

GOVERNMENT OF INDIA.  
FINANCE AND COMMERCE DEPARTMENT.

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# FINANCIAL STATEMENT

FOR

1899-1900.



CALCUTTA:  
OFFICE OF THE SUPERINTENDENT OF GOVERNMENT PRINTING, INDIA.  
1899.

**CALCUTTA:**  
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# FINANCIAL STATEMENT FOR 1899-1900.

## PART I.

### INTRODUCTION.

In presenting my Financial Statement of March 1898 I alluded to the calamities of famine, war, pestilence, and earthquake which had fallen upon us during the year then closing, and I went on to refer to the promise of brighter times introduced by the abundant harvest of 1897. The recovery of the country has been more rapid than any of us anticipated at the time I allude to; another good harvest has been gathered, and although the plague still casts a shadow over the land, the general condition of the people as evidenced by the Returns of Trade and of Revenue is prosperous, and the famine of 1896 and 1897 is now little more than a memory, its effects being obliterated by the return of prosperous seasons. I cannot, however, pass from the subject without deriving from it one lesson which it seems to me to afford—namely, that the margin between prosperity and adversity in India must be a very narrow one, for if we have learned that one bountiful harvest suffices to restore the country after a widespread and severe famine, we have learned also that the failure of the seasonal rains in a single month of the year is sufficient to set back a full tide of prosperity; and that this is a possibility which in the administration of India, and in its financial administration especially, we dare not leave out of account.

2. In the two calamitous years of which I told the history last March, namely, 1896-97 and 1897-98, I had to shew that the accounts of the Empire were in deficit to the aggregate amount of, as nearly as possible, seven crores of rupees (Rx. 6,988,100 since increased to Rx. 7,064,233). In the two succeeding years (those of which I present the estimates to-day) I am glad to say that this deficit has been, or will be, more than covered, for so complete is the reversal of last year's position that in passing from 1897-98 to 1898-99 we pass from a deficit of Rx. 5,359,211 to a surplus of Rx. 4,759,400, and in my Budget Estimates for next year I anticipate a surplus of Rx. 3,932,600. I lay these figures before the Council at the very commencement of my Statement, as I have no doubt they are anxious to know, as soon as possible, the general drift of the figures which I now proceed to explain in greater detail.

#### Accounts of 1897-98.

3. The Accounts of 1897-98 were, as usual, published in the first half of January, and the results then shewn compare as follows with the anticipations formed in March 1898:—

	Revenue. Rx.	Expenditure. Rx.	Deficit. Rx.
Estimated in March 1898 . . . . .	96,561,500	101,844,600	5,283,100
Actual Accounts . . . . .	96,442,004	101,801,215	5,359,211
Accounts { Better + Worse — : }	—119,496	+43,385	—76,111

The differences on the whole were very small, as the accounts under each of the heads of Revenue and Expenditure closely followed the Revised Estimate. Indeed, had it not been that we determined after the close of the year to make certain grants (aggregating Rx. 88,100) to the Provincial Governments of Bombay and of Bengal in further reimbursement to them of their famine expenditure, the difference in the whole account between Revised Estimate and Actuals would have been only Rx. 12,000.

## FINANCIAL STATEMENT OF THE

## Revised Estimates of 1898-99.

4. In the Budget Estimate for 1898-99 I estimated the results of the year to be a surplus of Rx. 891,400. But we now find that mainly through abundant revenue, military economies on the North-West Frontier, and very favourable exchange, the result of the year will be a surplus, as I have already stated, of Rx. 4,759,400. I shall explain afterwards that on a review of the financial position of the several Local Governments, whose balances have been exhausted by famine and plague, and who have still to meet pressing demands for expenditure while the expansion of their revenues has for a time been set back by the calamities referred to, we have decided to make them grants in aid of their resources, out of the surplus that has accrued to us on the Imperial account. The total amount of these grants is Rx. 700,000, and thus the surplus of the year is reduced from Rx. 4,759,400 to Rx. 4,059,400. The money may be described as expenditure brought to account by anticipation, that is to say, it goes at present merely to swell Provincial balances, and when actually spent on the purposes in consideration of which it is granted, it has not again to be charged against the surplus of the year, but passes through the Provincial adjusting entry.

5. The detail of the differences between the Revised Estimates for 1898-99, as now presented, and the amounts taken in the Budget Estimates prepared twelve months ago are set out in the following statement:—

## Estimates of 1898-99.

	Budget.	Revised.	Revised Better	Revised Worse.
<b>ENGLAND.</b>				
<b>STERLING IN ENGLAND—</b>				
Revenue . . . . .	£ 188,300	232,500	44,200	
Expenditure . . . . .	£ 16,474,800	16,323,700	151,100	
<b>NET EXCHANGE ON ABOVE</b> . . . . .	Rx. 9,120,500	8,045,600	1,074,900	
<b>NET CHARGE</b> . . . . .	25,407,000	24,136,800	1,270,200	
<b>INDIA.</b>				
<b>REVENUES IN INDIA—</b>				
Land Revenue . . . . .	Rx. 27,568,200	27,679,400	111,200	
Opium . . . . .	5,329,800	5,679,400	349,600	
Salt . . . . .	8,728,000	9,047,200	319,200	
Other Principal Heads of Revenue . . . . .	24,033,800	24,583,300	549,500	
Post Office and Telegraph (net) . . . . .	711,000	610,700	—	100,300
Departmental Receipts (a) . . . . .	4,578,600	4,174,700	403,900	
Railways, Net Earnings . . . . .	12,036,100	12,814,200	778,100	
Irrigation . . . . .	3,228,100	3,401,700	173,600	
Military Works . . . . .	50,300	54,200	3,900	
Army . . . . .	833,000	835,200	2,200	
<b>TOTAL REVENUES</b> . . . . .	86,599,900	88,939,900	2,340,000	
<b>EXPENDITURE IN INDIA—</b>				
<b>Direct Demands on Revenues—</b>				
Opium . . . . .	2,654,000	2,343,800	310,200	
Other heads . . . . .	8,413,900	8,280,500	133,400	
Interest (b) . . . . .	—1,123,900	—1,132,200	8,300	
Civil Departments . . . . .	17,225,200	17,371,100	145,900	
Famine Relief . . . . .	85,100	44,600	40,500	
Protective Works and Reduction of Debt . . . . .	1,014,100	1,131,500	117,400	
Railways, Charges against Net Earnings (net) . . . . .	4,951,700	4,881,300	70,400	
Irrigation . . . . .	3,211,500	3,218,200	6,700	
Military Works and Special Defences . . . . .	1,135,800	1,113,700	22,100	
Civil Works . . . . .	4,702,100	4,493,600	208,500	
Army (Ordinary Charges) . . . . .	16,625,300	16,541,500	83,800	
„ Warlike Operations . . . . .	1,458,000	1,023,700	434,300	
<b>Provincial Adjustment—</b>	60,413,300	59,325,300	1,088,000	
Addition (+) or Deduction (—) made for increase or decrease of Provincial and Local Balances . . . . .	—116,800	+717,900	—	831,100
Special grants to Provincial Governments . . . . .	—	+700,000	—	700,000
<b>NET EXPENDITURE CHARGED AGAINST REVENUE IN INDIA</b> . . . . .	60,301,500	60,743,700	—	442,200
<b>Surplus</b> . . . . .	891,400	4,059,400	3,168,000	

(a) Including interest and receipts under Civil Works.

(b) This entry in the Indian portion of the accounts is a *minus* one, as the interest passed to the charge of Railway and Irrigation is greater than the whole amount of interest payable in India.

