000,000	1,000,000	1,000,000	1,000,000

A sum of not less than £1,000,000 is annually appropriated for the purposes of Famine Relief and Insurance. When the outlay on direct famine relief is less than 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 productive 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 end of 1916 expenditure on famine relief was borne partly, if not entirely, by Imperial Revenues, under a somewhat complicated system, whereby Local Governments whose Provinces were liable to famine were annually credited with fixed sums in order to enable them to accumulate funds up to certain limits on which they could draw in case expenditure on famine relief became necessary.

With effect from the 1st April, 1917, a simpler scheme has been introduced, whereby expenditure for famine relief in all provinces is divided, when it occurs, between the Government of India and the Local Government concerned in the proportion of $\frac{3}{4}$ to $\frac{1}{4}$.

Civil Works.

	£
Accounts, 1915-16	5,147,692
Budget, 1916-17	4,474,500
Revised Estimate, 1916-17	4,369,700
Budget, 1917-18	5,259,600

The decrease in the Revised Estimates is due to the policy of retrenchment which has been followed since the beginning of the war.

Provincial Adjustments.

	Provincial Revenue (includ- ing Transfers from Imperial Revenues).	Provincial Expenditure.	Provincial Surpluses (net).	Provincial Deficits (net).
	£	£	£	£
Accounts, 1915-16	31,073,824	30,942,884	130,940	—
Budget, 1916-17	30,603,600	30,956,200	—	352,600
Revised Estimate, 1917-18	31,936,700	30,329,700	1,607,000	—
Budget Estimate, 1917-18	32,450,800	32,548,600	—	97,800

Under the present system of provincial finance, provincial surpluses are added to the balances at the credit of the Provinces, and charged against the revenue of the year; provincial deficits are met by withdrawals from the balances at the credit of the Provinces, and deducted from the expenditure of the year. The result of this system is that provincial revenue and expenditure always show an exact equilibrium in the general accounts of the Government of India.

APPENDIX II. (a.)

HOME CHARGES.

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

Net Expenditure.	Accounts, 1915-16.	Revised Estimate, 1916-17.	Budget Estimate, 1917-18.
	£	£	£
Interest on Debt (excluding Interest charged in Railway Revenue and Irrigation Accounts)	2,112,536	1,726,400	6,176,600
Railway Revenue Account	9,303,719	9,398,100	9,452,100
Irrigation: Interest on Debt	127,299	128,100	128,600
Bank of England and Bank of Ireland for Management of Debt	63,569	60,600	60,500
Civil Administration:			
Payments on account of Departments in India, passage, outfit, &c.	42,188	40,200	33,900
Postal Subsidy	42,713	16,900	45,800
Indo-European Telegraph Department	- 77,942	84,800	- 9,000
Public Works	631	1,500	2,500
Indian Civil Service: Allowances to Selected Candidates, &c.	8,723	5,200	3,900
Lunatics: Maintenance	767	500	400
Political Charges: Diplomatic and Consular Services	- 12,851	- 13,000	- 13,400
" Pensions: Territorial and Political	10,550	10,600	10,600
" Other Charges	5,720	21,900	24,000
India Office: Salaries of Establishment	155,277	167,000	170,000
" Auditor's Department	7,154	7,000	7,400
" Store Department	29,696	35,900	33,600
" Bureau of Information for Indian Students	2,385	2,600	2,600
" Stationery, Postage, Telegrams, Maintenance, and other Charges	27,679	34,400	33,400
Army and Marine, Effective: Home charges of British forces serving in India (deducting receipt of £100,000 from War Office on account of Aden)	833,712	830,700	830,700
" Troop Service and Transport (deducting receipt of £130,000 from War Office)	415,871	155,100	167,300
" Receipt on account of Indian Native Regiments lent for service in the Colonies	- 30,000	- 49,000	- 30,000
" His Majesty's ships in Indian Seas	100,000	100,000	100,000
" Other Charges	33,746	41,500	38,000
Stores: Civil and Public Works	287,690	384,100	360,400
" Telegraph	149,595	231,100	300,000
" Marine	136,324	290,000	394,800
" Army	698,968	1,729,400	1,513,900
" Military Works	31,173	22,700	19,000
" Special Defences (1902)	7,918	6,200	3,700
" New Capital at Delhi	3,587	5,200	1,000
" Miscellaneous Charges	40,104	163,300	30,000
Furlough: Civil	235,054	260,000	260,000
" Army and Marine	155,576	211,700	211,700
" Posts, Telegraph and Public Works	44,637	50,200	53,100
Non-Effective Charges (including India Office Pensions):			
Civil	1,478,065	1,461,400	1,472,200
Army and Marine	2,932,107	2,701,500	2,607,100
Profits from purchase and sale of Wheat for 1915-16 and 1916-17 brought to credit of Revenue	—	—	- 158,000
Total	19,403,940	20,323,800	24,343,400