6. The first point to note is that, except for a small falling-off under Stamps and Registration, every one of the Revenue heads shews better results than anticipated in the Budget Estimates. The improvement under Land Revenue is mostly in Burma and the North-Western Provinces. In Opium we have got much better prices in Bengal than we estimated for, namely, Rx. 4,164,000 against Rx. 3,900,000, and in Bombay the low rate of the pass-duty, as compared with previous years, has led to a revival of the export which last year shewed a very considerable decline. The increase in Salt Revenue, which now produces 9 crores against the 8½ which it gave us in the two famine years, is a satisfactory indication of the improvement in the condition of the people, and the Customs Revenue continues to increase as trade continues to flourish.

7. Post Office and Telegraph shew a falling-off, due in the latter case partly to the cessation of hostilities on the North-Western Frontier, but chiefly to the more extensive use of deferred telegrams which are now delivered by hand, and in the former case to reduction of rates of postage. We calculate that by the increase, from one tola to one-and-a-half, of the unit of weight for inland postage we diminish the annual revenue by Rx. 60,000, and by adopting the Imperial Penny Postage (for India, one anna) we give up Rx. 40,000. A considerable portion of this last item will be recovered for us by an arbitration given in our favour, in respect of the distribution, between the English and the Indian Post Offices, of the subsidy charges payable to the Peninsular and Oriental Company and by reductions of the scale of charge in respect of continental transit.

8. Under Railways—Net Earnings—we have received Rx. 778,100 more than we estimated, the important items being—

		Rx.
1. North-Western . . . . .	Better	410,000
2. Great Indian Peninsula . . . . .	Better	416,000
3. Bombay, Baroda and Central India . . . . .	Better	210,000
4. Rajputana-Malwa . . . . .	Better	70,000
5. Eastern Bengal . . . . .	Worse	110,000
6. Southern Mahratta . . . . .	Worse	80,000
7. South Indian . . . . .	Worse	50,000
8. Madras . . . . .	Worse	55,000
9. Assam-Bengal . . . . .	Worse	31,000
Net of the above . . . . .	Better	780,000

The improvement is due generally to large exports of grain consequent on good winter crops, and in one case to postponement of works of repair and renewal.

The Plague is responsible for the falling-off on the Railways in Southern India.

An inferior jute crop and the postponement of jute deliveries in Calcutta was the cause of the worse result on the Eastern Bengal State Railway, and inclusion in the Working Expenses of the revenue share of repairs of earthquake damages caused the reduction on the Assam-Bengal Railway.

9. On the expenditure side, the first considerable improvement is under Opium, and is due to our failure to obtain as good a crop as we hoped. We have been able to recommence the building up of our Reserve, but the good season for which for many years we have waited has not yet come, and the produce still remains short of our standard. There has also been a considerable saving in the expenditure of the Salt Departments, and fair amounts in the other Revenue Departments. The Civil Departments shew the usual considerable savings in their Budget Estimates, but the amount has been more than swallowed up in the expenditure caused by Plague. The head "Medical",

alone shews an excess over estimate of Rx. 327,800, most of which is in Bombay, and all of which for practical purposes falls on the Imperial Account, for the Provincial Governments are not able to bear the expenditure without assistance in the form of grants from Imperial.

10. The Army expenditure in India (ordinary) is less by Rx. 84,300 than estimated in the Budget, and of the Budget provision of Rx. 1,458,000 in India for Warlike Operations only Rx. 1,023,700 has been spent, the Military authorities having, from the very beginning of the year, found it practicable to reduce the forces maintained on the North-West Frontier.

### Rate of Exchange.

11. The rate of exchange taken for the purpose of the Budget Estimate last March was  $15\frac{3}{8}$  pence (or rather £1 = R15'6), that being the rate actually realized in 1897-98. At the opening of the year 1898-99 the current rate was  $15\frac{13}{16}$  or  $15\frac{7}{8}$ , but under the influence of a strong demand in April and May (in each of which months the Secretary of State sold two millions sterling of Council Bills) it quickly rose to 16 pence and over. This demand was due mainly to unusually large exports of Rice, Wheat, and Seeds, the figures of which for the five principal months of export are shown in the following table:—

*Exports (Value in Rupees) of Rice and Wheat (including Flour) and Seeds by Sea from British India during February to June 1896, 1897, and 1898.*

		February.	March.	April.	May.	June.
Rice	1896	2,39,79,157	2,35,35,019	1,28,19,258	87,78,324	1,05,82,552
	1897	2,05,74,378	2,26,73,146	85,42,095	74,73,502	72,22,085
	1898	2,11,33,697	2,39,73,430	1,74,35,984	1,39,93,271	1,00,28,152
Wheat	1896	13,68,050	14,41,371	20,32,888	27,38,742	21,72,359
	1897	3,28,052	1,83,882	3,47,801	5,03,124	6,14,133
	1898	9,99,271	55,10,941	1,09,23,719	2,85,78,798	2,28,64,833
Seeds	1896	68,45,149	96,72,087	1,08,31,633	1,27,32,470	1,10,86,314
	1897	25,08,515	30,02,053	43,92,610	1,09,06,210	85,56,518
	1898	58,76,128	74,23,872	88,45,785	1,25,27,552	1,16,97,108
Total all three.	1896	3,12,92,356	3,46,48,477	2,56,83,779	2,42,49,536	2,38,41,225
	1897	2,34,10,945	2,58,59,081	1,32,82,506	1,88,82,836	1,63,92,736
	1898	2,80,09,096	3,69,08,243	3,72,05,488	5,50,99,621	4,45,90,093

12. The position thus gained at the beginning of the year has never been lost, and the rate has continually fluctuated about 16 pence, now a little over it and now a little under it. In the latter half of the year the rate has never been below  $15\frac{15}{16}$  pence. The drawings have now for some time stood at Rx. 700,000 a week, and we expect when the year closes to have remitted by Council Bills £19,000,000 equal to Rx. 28,540,000, giving, as nearly as possible, an average rate of sixteen pence. The Revised Estimates for 1898-99 are accordingly made up at this rate.

13. For next year I have made the modest estimate of  $15\frac{3}{4}d$ . I fully anticipate we shall realize, as this year, something closely approaching to 16 pence, but our continual practice in India is to avoid sanguine estimating, and following this principle I am loth to take a figure which may have the taint of being, under existing circumstances, the best possible.

14. It may be noted that not only are the remittances of the current year the largest on record (there being hitherto only one year, 1881-82, in which they exceeded £18 millions), but we have in addition to these remittances received in India in exchange for silver, at the rate of Rs 15 per £ sterling, Rs. 2,616,400 of gold which we now hold as part of the currency reserve in addition to Rs. 255,400 similarly held on 1st April 1898.

**Budget Estimates, 1899-1900.**

15. The Budget Estimates of Revenue and Expenditure for the coming year 1899-1900 made up at this rate of exchange shew a surplus of Revenue of Rs. 3,932,600. It will be best perhaps to explain the figures by comparing them with the Revised Estimate for the current year, as exhibited in the Statement in paragraph 5 above.

**Budget Estimates of 1899-1900 compared with the Revised Estimates of 1898-99.**

	Revised, 1898-99.	Budget, 1899-1900.	1899-1900, Better than 1898-99.	1899-1900, Worse than 1898-99.
<b>ENGLAND.</b>				
<b>STERLING IN ENGLAND—</b>				
Revenue . . . . .	£ 232,500	207,100		25,400
Expenditure . . . . .	£ 16,323,700	16,531,600		207,900
<b>NET EXCHANGE ON ABOVE</b> . . . . .	<b>Rx.</b> 8,045,600	8,550,900		505,300
<b>NET CHARGE</b> . . . . .	24,136,800	24,875,400		738,600
<b>INDIA.</b>				
<b>REVENUES IN INDIA—</b>				
	<b>Rx.</b>	<b>Rx.</b>	<b>Rx.</b>	<b>Rx.</b>
Land Revenue . . . . .	27,679,400	27,641,900	...	37,500
Opium . . . . .	5,679,400	6,003,700	324,300	...
Salt . . . . .	9,047,200	8,757,200	...	290,000
Other Principal Heads of Revenue . . . . .	24,583,200	24,414,400	...	168,800
Post Office and Telegraph (net) . . . . .	610,700	501,100	...	109,600
Departmental Receipts (a) . . . . .	4,174,700	4,052,700	...	122,000
Railways, Net Earnings . . . . .	12,814,200	13,382,600	568,400	...
Irrigation . . . . .	3,461,700	3,451,100	...	10,600
Military Works . . . . .	54,200	50,900	...	3,300
Army . . . . .	835,200	816,600	...	18,600
<b>TOTAL REVENUES</b> . . . . .	<b>88,939,900</b>	<b>89,072,200</b>	<b>132,300</b>	<b>...</b>
<b>EXPENDITURE IN INDIA—</b>				
<b>Direct Demands on Revenues—</b>				
Opium . . . . .	2,348,800	2,653,900	...	305,100
Other heads . . . . .	8,289,500	8,622,900	...	333,400
Interest . . . . .	—1,132,200	—1,319,800	187,600	...
Civil Departments . . . . .	17,371,100	17,986,800	...	615,700
Famine Relief . . . . .	44,600	5,700	38,900	...
Protective Works and Reduction of Debt . . . . .	1,131,500	1,123,900	7,600	...
Railways, charges against net earnings (net) . . . . .	4,881,800	5,218,900	...	337,100
Irrigation . . . . .	3,218,200	3,333,900	...	115,700
Military Works and Special Defences . . . . .	1,113,700	1,299,600	...	185,900
Civil Works . . . . .	4,493,600	5,350,800	...	857,200
Army (Ordinary Charges) . . . . .	16,541,500	16,873,400	...	331,900
Warlike Operations . . . . .	1,023,700	38,900	984,800	...
	59,325,800	61,188,900	...	1,863,100
Provincial Adjustment . . . . .	1,417,900	—924,700	2,342,600	...
<b>NET EXPENDITURE CHARGED AGAINST REVENUE IN INDIA.</b>	<b>60,743,700</b>	<b>60,264,200</b>	<b>479,500</b>	<b>...</b>
<b>Surplus</b> . . . . .	<b>4,059,400</b>	<b>3,932,600</b>	<b>...</b>	<b>126,800</b>

(a) Including Interest and Receipts under Civil Works.

16. Under Revenue heads in India the collection of arrears of Land Revenue still goes on, but we do not expect next year quite so much as in the current year. Under Salt and Customs we expect a slight advance over the Budget Estimates of 1898-99, but have not estimated to receive so great an advance over these as we shall certainly receive in the current year. The current prices of Opium warrant our estimating for a considerable increase in the revenue under this head.

17. Under Railways the estimates are for a small advance in net earnings. The details are as follow :—

	Budget, 1898-99. Rx.	Revised, 1898-99. Rx.	Budget, 1899-1900. Rx.
State Railways—Gross	19,382,600	19,695,800	20,237,100
Working Charges	9,770,500	9,876,600	10,047,000
Net	9,612,100	9,819,200	10,190,100
Guaranteed Railways—Net	2,424,000	2,995,000	3,192,500
<b>TOTAL NET</b>	<b>12,036,100</b>	<b>12,814,200</b>	<b>13,382,600</b>

18. The Great Indian Peninsula Railway contributes Rx. 130,000, the Madras Railway Rx. 65,000, and the East Indian Railway Rx. 60,000 of the improvement shewn in Budget, and we expect the Eastern Bengal and Southern Mahratta Railways to recover from their low figures of 1898-99. The increasing mileage of the East Coast Railway will also bring in better returns; on the other hand, there are heavy renewals on the North-Western Railway to be provided for. Under Civil Departments we have to provide for considerable additions to Police expenditure (partly due to Plague); and we have also made fairly ample estimates for Plague expenditure, the charges under "Medical" in India being as follows :—

	Total. Rx.	Including Plague Expenditure. Rx.
1894-95	1,003,438	...
1895-96	1,020,077	...
1896-97	1,065,158	19,000
1897-98	1,328,952	297,000
1898-99, Revised	1,542,900	508,900
1899-1900, Budget	1,678,100	354,200 + 209,500

The last-mentioned Rx. 209,500 is shewn separately, because it is in the nature of a reserve in the "India" Section of the Accounts, and if actually spent, it will not pass under "Medical" in the Imperial Portion of the Accounts, but be dealt with as a transfer.

19. We have increased the total provision for Military Works to Rx. 1,322,300, against expenditure in 1897-98 and 1898-99 of about Rx. 1,168,385 and Rx. 1,197,600, the purpose of the increase being to meet charges likely to fall upon us in respect of places of defence and similar works on the North-West Frontier.

20. The Military Estimates shew large savings in India as compared with the current year, the India figures being—

	Ordinary Expenditure. Rx.	Warlike Operations. Rx.	Total Rx.
1896-97	17,243,137	18,206	17,261,343
1897-98	16,514,547	3,847,992	20,362,539
1898-99, Budget	16,625,800	1,458,000	18,083,800
1898-99, Revised	16,541,500	1,023,700	17,565,200
1899-1900, Budget	16,873,400	38,900	16,912,300

**No Remission of Taxation.**

21. In view of the surpluses as shewn in the Revised and Budget Estimates, the Government of India have carefully considered the question whether they should propose, at present, any remission of existing taxation. The conclusion to which they have come is that any such proposal would be premature, and this mainly on two grounds. The first is that we have, as it were, to make up for arrears. As stated in my opening paragraph, we have had in the past two years deficits aggregating Rs. 7,064,233, and we ought to regard ourselves as under an obligation to recover our position by accumulating counterbalancing surpluses. The second and weightier reason is that we have in contemplation, as is well known, certain extremely important measures of currency reform, which are under the consideration of a Committee sitting at the India Office in London. Whatever the advice of that Committee may be, we consider we are bound to prepare for any measures that may result from it by preserving as strong a financial position as possible, and we consider we would act unwisely if we were to reduce our financial strength by remitting existing taxation and run the risk of finding ourselves, by our own action, less free than we would otherwise be to undertake any measures of currency reform that may seem desirable.

**Railway Construction.**

22. I have, in former Financial Statements, referred to the policy recently established of laying down a programme of Railway Construction for three years in advance. The first of these programmes was for the three years ending 31st March 1899. This programme was at first intended to include an expenditure of 27 crores of rupees, but was afterwards extended to 29½ crores. Latterly, however, financial difficulties have obliged us somewhat to curtail the expenditure, and we expect to expend against the programme of 29½ crores the following amounts :—

	Rs.
In 1896-97 (actuals) . . . . .	8,658,800
„ 1897-98 ( „ ) . . . . .	8,145,500
„ 1898-99 (Revised Estimate) . . . . .	8,387,500
TOTAL . . . . .	<u>25,191,800</u>

23. I leave to my Hon'ble Colleague Sir A. Trevor the task of stating in detail the results of the expenditure. It is sufficient here to set them out in the most general form (the figures of the Railways of Native States and of other Railways that lie outside our accounts being omitted) :—

	Standard Gauge.	Metre Gauge.	Special Gauges.	Total.
<i>March 31, 1896—</i>				
Mileage open . . . . .	10,430	6,842	36	17,308
„ under construction . . . . .	1,490	1,086	...	2,576
TOTAL . . . . .	<u>11,920</u>	<u>7,928</u>	<u>36</u>	<u>19,884</u>
 <i>March 31, 1899—</i>				
Mileage open . . . . .	11,728	7,522	36	19,286
„ under construction . . . . .	814	971	77	1,862
TOTAL . . . . .	<u>12,542</u>	<u>8,493</u>	<u>113</u>	<u>21,148</u>

## FINANCIAL STATEMENT OF THE

24. I divide the Railway Construction in the present estimates, for convenience sake with reference to our accounts, into four categories, namely :—

*First.*—State Railway Construction; money found by Government, but also by debentures in the case of the East Indian and Assam-Bengal Railway Companies.