Expenditure in England not charged on the Revenue of the year :—

Expenditure.	Accounts, 1914-15.	Revised Estimate, 1915-16.	Budget, 1916-17
	£	£	£
Capital outlay on construction of State Railways	852,742	316,700	927,100
" on Irrigation Works	36,409	13,200	11,000
New Capital at Delhi	9,891	22,300	15,000
Total	899,042	352,200	953,100

APPENDIX II. (b.)

RAILWAYS.

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

Length of railways open in India on 31st March, 1915		35,284·70 miles.
Additional mileage opened in 1915-16 :—		
I. State Lines worked by the State or by Companies	141·83 miles	
II. Lines under rebate or guarantee terms ...	255·60 „	
III. Railways subsidised by the Government of India and unassisted Lines	22·30 „	
IV. District Board Lines	46·13 „	
V. Native State Lines worked by Native States or by Companies and Lines Guaranteed by Native States	140·04 „	
Total addition		605·90 miles.
Length of railways open in India on 31st March, 1916, after allowing for minor corrections due to re-alignments, &c.		35,832·64 miles.

	1914-15.	1915-16.
Total number of passengers carried	451,085,900	476,039,300
Total weight of goods carried (in tons)... ..	80,972,000	88,738,000

CAPITAL OUTLAY AND NET TRAFFIC RECEIPTS.

The lines mentioned below are those of which the transactions are recorded in the Government accounts. The Mean Capital Outlay in 1915-16, including outlay by companies and local boards, is calculated by adding to the total Capital Outlay up to 31st March, 1915, half the outlay in 1915-16.

		Mean Capital Outlay, 1915-16.	Net Traffic Receipts, 1915-16.	Percentage of Net Receipts on Mean Capital Outlay.
		£	£	
	East Indian	55,987,066	4,308,265	7.69
	Bhopal	271,803	18,687	6.88
	Bengal-Nagpur	27,827,933	1,504,534	5.40
	Burma	14,100,422	615,765	4.36
	Assam-Bengal	10,753,054	102,646	.95
	Jorhat	72,081	3,463	4.80
	Eastern Bengal	24,734,741	942,182	3.80
	Bombay, Baroda, and Central India (includes Rajputana - Malwa and Nagda-Muttra)	30,564,673	2,303,047	7.53
	Tirhoot	5,433,849	370,060	6.81
	Oudh and Rohilkhand	17,593,095	761,775	4.33
	Agra Delhi Chord	983,439	82,610	8.40
	Lucknow-Bareilly	913,781	60,045	6.57
	Cawnpore Banda... ..	523,976	10,676	2.04
	North-Western	60,680,022	2,308,183	3.80
	South Indian	14,841,124	980,792	6.60
	Bezwada Extension	82,985	13,314	16.04
	Dhone-Kurnool	67,212	3,562	5.30
	Baran-Kotah	309,852	7,375	2.38
	Tinnevely Quilon (British and Native Section).	1,078,812	26,738	2.48
	Great Indian Peninsula (includes Indian Midland).	50,699,758	2,602,809	5.13
	Madras and Southern Mahratta	26,504,357	1,361,251	5.13
	Jodhpur-Hyderabad (British Section)... ..	295,552	31,060	10.50
	Aden	9,610	—375	—
		344,329,197	18,418,464	5.35
Unopened lines, stores, &c.	... ..	566,170		
		344,895,367	18,418,464	5.34
Private Companies: Government pay- ments.	... ..	2,809,238		
GRAND TOTAL		347,704,605		