*Second.*—Construction by Assisted and Working Companies out of funds raised by them or in some cases advanced by Government to them. Also Branch Line Companies under a firm guarantee.

*Third.*—Open line capital and new construction by the old Guaranteed Companies.

*Fourth.*—Construction by Companies outside the accounts of the Government, and also construction by Branch Line Companies on rebate terms.

The above classification slightly differs from that of last year's Statement, as under new arrangements every portion of the above comes within the programme, except the fourth category, *viz.*, Company construction outside the accounts of Government, and Branch Line Companies not under firm guarantee.

25. The Estimates of Capital construction for the two years 1898-99 and 1899-1900 now stand as follows, the figures for programme expenditure in the Revised Estimate of 1898-99 being modified so as to correspond with the new classification :—

	Revised Estimate, 1898-99. Rx.	Budget Estimate, 1899-1900. Rx.
<b>FIRST CATEGORY—STATE RAILWAYS—</b>		
Funds available by Famine Grant	695,400	2,490,000
Grant under—		
48.—State Railway Construction	2,882,200	3,465,000
East Indian Railway Company's Debentures	1,573,800	750,000
TOTAL	5,151,400	4,705,000
<b>SECOND CATEGORY—ASSISTED COMPANIES</b>	3,155,300	3,009,900
<b>THIRD CATEGORY—OLD GUARANTEED COMPANIES</b>	851,600	1,107,800
TOTAL "PROGRAMME"	9,158,300	8,822,700
<i>Add</i> —FOURTH CATEGORY (outside programme)	1,470,100	950,300
TOTAL	10,628,400	9,773,000

*N.B.*—The Chittagong Port Works, connected with the Assam-Bengal Railway, shewn in last year's Statement as Miscellaneous Public Improvements, are now included as "Railway Construction."

26. Having now carried to a fairly successful issue this policy of temporary activity in railway construction, we think it wise, both from a railway and from a financial point of view, to curtail for a time the rate of progress of railway construction. The nine or ten crores a year sanctioned in 1897 was not meant to be permanently adopted, and we deem it desirable now to allow a short time for the earning capacity of the lines recently constructed to develop itself, before again undertaking special burdens in the direction of capital outlay upon railways.

27. For these reasons we deemed it advisable to fix about 20 crores as the limit of our expenditure for the next three years; and a programme was accordingly prepared for expenditure as follows :—

	Rx.
1899-1900	6,772,700
1900-1901	6,728,400
1901-1902	6,821,000
TOTAL	20,322,100



but we have had to alter these figures for the following reason. In the Budget Estimates of 1898-99, we proposed to spend under the first three years' programme a sum of Rx. 10,788,900 in the year 1898-99, but the inability of the workshops in England to meet the demands which were made upon them by ourselves and the various constructing companies has reduced the expenditure of 1898-99 to Rx. 8,387,500. Many of the orders, however, will be completed and paid for in 1899-1900, and we have therefore to provide, under the new three years' programme, in 1899-1900 not only the intended Rx. 6,772,700, but a considerable amount in addition, which may be regarded as arrears of the old programme handed on to the new one. The amount estimated for is therefore Rx. 8,822,700.

28. The following are the entries under the first category (State Railways) :—

	Revised, 1898-99.	Budget, 1899-1900.
<i>Expenditure by State Agency—</i>		
Open lines—	Rx.	Rx.
North Western . . . . .	228,300	212,300
Oudh and Rohilkhand . . . . .	95,700	72,800
Eastern Bengal . . . . .	150,500	257,200
East Coast . . . . .	60,000	40,000
Warora Colliery . . . . .	—6,300	—2,100
Umaria Colliery . . . . .	—7,100	—100,000
Stores transactions . . . . .	—15,800	—7,500
<b>TOTAL</b>	<b>505,300</b>	<b>472,700</b>
<i>Lines under construction—</i>		
Rae Bareli-Benares . . . . .	54,400	4,000
Bhatinda-Ferozepur Conversion . . . . .	64,700	...
Mari-Attock . . . . .	142,500	25,000
Jullundur-Hoshiarpur—(Land) . . . . .	—100	...
Ghaziabad-Moradabad . . . . .	238,000	332,600
Indus Bridge . . . . .	108,400	35,000
Bezwada-Madras . . . . .	669,200	30,000
Godavari Bridge . . . . .	166,400	200,000
Lyalpur-Khanewal . . . . .	90,200	75,000
Cooch Behar-Santrabari . . . . .	30,300	12,500
Rajbari-Fareedpur . . . . .	26,100	...
Shadipalli-Jodhpore Frontier . . . . .	100,300	100,000
Rungpur-Dhubri including Teesta Bridge . . . . .	46,100	211,500
Southern Punjab—Rolling-stock . . . . .	202,800	2,700
Hurdwar-Dehra . . . . .	7,800	27,200
Brahmaputra-Sultanpur . . . . .	36,600	8,800
Mymensingh-Jamalpur . . . . .	40,700	9,400
Nowshera-Dargai . . . . .	...	120,000
<b>TOTAL</b>	<b>2,024,400</b>	<b>1,193,700</b>
<i>Expenditure by Agency of Companies—</i>		
Open lines—		
East Indian including extensions . . . . .	1,450,000	1,500,000
Rajputana-Malwa system . . . . .	1,600	90,000
Tirhoot . . . . .	157,000	40,000
Bhopal . . . . .	5,400	10,000
Dhond and Manmad . . . . .	5,500	16,000
South Indian . . . . .	—200,000	50,000
Guntakal-Mysore Frontier . . . . .	—400	...
Madras-Ennore . . . . .	200	...
<b>TOTAL</b>	<b>1,419,300</b>	<b>1,706,000</b>

## FINANCIAL STATEMENT OF THE

	Revised, 1898-99. Rx.	Budget, 1899-1900. Rx.
<b>Lines under construction—</b>		
Assam-Bengal	22,000	20,000
	1,134,400	762,000
	46,000	18,000
Hajipur-Katihar Extension	250,000	200,000
Madura-Paumben	...	100,000
Tinnevelly-Quilón	...	70,000
<b>TOTAL</b>	<b>1,452,400</b>	<b>1,170,000</b>
Lump deduction on account of probable lapse	250,000	...
Reserve	...	162,600
<b>TOTAL FROM IMPERIAL FUNDS</b>	<b>5,151,400</b>	<b>4,705,000</b>

29. The items in the second category (Assisted Companies) are:—

	Revised, 1898-99. Rx.	Budget, 1899-1900. Rx.
Bengal-Nagpur	1,861,000	1,770,000
Indian Midland	203,000	165,000
Burma Railways	700,000	800,000
Bengal Central	78,100	40,000
Lucknow-Bareilly	15,300	6,900
Southern Mahratta	44,900	40,000
Mysore	35,000	20,000
Hardwar-Dehra	150,000	88,000
Brahmaputra-Sultanpur	68,000	80,000
<b>TOTAL</b>	<b>3,155,300</b>	<b>3,009,900</b>

30. The estimate under the third category (old Guaranteed Companies) provides for:—

	Revised, 1898-99. Rx.	Budget, 1899-1900. Rx.
<b>Open Line Capital—</b>		
Great Indian Peninsula	73,600	74,000
Madras	20,100	60,000
Bombay, Baroda and Central India	459,100	410,000
<b>Extensions—</b>		
Calicut-Cannanore	70,600	200,400
Amalner Palgaon-Chalisgaon Dhulia	228,200	363,400
<b>TOTAL</b>	<b>851,600</b>	<b>1,107,800</b>

31. The principal projects classed under the fourth category and outside the "programme" are:—

	Revised, 1898-99. Rx.	Budget, 1899-1900. Rx.
Bengal Dooars Extensions . . . . .	40,000	200,000
Bengal and North-Western Railway Exten- sions . . . . .	445,000	365,000
Tapti Valley . . . . .	650,000	230,000
South Behar . . . . .	204,000	77,500
Smaller Branch Lines . . . . .	131,100	77,800
<b>TOTAL</b> . . . . .	<b>1,470,100</b>	<b>950,300</b>

**Capital Expenditure on Irrigation.**

32. The amount of Rx. 750,000 has hitherto been provided for expenditure on Irrigation. In 1899-1900 a further amount of Rx. 100,000 is provided under this head. The grant for 1898-99 which was of the usual amount, Rx. 750,000, has not been fully worked up to, owing chiefly to the approaching completion of the Chenab Canal and partly to it not having been found possible to start work on the Jhelum Canal in the early part of the year.

33. The principal works under this head are at present:—

	Revised, 1898-99. Rx.	Budget, 1899-1900. Rx.
Mandalay Canal . . . . .	90,000	100,000
Fatehpur Branch of the Lower Ganges Canal	63,600	42,600
Chenab Canal . . . . .	151,500	80,000
Jhelum Canal . . . . .	36,200	210,000
Jamrao Canal . . . . .	142,200	133,900
Other Projects . . . . .	208,700	283,500
<b>TOTAL</b> . . . . .	<b>692,200</b>	<b>850,000</b>

**Remittance and Debt.**

34. The following account shews in a shortened form the requirements of the Secretary of State; the figures are drawn up so as to shew separately the transactions on account of Government, and the transactions arising out of the operations of Railway Companies:—

	Revised, 1898-99. £	Budget, 1899-1900. £
<i>Requirements on Government Account—</i>		
Excess of expenditure on Revenue Account	16,091,200	16,324,500
Expenditure not charged to Revenue . . . . .	791,100	682,100
Net payments on Remittance Accounts, etc. . . . .	225,400	268,800
<b>Total Requirements</b>	<b>17,107,700</b>	<b>17,275,400</b>
<i>Transactions of Railway Companies—</i>		
Net receipts on account of Capital . . . . .	2,183,100	1,970,000
Payments for Stores, etc. . . . .	2,718,000	3,181,700
<b>Net Outgoings</b> . . . . .	<b>534,900</b>	<b>1,211,700</b>
<b>Net Funds required</b> . . . . .	<b>17,642,600</b>	<b>18,487,100</b>

## FINANCIAL STATEMENT OF THE

35. The following figures shew the manner in which the above requirements have been or are to be financed :—

	Revised. 1898-99.	Budget, 1899-1900.
	£	£
By Council Bills (net Remittance) . . .	19,000,000	17,000,000
By addition to Permanent Debt . . .	1,912,800	...
Less reduction of Temporary Debt . . .	—1,500,000	...
By reduction of Cash Balance . . .	...	1,487,100
Deduct—Addition to Cash Balance . . .	—1,770,200	...
	<u>17,642,600</u>	<u>18,487,100</u>

36. In last year's Financial Statement I mentioned that the Secretary of State intended, besides renewing £6,000,000 outstanding temporary debt, to raise £6,000,000 permanent debt. This amount was raised in July in the form of India  $2\frac{1}{2}$  per cent stock, but it was issued at a considerable discount (namely, at a rate of £88 10s. 5d. per cent), and produced only £5,297,700 in cash. With the money he discharged permanent debt to the extent of £3,384,900, so that the net amount raised by addition to sterling debt was £1,912,800. The Secretary of State has decided that the discount on the loan, *viz.*, £702,300, shall not be charged upon the revenues of the year, but shall be discharged by a Sinking Fund at the rate of interest borne by the loan, *viz.*,  $2\frac{1}{2}$  per cent, lasting over 50 years. There are already one or two Sinking Funds of the kind in connection with the sterling debt; £12,622 being the total charge appearing in the Accounts of 1897-98. The amount added by the new Sinking Fund is about £7,000.

37. The heavy drawings of the year, by Council Bills, enabled the Secretary of State to improve upon his intention of renewing the £6,000,000 outstanding temporary debt, and he renewed only £4,500,000 of it. The remainder of the excess of drawings went towards increase of the Cash Balance, which is estimated to stand, on 31st March 1899 at the unusually high figure of £4,304,400.

38. For next year, 1899-1900, the Secretary of State estimates to draw £17,000,000 by Council Bills, and though he does not estimate for any increase or decrease in either permanent or temporary debt, he considers that in view of the high balances which his Estimates, both Revised and Budget, show, he may find it possible to pay off some of the outstanding temporary debt.

39. In March last we estimated that we would have to raise a rupee loan of Rx. 3,000,000 in India, but as the time approached for our doing so, we found both that improved revenues had added to our resources, and the market was not favourable for so large a loan. We therefore limited our proposed loan to an amount of Rx. 1,200,000 under  $3\frac{1}{2}$  per cent conditions, and this amount was raised on August 24th at an average rate of R94  $12\frac{1}{2}$  annas per cent. The price remained about this figure for some months, but has recently advanced to over par.

40. We reckon that in India we shall be able next year to meet all the demands upon our Treasuries without raising any new debt, but it must be understood that all these announcements about the amount of contemplated remittances and loans are subject to the usual reservation of entire liberty to the Secretary of State to alter his plans as he may find occasion.

### PROVINCIAL FINANCE, 1892 to 1899.

(The tabulated figures in this part are hundreds of Rx., that is, two ciphers are omitted.)

41. The progress of Provincial Finance is easiest studied by considering separately :—

*First*.—The amount of net Revenue, of which a definite portion settled by the terms of the "Contract" is at the disposal of the Provincial Government for its expenditure on Civil Administration.

*Second.*—The modification of this Provincial share of net Revenue caused by special arrangements, different in each Province, in connection with certain portions of Irrigation and Railway Administration, involving in some cases a small net outlay and in some a small net revenue.

*Third.*—The appropriation of the funds thus obtained towards the Provincial Expenditure, and especially the relation between the increase of expenditure and the increase of available funds.

42. The first figures to be set out are, therefore, the totals of the net revenues, that is, the revenues less expenditure directly charged against them. They are as follow, the figures being quite independent of any considerations as between Imperial and Provincial:—

*Total Ordinary Revenues—*

	Contract, 1892.	1892-93.	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.	1898-99, Revised.	1899-1900, Budget.
Central Provinces .	1,248,6	1,244,0	1,231,2	1,171,3	1,252,9	1,089,5	1,048,5	1,322,9	1,398,7
Burma (a) . . .	3,643,3	...	...	...	...	...	3,948,2	4,147,0	4,012,8
Assam . . . . .	814,0	842,9	962,5	992,1	1,003,4	1,015,3	995,8	1,047,3	1,047,3
Bengal . . . . .	7,081,6	7,325,2	7,445,8	7,606,9	7,714,8	7,823,5	7,835,9	7,998,8	8,058,9
North-Western Provinces and Oudh .	7,677,8	7,716,1	7,778,9	7,589,1	7,866,2	6,655,6	7,264,8	8,419,1	8,470,1
Punjab . . . . .	3,060,1	3,133,8	3,261,1	3,223,5	3,290,5	3,224,3	3,409,8	3,561,8	3,530,4
Madras . . . . .	6,817,1	7,106,2	7,469,2	7,645,6	7,719,3	7,478,8	7,863,2	8,015,5	7,988,0
Bombay (b) . . .	5,412,1	5,489,1	5,646,1	5,550,6	6,018,2	5,367,0	5,625,2	5,950,2	5,943,0

(a) The figure against Burma in the column "Contract, 1892" represents the Contract of 1897.  
 (b) The figures relating to alienated Land Revenue; an entry peculiar to Bombay, are omitted from both sides.