APPENDIX II. (c.)

MAJOR IRRIGATION WORKS.

CAPITAL OUTLAY AND NET EARNINGS.

The Mean Capital Outlay in 1915-16 is calculated by adding to the total Capital Outlay up to 31st March, 1915, half the outlay in 1915-16.

	Mean Capital Outlay 1915-16.	Net Earnings 1915-16 (being gross receipts less working expenses).	Percentage of net Earnings on Mean Capital Outlay.
Bihar :—	£	£	
Orissa Canals	1,763,179	6,306	·36
Sone	1,729,252	84,118	4·86
Tribeni	483,808	10,029	—
Bengal :—			
Midnapur	553,942	6,128	1·11
Central Provinces :—			
Tank Projects	583,565	1,069	·18
United Provinces :—			
Gauges	2,369,684	254,884	10·76
Lower Ganges	2,588,460	182,097	7·03
Agra	762,032	35,597	4·67
Eastern Jumna	324,069	86,974	26·84
Betwa	530,806	5,153	·97
Punjab and N.W. Frontier Province :—			
Western Jumna	1,125,002	112,154	9·97
Upper Bari-Doab	1,397,370	229,042	16·39
Sirhind	1,620,875	137,965	8·51
Lower Chenab	2,065,768	853,492	41·32
Lower Jhelum	1,037,987	224,581	21·64
Upper Swat River	1,206,021	14,182	—
Upper Chenab	2,201,818	14,570	·66
Upper Jhelum	2,708,921	21,841	—
Lower Bari-Doab	1,348,060	4,670	—
Madras :—			
Godavari Delta	853,075	221,907	26·01
Kistna Delta	1,011,649	184,416	18·23
Kurnool Cuddapah	1,514,461	7,311	·48
Pennér River Canals System	378,975	33,496	8·84
Periyar Project	684,444	31,124	4·55
Bombay :—			
E. Nara Works	447,691	29,836	6·66
Godaveri	614,009	3,337	·54
Mutha Canal and Matoba Tank	500,169	14,525	2·90
Jamrao	552,529	44,441	8·04
Mira Right Bank	533,974	—	—
Nira Canal and Shetphal Tank	406,377	26,992	6·64
Burma :—			
Mandalay	375,128	14,116	3·76
Mon	362,172	19,209	5·30
Shwebo	381,718	36,350	9·52
Twante	412,572	—	—
Other Works	6,865,975	286,293	4·50
Total	41,795,539	3,186,791	7·51

APPENDIX II. (d.)

TRADE TABLES.

SEA-BORNE TRADE:—

I.—General Summary.

II.—Analysis of Imports of Merchandise, showing the principal articles separately.

III.—Analysis of Exports of Merchandise, showing the principal articles separately.

IV.—Analysis of Imports of Merchandise on Private Account, showing separately the principal countries of origin.

V.—Analysis of Exports of Indian Merchandise on Private Account, showing separately the principal countries of destination.

I.—Summary of Sea-borne Trade.