43. The next statement shews the portion of these revenues which, according to the Provincial contract in each case, is credited to Provincial Account. The figures stand as follows, and it may be noted that the revision of the contract made with effect from 1897-98 onward, was such as to cause little change in the total of the Provincial share, except in the two Provinces of Bengal and Madras where it was reduced by Rx. 90,000 and Rx. 130,000 respectively, and in the North-Western Provinces where it was increased by about Rx. 120,000, namely, the cessation of a temporary reduction of Rx. 50,000, and a direct addition of about Rx. 70,000. (The figures are as they stand before the addition of the contributions from Imperial entered at the end of the table in paragraph 47 and the special grants-in-aid and expenditure therefrom of which mention is made in paragraphs 65 and 66 below) :—

*Provincial Share of Revenues—*

	Contract, 1892.	1892-93.	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.	1898-99, Revised.	1899-1900, Budget.
Central Provinces .	653,3	652,5	647,2	623,9	649,6	598,9	566,1	713,1	750,8
Burma (a) . . .	2,604,1	...	...	...	...	...	2,768,5	2,891,8	2,822,5
Assam . . . . .	477,1	500,3	549,7	556,4	566,9	575,9	564,3	626,0	626,3
Bengal . . . . .	2,767,1	2,899,4	2,941,4	3,049,2	3,102,6	3,160,9	3,552,1	3,517,5	3,549,3
North-Western Provinces and Oudh . . . . .	2,235,8	2,254,4	2,284,9	2,218,7	2,309,8	1,959,7	2,101,5	2,719,2	2,729,1
Punjab . . . . .	1,382,6	1,414,0	1,451,2	1,440,0	1,476,8	1,483,5	1,571,3	1,631,2	1,611,6
Madras . . . . .	2,368,7	2,491,0	2,587,9	2,653,5	2,676,7	2,627,1	2,588,5	2,655,7	2,632,4
Bombay . . . . .	2,404,4	2,451,5	2,490,8	2,481,2	2,601,2	2,405,4	2,475,9	2,554,9	2,569,7

(a) The figure against Burma in the column "Contract, 1892" represents the Contract of 1897.

44. I offer some comments on these two statements, shewing them in parallel columns :—

	Total Imperial <i>plus</i> Provincial.	Provincial Share only.																		
<i>Central Provinces.</i>	Fairly continuous progress—a small drop in 1894-95 due, as the details shew, to failure of Land Revenue—Recovery in 1895-96. Then a serious loss of Revenue in the two famine years 1896-97 and 1897-98. But complete recovery in the early future is anticipated.	The Province obtained in the earlier years little or no margin of revenue beyond that allowed for in the Contract of 1892, and in the famine years there was very great loss as compared with that standard. If the anticipations for 1898-99 and 1899-1900 are realized, it will be very fairly off.																		
<i>Burma</i>	No figures are here shewn for the years preceding 1897-98, the accounts having been completely changed in that year by the incorporation of Upper and Lower Burma as a single Province of account. The revenue is considerably in excess of that which was taken as the standard for the framing of the Provincial Contract of 1897. The falling-off in 1899-1900 is under "Forests," and may perhaps be due only to cautious estimating.	Revenue considerably in excess of the standard taken for the contract.																		
<i>Assam</i>	Revenue steadily progressive. The effect of the earthquake in 1897-98 is shewn only in a slight slackening of the rate of progress.	Has all along enjoyed a considerable excess of revenue—at present nearly 30 per cent (Rx. 170 to 190 thousands) over the contract figure of 1892. But of this amount Rx. 33,000 represent a special addition made to meet the South Lushai expenditure transferred to Assam.																		
<i>Bengal</i>	Also shews a steady progressive revenue. Owing presumably to the famine the progress from 1896-97 to 1897-98 was rather less than in other years. The falling-off was mainly under "Excise," as Land Revenue in Bengal is little subject to variation in consequence of famine.	The accounts of the Province were greatly affected by the withdrawal from the Province in 1897 of the extremely progressive revenue of the Eastern Bengal Railway the share of Revenue substituted therefor not being so progressive. Combining the ordinary revenue and the Railway account the figures stand thus :— <table data-bbox="800 1694 1278 1968" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td>Standard of 1892 . . . . .</td> <td>2,806,3</td> </tr> <tr> <td>1892-93 . . . . .</td> <td>2,962,4</td> </tr> <tr> <td>1893-94 . . . . .</td> <td>3,011,0</td> </tr> <tr> <td>1894-95 . . . . .</td> <td>3,193,2</td> </tr> <tr> <td>1895-96 . . . . .</td> <td>3,235,7</td> </tr> <tr> <td>1896-97 . . . . .</td> <td>3,328,0</td> </tr> <tr> <td>1897-98 . . . . .</td> <td>3,297,8</td> </tr> <tr> <td>1898-99 . . . . .</td> <td>3,238,7</td> </tr> <tr> <td>1899-1900 . . . . .</td> <td>3,267,0</td> </tr> </tbody> </table> <p>which certainly may be called fairly progressive, the figures of the last two years being due in part, it may be hoped, to caution in estimating. The new contract, commencing from 1897-98, involved a reduction of about Rx. 90,000 in the Provincial share.</p>	Standard of 1892 . . . . .	2,806,3	1892-93 . . . . .	2,962,4	1893-94 . . . . .	3,011,0	1894-95 . . . . .	3,193,2	1895-96 . . . . .	3,235,7	1896-97 . . . . .	3,328,0	1897-98 . . . . .	3,297,8	1898-99 . . . . .	3,238,7	1899-1900 . . . . .	3,267,0
Standard of 1892 . . . . .	2,806,3																			
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1899-1900 . . . . .	3,267,0																			

	Total Imperial plus Provincial.	Provincial Share only.
<i>North-Western Provinces.</i>	A fairly progressive revenue till the famine year, then a tremendous falling-off in Land Revenue (1896-97). Partial recovery in 1897-98 and in the following two years very high figures due to recovery of famine arrears.	The unequal operation of the Irrigation account and the change effected in it in 1897 renders it necessary to combine the figures for this Province as in the case of Bengal. They stand thus— Standard of 1892 . . . . . 2,215,4 1892-93 . . . . . 2,265,2 1893-94 . . . . . 2,314,5 1894-95 . . . . . 2,234,1 1895-96 . . . . . 2,170,3 1896-97 . . . . . 2,160,2 1897-98 . . . . . 2,432,4 1898-99 . . . . . 2,641,5 1899-1900 . . . . . 2,632,2 The story of these figures is shortly this,— At first a little improvement over the standard taken for settlement. In 1895-96 a failure of irrigation revenue, 1896-97 famine, and consequent failure of revenue. Thereafter the rapid recovery of the Province and the realizations of famine arrears of revenue bring in ample resources. The new contract, commencing from 1897-98, increased the assets by about Rx. 120,000. The same as in the other column.
<i>Punjab</i>	Steady progress as reckoned over the whole period, but a slight set back in the famine year.	
<i>Madras</i>	Shews a very progressive Revenue, the advance being only temporarily interrupted by famine.	Rapid increase of revenue up till the famine year—from that time figure fairly steady, but not advancing. The Provincial share from 1897-98 onwards would stand about Rx. 130,000 higher but for the revision of contract which came into operation from that year.
<i>Bombay</i>	An increase up to the famine year, then a considerable set back which has not yet been fully recovered.	The same remark as the first one in the case of Madras.