—	Merchandise.	Treasure.			Total Merchandise and Treasure.
		Gold.	Silver.	Total.	
1914-15.					
Imports:—	£	£	£	£	£
Private	91,952,600	7,135,700	7,377,900	14,513,600	106,466,200
Government	4,667,800	200	25,100	25,300	4,693,100
Total	96,620,400	7,135,900	7,403,000	14,538,900	111,159,300
Exports:—					
Private	{ Indian produce. } 118,323,300 { Re-exports. } 2,737,800				
Government	121,061,100 389,600	1,499,600 538,000	702,600 786,100	2,202,200 1,324,100	123,263,300 1,713,700
Total	121,450,700	2,037,600	1,488,700	3,526,300	124,977,000
Excess of Imports over Exports:—					
Private	—	5,636,100	6,675,300	12,311,400	—
Government	4,278,200	—	—	—	2,979,400
Excess of Exports over Imports:—					
Private	29,108,500	—	—	—	16,797,100
Government	—	537,800	761,000	1,298,800	—
1915-16.					
Imports:—					
Private	87,990,800	3,496,100	4,407,400	7,903,500	95,894,300
Government	4,122,000	25,000	35,700	60,700	4,182,700
Total	92,112,800	3,521,100	4,443,000	7,964,200	100,077,000
Exports:—					
Private	{ Indian produce. } 128,356,200* { Re-exports. } 3,230,600				
Government	131,586,800 1,400,100	4,260,500 —	690,000 533,300	4,950,500 533,300	136,537,300 1,933,400
Total	132,986,900	4,260,500	1,223,300	5,483,800	138,470,700
Excess of Imports over Exports:—					
Private	—	—	3,717,400	2,953,000	—
Government	2,721,900	25,000	—	—	2,249,300
Excess of Exports over Imports:—					
Private	43,596,000	764,400	—	—	40,643,000
Government	—	—	497,600	472,600	—

* Includes £4,599,300, being the value of wheat exported on Government account.

I.—*Summary of Sea-borne Trade—continued.*

	Merchandise.	Treasure.			Total Merchandise and Treasure.
		Gold.	Silver.	Total.	
1916-17.	£	£	£	£	£
Imports:—					
Private	99,765,800	8,396,300	1,039,700	9,436,000	109,201,800
Government	7,075,800	—	15,704,600	15,704,600	22,780,400
Total	106,841,600	8,396,300	16,744,300	25,140,600	131,982,200
Exports:—					
Private	Indian produce. } 155,432,600* Re-exports. } 5,155,400				
Government	160,588,000* 1,440,300	41,200 27,100	3,173,200 956,600	3,214,400 893,700	163,802,400 2,424,000
Total	162,028,300	68,300	4,129,800	4,198,100	166,226,400
Excess of Imports over Exports:—					
Private	—	8,355,100	—	6,221,600	—
Government	5,635,500	—	14,748,000	14,720,900	20,356,400
Excess of Exports over Imports:—					
Private	60,820,900	—	2,133,500	—	51,600,600
Government	—	27,100	—	—	—

* Includes £2,835,300, being value of wheat and tanned cowhide exported on Government account.

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

	1914-15.	1915-16.	1916-17.
<i>A. On Private Account.</i>			
	£	£	£
I. Food, Drink, and Tobacco:—			
A. Fish (excluding canned fish)	195,200	164,600	119,200
B. Fruits and Vegetables	761,500	826,900	779,400
C. Grain, Pulse, and Flour... ..	311,400	542,600	121,600
D. Liquors	1,032,800	1,069,400	1,334,300
E. Provisions and Oilman's stores... ..	1,404,700	1,408,500	1,872,800
F. Spices	1,145,800	1,248,100	1,296,900
G. Sugar	7,015,000	11,078,500	10,300,200
H. Tea	177,000	225,300	179,000
I. Other Food and Drink	529,300	1,295,800	1,346,500
J. Tobacco	481,700	534,400	834,200
Total, Class I	13,054,400	18,394,100	18,184,100
II. Raw Materials and Produce and articles mainly un-manufactured:—			
A. Coal, Coke, and Patent Fuel	523,200	181,100	103,000
B. Gums, Resins, and Lac	86,100	126,000	192,700
C. Hides and Skins, raw	71,800	94,300	152,000
D. Metallic Ores and Scrap Iron or Steel for re-manufacture.	21,500	32,300	25,100
E. Oils	3,118,200	2,831,600	3,108,700
F. Seeds	180,300	138,000	168,500
G. Tallow, Stearine, and Wax	134,000	129,700	151,100
H. Textile Materials	1,126,600	1,005,500	1,152,600
I. Wood and Timber	486,300	450,700	676,100
J. Miscellaneous	464,600	694,500	948,400
Total, Class II	6,212,600	5,684,200	6,678,200

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

	1914-15.	1915-16.	1916-17.
	£	£	£
<i>A. On Private Account—continued.</i>			
III. Articles wholly or mainly manufactured:—			
A. Apparel	1,078,800	1,175,900	1,414,300
B. Arms, Ammunition, and Military Stores ...	214,000	195,800	235,500
C. Carriages and Carts (including Cycles and Motor Cars)	920,300	1,058,000	1,617,400
D. Chemicals, Drugs, and Medicines	1,484,300	1,915,200	2,339,200
E. Cutlery, Hardware, Implements (except Machine Tools), and Instruments	2,860,200	2,725,400	3,527,100
F. Dyes and Colours	1,003,300	864,500	1,555,200
G. Furniture, Cabinetware, and Manufactures of Wood	164,500	168,900	232,400
H. Glassware and Earthenware	944,800	1,033,500	1,338,700
I. Hides and Skins, tanned or dressed, and Leather	195,400	221,500	268,200
J. Machinery of all kinds, including Belting for Machinery	4,307,700	3,504,700	4,009,500
K. Metals, Iron and Steel, and Manufactures thereof	6,500,300	6,123,500	5,910,700
L. Metals, other than Iron and Steel, and Manufactures thereof	2,657,800	1,306,100	1,219,900
M. Paper, Pasteboard, and Stationery	1,225,900	1,340,300	2,070,900
N. Railway Plant and Rolling Stock	6,721,700	2,812,300	1,045,700
O. Yarns and Textile Fabrics	36,191,900	32,460,300	40,251,600
P. Miscellaneous	4,641,300	5,436,100	5,937,000
Total, Class III	71,112,200	62,342,000	72,973,300
IV. Miscellaneous and Unclassified	1,573,400	1,570,500	1,930,200
Total value of Imports of Merchandise on Private Account	91,952,600	87,990,800	99,765,800
B. Government Stores	4,667,800	4,122,000	7,075,800
Grand Total, Imports of Merchandise	96,620,400	92,112,800	106,841,600

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

	1914-15.	1915-16.	1916-17.
	£	£	£
<i>A. On Private Account.</i>			
I. Food, Drink, and Tobacco:—			
A. Fish (excluding Canned Fish)	235,800	284,100	306,000
B. Fruits and Vegetables	342,600	400,300	400,600
C. Grain, Pulse, and Flour	19,366,100	19,380,800	23,269,600
D. Liquors	100	3,900	—
E. Provisions and Oilman's Stores	303,200	351,300	452,600
F. Spices	638,600	619,300	722,900
G. Sugar	58,700	62,800	175,600
H. Tea	10,352,300	13,320,700	11,180,700
I. Other Food and Drink	1,104,000	660,800	697,900
J. Tobacco	245,400	293,400	346,600
Total, Class I	32,646,800	35,377,400	37,552,500