45. The sets of figures which I next shew are those relating to the Irrigation and Railway portion of the Provincial contracts, which I have described as coming in modification of the amount of ordinary revenue otherwise at the disposal of the several Governments. The amount of modification thus imposed has, except in two cases, only slightly changed during the period under review, and the figures are, therefore, of no great importance except in the cases referred to, namely, Bengal and the North-Western Provinces, and these have been dealt with above:—

*Railways and Irrigation Accounts—*

	Contract, 1892.	1892-93.	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.	1898-99, Revised.	1899-1900, Budget.
Burma *	-125,0	...	...	...	...	...	-116,5	-130,5	-157,0
Assam	-9,5	-13,0	-10,5	-9,3	-10,2	-13,9	-14,2	-22,4	-9,5
Bengal	+39,2	+63,0	+69,6	+144,0	+133,1	+167,1	-254,3	-278,8	-282,3
North-Western Provinces and Oudh	-20,4	+10,8	+29,6	+15,4	-139,5	+200,5	+330,9	-77,7	-96,9
Punjab	+2,0	-23,5	-6,2	-5,7	+5,1	+6,1	+9,3	+7,8	+8,0
Madras	-313,9	-409,1	-360,7	-319,0	-334,8	-396,6	-297,5	-310,9	-313,9
Bombay	+5,1	-41,4	-15,6	-1,2	+3,7	-2,2	+7,7	+5,9	+8,7

\* The figure against Burma in the column "Contract, 1892" represents the Contract of 1897.

46. The next step is to examine the expenditure of the various Governments and observe how far they have kept the increase of it within the limits imposed by the increase of revenue. I shew separately the ordinary expenditure and the direct expenditure upon famine and plague.

47. The details are as follow, and the figures have to be compared with the general statement of available resources in the right column under paragraph 44 above:—

*Expenditure Account—*

	Contract, 1892.	1892-93.	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.	1898-99, Revised.	1899-1900, Budget.
<i>Expenditure, excluding Plague and Famine—</i>									
Central Provinces	653.3	674.3	707.9	679.6	673.0	688.7	764.4	706.0	713.1
Burma *	2,479.1	...	...	...	...	...	2,419.9	2,460.4	2,755.5
Assam	467.6	478.0	567.7	558.5	542.2	587.4	675.7	707.6	671.7
Bengal	2,806.3	2,972.1	2,974.1	2,993.4	3,115.9	3,295.2	3,302.0	3,141.6	3,272.0
<i>North-Western Provinces and Oudh</i>									
Oudh	2,215.4	2,281.9	2,339.7	2,349.9	2,342.2	2,485.8	2,513.7	2,401.7	2,586.9
Punjab	1,384.6	1,496.6	1,467.7	1,459.1	1,489.0	1,522.4	1,486.7	1,558.5	1,621.6
Madras	2,054.8	2,216.6	2,193.4	2,212.1	2,327.6	2,383.9	2,286.8	2,266.3	2,331.2
Bombay	2,409.5	2,433.6	2,455.7	2,526.5	2,560.2	2,588.9	2,605.4	2,534.6	2,604.7
<i>Plague and Famine Expenditure (Provincial)—</i>									
Central Provinces	...	...	...	6.4	...	2	5.8	18.3	17.5
Burma	...	...	...	...	...	...	62.7	...	...
Assam	...	...	...	...	...	...	...	...	...
Bengal	...	...	...	...	...	...	...	...	...
North-Western Provinces and Oudh	...	1	...	...	...	219.4	299.0	15.6	5.0
Oudh	...	...	...	2	17.9	...	21.4	19.8	20.8
Punjab	...	...	...	...	...	31.3	96.2	18.0	10.0
Madras	...	24.4	2	...	2	47.2	161.9	20.7	64.1
Bombay	...	4	...	...	...	35.4	191.5	354.8	126.4
<i>Provincial Balances apart from grants-in-aid by the Imperial Government—</i>									
Central Provinces	205.4	183.6	122.9	17.8	37.4	—52.6	—256.7	—267.9	—247.7
Burma	...	...	...	...	...	...	481.6	782.5	692.5
Assam	135.9	145.2	116.7	89.3	119.8	94.4	—31.2	—135.2	—190.1
Bengal	235.3	225.5	262.4	432.2	582.0	395.4	92.2	173.7	163.7
<i>North-Western Provinces and Oudh</i>									
Oudh	512.4	495.7	470.5	304.5	164.7	—160.9	—263.6	—43.6	—19.1
Punjab	277.1	171.0	148.3	123.5	116.4	52.3	50.0	112.5	100.5
Madras	419.1	260.0	293.6	386.0	430.1	229.5	71.8	129.6	52.8
Bombay	407.0	383.1	402.6	300.1	400.8	179.7	—133.6	—462.2	—614.9
<i>Contributions from Imperial in aid of Provincial Balances—</i>									
Central Provinces	...	...	...	...	...	52.6	204.1	...	...
Assam	...	...	...	...	...	...	80.0	80.0	...
Bengal	...	...	...	...	...	...	...	20.0	...
<i>North-Western Provinces and Oudh</i>									
Oudh	...	...	...	...	...	160.9	102.7	...	...
Madras	...	...	...	...	...	...	...	50.7	64.1
Bombay	...	...	...	...	...	...	183.6	278.6	126.4

\* The figure against Burma in the column "Contract, 1892" represents the Contract of 1897.

48. *Central Provinces.*—The expenditure up to the famine year rose 2 or 3 lakhs (Rx. 20,000 or 30,000) above the standard of 1892; and since, as already observed, there was no margin of revenue, this resulted in the exhaustion of the ample balance, Rx. 205,400 with which the Province started. The strain of the famine year reduced the balance (apart from direct famine expenditure) still further to a deficit of Rx. 52,600 in 1896-97, and a further deficit of Rx. 204,100



in 1897-98, both of which were made up by grants from the Imperial Exchequer. The Province started in 1898-99 without any balance at all, and it is now expected that there will be a deficit in the year of Rx. 11,200, which must again be made up by a grant from Imperial Revenues. In 1899-1900 its estimated expenditure is well within its means.

The Province has taken practically no share of the cost of famine, which has been entirely Imperial—Rx. 1,640,245.

49. *Burma*.—Has not spent up to the rate of its increase of revenue, and has in consequence an ample and increasing balance. It is arranging now to expend part of the amount in meeting certain demands for Provincial Public Works, and has also made other proposals for expenditure on the public services.

50. *Assam*.—Had a comfortable balance, all along, of 10 lakhs (Rx. 100,000) more or less, keeping its increase of expenditure well up to, but not in excess of, its increase of revenue. The repair of earthquake damages imposed heavy charges in 1897-98 and 1898-99, which have largely exhausted the Provincial balance of Rx. 94,400 and absorbed also a grant of Rx. 160,000 by the Government of India; the balance being reduced for 31st March 1899 to about Rx. 25,000. In 1899-1900, after providing for absolutely necessary expenditure for Public Works and for the repair of earthquake damages, the estimates shew a deficit of Rx. 54,900.

The expansion of ordinary expenditure has been very considerable during the period under review.