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

	1914-15.	1915-16.	1916-17.
	£	£	£
<i>A. On Private Account—continued.</i>			
II. Raw materials and produce and articles mainly unmanufactured :			
A. Coal, Coke and Patent Fuel	352,000	491,700	508,100
B. Gums, Resins and Lac	1,109,100	1,178,500	1,919,400
C. Hides and Skins, raw	5,211,700	6,530,200	9,605,700
D. Metallic ores and scrap iron or steel for re-manufacture.	712,500	928,200	1,614,500
E. Oils	701,400	812,600	1,007,200
F. Seeds	9,769,300	6,748,400	10,962,200
G. Tallow, Stearine and Wax	40,000	36,900	75,800
H. Textile materials	33,284,200	30,446,500	37,536,900
I. Wood and Timber	616,400	524,900	460,800
J. Miscellaneous	1,585,300	1,716,100	2,173,200
Total, Class II	53,381,900	49,414,000	65,863,800
III. Articles wholly or mainly manufactured :—			
A. Apparel	74,700	57,600	91,600
B. Arms, Ammunition, and Military Stores ...	—	100	100
C. Carriages and Carts, including Cycles and Motor Cars.	1,300	800	2,400
D. Chemicals, Drugs and Medicines	1,573,700	1,627,700	2,492,500
E. Cutlery, Hardware, Implements (except Machine Tools) and Instruments.	24,000	28,500	36,100
F. Dyes and Colours	1,079,200	2,093,300	2,004,800
G. Furniture, Cabinetware, and manufactures of wood.	27,300	24,700	21,300
H. Glassware and Earthenware	7,800	6,300	8,600
I. Hides and Skins, tanned or dressed, and Leather	3,173,000	3,758,700	6,293,200
J. Machinery of all kinds, including belting for machinery.	1,100	800	5,100
K. Metals, Iron and Steel, and manufactures thereof.	189,500	264,500	373,000
L. Metals, other than Iron and Steel, and manufactures thereof.	162,700	264,400	484,400
M. Paper, Pasteboard and Stationery	3,300	6,600	21,300
N. Railway Plant and Rolling Stock	8,600	13,300	9,700
O. Yarns and Textile fabrics	22,700,800	31,912,300	36,529,000
P. Miscellaneous	2,028,800	2,083,100	2,189,600
Total, Class III	31,055,800	42,142,700	50,562,700
IV. Miscellaneous and Unclassified	1,238,800	1,422,100	1,453,600
Total value of exports of merchandise on private account.	118,323,300	128,356,200^(a)	155,432,600^(b)
B. Government Stores, exports	331,900	1,140,300	1,361,100
Total exports of Indian merchandise ...	118,655,200	129,496,500	156,793,700
C. Re-exports—On Private Account	2,737,800	3,230,600	5,155,400
Government Stores	57,700	259,800	79,200
Total	2,795,500	3,490,400	5,234,600
Grand Total, exports of merchandise	121,450,700	132,986,900	162,028,300

(a) Includes £4,599,300, being value of wheat exported on Government account.

(b) Includes £2,835,300, being value of wheat and tanned cowhide exported on Government account.

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

NOTE—The figures in this Table are based on the new system of registration according to country of consignment.

Countries.	1914-15.	1915-16.	1916-17.
British Empire:—	£	£	£
United Kingdom	61,959,200	52,205,800	58,510,100
Aden and Dependencies	522,700	320,900	476,300
Ceylon	527,700	636,700	830,300
Straits Settlements (including Labuan)... ..	2,250,100	2,502,100	2,590,100
Hong Kong	631,700	884,400	746,600
Egypt	—	474,200	426,700
Mauritius and Dependencies (including Seychelles)	1,158,500	1,419,500	550,400
Zanzibar and Pemba	195,900	243,900	257,300
East African Protectorate	13,600	78,300	220,200
Canada	30,200	5,600	5,500
Australia	567,100	447,000	647,700
Other British possessions	238,300	315,900	315,700
Total—British Empire...	68,095,000	59,534,300	65,576,900
Foreign countries:—			
Russia	24,400	57,500	164,300
Sweden	340,700	514,300	585,300
Norway	175,100	367,100	442,800
Germany	3,099,700	307,600	50,200
Holland	854,800	801,300	664,500
Belgium	1,086,400	153,800	24,000
France	1,174,500	1,328,600	1,358,500
Spain	62,200	367,200	310,500
Switzerland	262,300	433,800	454,700
Italy	1,015,200	1,336,900	1,648,900
Austria-Hungary	860,700	3,300	9,500
Turkey, Asiatic	219,100	300,900	449,000
Arabia	214,500	326,800	240,400
Persia	469,300	453,700	455,000
Sumatra, Java, and Borneo	6,115,200	9,611,500	9,248,100
Siam	282,000	229,900	302,300
China (exclusive of Hong Kong and Macao)	1,044,900	1,283,400	1,095,300
Japan	2,966,400	4,997,800	8,889,800
Egypt*	247,200	—	—
Portuguese East Africa	94,900	76,900	36,000
Italian East Africa	41,600	145,300	107,000
United States of America	3,119,900	5,247,400	7,303,900
Other Foreign countries	86,600	111,500	350,200
Total—Foreign countries	23,857,600	28,456,500	34,190,200
Grand Total	91,952,600	87,990,800	99,767,100

* Included in "Foreign countries" prior to April, 1915, and after that in "British possessions."

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

NOTE.—The figures in this Table are based on the new system of registration according to the country of final destination.

Countries.	1914-15.	1915-16.	1916-17.*
	£	£	£
British Empire:—			
United Kingdom	37,257,900	48,788,100	52,270,600
Gibraltar	8,000	126,500	6,500
Aden and Dependencies	801,800	829,700	1,254,500
Ceylon	5,032,700	6,120,000	6,765,100
Straits Settlements (including Labuan)	3,364,900	3,336,700	4,016,700
Hong-Kong	2,808,900	2,746,400	2,758,200
Egypt	—	1,436,400	2,053,600
Cape Colony	255,600	281,400	296,500
Natal	625,700	676,900	816,300
Mauritius and Dependencies (including Seychelles)	1,036,000	789,500	1,091,600
Zanzibar and Pemba	168,500	179,900	333,400
East African Protectorate	235,000	291,200	504,300
Canada	759,600	1,061,600	969,500
British West India Islands	121,900	98,400	135,400
Australia (including New Zealand)	3,030,100	3,381,700	3,734,800
Other British Possessions	479,100	600,100	965,600
Total British Empire	55,985,700	70,744,500	77,972,600
Foreign Countries:—			
Russia	1,239,800	3,622,700	3,781,400
Sweden	299,400	204,000	46,100
Norway	76,600	126,000	136,800
Germany	6,785,000	—	—
Holland	800,200	144,800	266,100
Belgium	3,505,500	154,000	—
France	5,886,600	6,270,400	9,516,200
Spain	1,216,700	1,398,500	1,717,600
Switzerland	35,000	125,100	115,500
Italy	4,570,500	5,952,200	6,435,600
Austria-Hungary	3,011,900	—	—
Turkey, European	27,900	100	—
" Asiatic	1,034,400	534,900	1,143,800
Arabia	518,300	645,400	965,700
Persia	383,600	825,900	1,251,700
Sumatra	183,400	221,100	412,200
Borneo and Java	1,229,300	1,217,900	1,868,500
Siam	617,100	614,900	649,900
Indo-China	709,000	487,500	1,054,700
China (exclusive of Hong-Kong and Macao)	2,687,900	3,577,700	3,878,800
Japan	10,435,600	12,271,100	17,573,700
Egypt	1,199,100	(a)	(a)
Portuguese East Africa	293,900	200,800	231,900
Other East African Ports	333,300	112,800	164,900
United States of America	11,561,700	14,098,200	20,762,200
West Indies	599,900	1,008,900	1,586,600
South America	2,329,700	3,217,100	3,276,900
Oceania	187,900	154,200	232,400
Other Foreign Countries	578,400	425,500	393,900
Total Foreign Countries	62,337,600	57,611,700	77,463,100
Grand Total	118,323,300	128,356,200(b)	155,435,700(b)

* Preliminary figures. (a) Shown under British Empire.
(b) Includes the value of wheat and tanned cowhides exported on Government account.