51. *Bengal*.—The revenue of this Province, as above shewn, has afforded a margin for expansion of Provincial expenditure—namely, Rx. 2,806,300 in 1892 to (say) Rx. 3,300,000 in 1899-1900. The expenditure, however, was kept well in hand, so that the balance increased from Rx. 225,500 in March 1893 to Rx. 582,000 in March 1896. But this high balance sank to Rx. 92,200 two years later, as Rx. 518,400 out of it were spent in direct famine and plague charges. The ordinary expenditure in the two years now under estimate is taken at Rx. 3,141,600 and Rx. 3,272,000, which may be regarded as within the means of the Province, though it leaves a small deficit on the estimates of 1899-1900.

The Imperial Exchequer incurred famine charges in Bengal up to a total of Rx. 576,821 (about half of the total), but did not otherwise contribute by grants-in-aid to the resources of the Province.

The Province of Bengal has not had much plague expenditure to bear out of its own account, but we have made to it in 1898-99 a grant-in-aid of Rx. 20,000 which it will distribute to those Municipalities and Local Bodies whose funds have been most severely affected by expenditure on plague.

52. *North-Western-Provinces*.—The Province had the advantage of starting in 1892 with a large balance still remaining on the credit side, but the rate of its annual expenditure was in excess of its annual revenue (having been found by reduction of balances), and when in the year before the famine a very favourable monsoon caused a failure of irrigation revenue (an important item in North-Western Provinces finance), the Province found its balance on March 31, 1896, reduced below the stipulated minimum of 20 lakhs (Rx. 200,000), and, as already said, a rate of current expenditure in excess of its current revenue by between 10 and 15 lakhs. During the strain of the famine year nothing could be done to amend this state of things, and the balance was overspent by Rx. 263,600, the amount being accordingly made up by grants-in-aid out of the Imperial Exchequer in the two years 1896-97 and 1897-98.

Under these circumstances, the Province contributed nothing towards the direct famine expenditure, the whole of which, Rx. 2,064,025, was found out of Imperial resources.

## FINANCIAL STATEMENT OF THE

For 1898-99 it stands, as explained, without any balance to its credit; and its estimates stand as follows:—

	1898-99. Rx.	1899-1900. Rx.
Revenue Accounts . . . . .	2,641,500	2,632,200
Expenditure Accounts . . . . .	2,421,500 (a)	2,607,700 (b)
Results . . . . .	+ 220,000	+ 24,500

(a) Includes Rx. 19,800, Plague.

(b) Includes Rx. 20,800, Plague.

The handsome surplus which comes in in 1898-99 is due to the recovery by the North-Western Provinces of the arrears of the revenue due in 1896-97 and 1897-98, in compensation for the loss of which Imperial made the grants-in-aid of Rx. 263,600 above alluded to. In the coming year, 1899-1900, the Government, North-Western Provinces, propose to increase their scale of expenditure all round to a rate which they will not be able to maintain after the arrear collections (which add some lakhs to the present scale of revenue) are exhausted and the revenue falls back to its ordinary amount.

In anticipation of this surplus of 1898-99 and 1899-1900 it was stipulated that the benefit of these arrear collections was (*quoad* the Provincial share) to be considered as not applicable to current expenditure, but to be reserved (to the extent of 75 per cent of it) for building up the exhausted Provincial balance. The Government, North-Western Provinces, have fulfilled this pledge, and are now appropriating these arrears to a temporary increase of expenditure bearing in mind the impending diminution in the amount of their annual income as compared with the figures of 1898-99 and 1899-1900.

53. *Punjab*.—The Province has all along proceeded on fairly prosperous lines. The balances which were continually diminishing before the famine year are now on the rise, and the expenditure is within the amount of revenue available. The Province escaped any severe share in the calamities of 1896 and 1897, and the Imperial expenditure on famine was less than 3 lakhs (Rx. 30,000), the Province itself contributing about 12 lakhs (Rx. 120,000) or, including "Local," nearly 16.

54. *Madras*.—The expanding revenues of this Province have carried it through its period of disaster. It contributed moderately, that is, a total of a little over 20 lakhs (Rx. 200,000), towards its famine expenditure, the Government of India having undertaken all the rest (*viz.*, Rx. 732,995) so as to leave the Province with an opening balance of Rx. 71,800 in 1898-99. The Government of India further propose to make a grant to Madras of the amount of direct famine and plague expenditure incurred by it in 1898-99, namely, Rx. 20,700, and to estimate for next year a similar grant of Rx. 64,100. They also grant a further sum of Rx. 30,000 in 1898-99, placing the amount at the disposal of the Local Government for grants-in-aid to such Municipalities and Local Bodies as have been most affected by plague expenditure. With its famine and plague expenditure thus made up the Province shews a fair surplus on its transactions of 1898-99, and a small deficit in 1899-1900.

The detailed figures are:—

	1898-99. Rx.	1899-1900. Rx.
Revenue Accounts . . . . .	2,655,700	2,632,400
Deduct—Railway and Irrigation Account	310,900	313,900
Net available Revenue . . . . .	2,344,800	2,318,500
Proposed Expenditure, excluding Plague and Famine . . . . .	2,266,300	2,331,200
Plague and Famine . . . . .	20,700	64,100
TOTAL . . . . .	2,287,000	2,395,300

55. *Bombay*.—The continuous advance of the expenditure of the Province, while the advance of the revenue was entirely set back by the famine year, has brought a strain upon the finances, irrespective of the direct effect of famine and plague expenditure. The figures may be set out as follows:—

	Revenue Account as modified by Irrigation and Railway figures.	Ordinary Expenditure Account.	Excess of Expenditure.
	Rx.	Rx.	Rx.
1892 standard	2,409,500	2,409,500	
1892-93	2,410,100	2,434,000	6,200
1893-94	2,475,200	2,455,700	
1894-95	2,480,000	2,526,500	
1895-96	2,604,900	2,560,200	
1896-97	2,403,200	2,588,900	185,700
1897-98	2,483,600	2,605,400	121,800
1898-99	2,560,800	2,534,600	26,200 (Excess of Revenue.)
1899-1900	2,578,400	2,604,700	26,300 (Excess of Expenditure.)

The above figures exclude all direct Famine and Plague expenditure, and shew that the revenue and expenditure were in equilibrium for the first four years of the period under review, but that in the next two (the years of calamity), by reason of the falling-off in revenue, without an intermission of the increase in expenditure, the Provincial balance had to bear a reduction of Rx. 307,500.

The actual condition of the account till the end of 1897-98 was as follows:—

Balance, March 31, 1892.	Rx.	407,000
Reduced by excess of ordinary expenditure—	Rx.	
1892-93 to 1895-96	6,200	
1896-97	185,700	
1897-98	121,800	
		<u>313,700</u>
		93,300
Further reduction by direct famine and plague expenditure not included in the above—		
1896-97	35,400	
1897-98	191,500	
		<u>226,900</u>
Net over-expenditure of balance till 31st March 1898		133,600
Cancelled by general grant-in-aid in 1897-98 of		183,600
		<u>50,000</u>

The Revised Estimates for Bombay for 1898-99 shew:—

Revenues Account	2,554,900	} Surplus on ordinary account Rx. 26,200.
Irrigation and Railway Account	+ 5,900	
Expenditure Account, excluding Plague and Famine.	2,534,600	
Plague and Famine Expenditure	354,800	

## FINANCIAL STATEMENT OF THE

56. Putting the figures of the various provinces together, the following shews the facts up to March 31, 1898:—

Statement in Rx.	FAMINE AND PLAGUE EXPENDITURE (DIRECT).		
	From Imperial sources.	From Provincial and Local sources.	Grants-in-aid by Imperial to Provincial.
Central Provinces . . . . .	1,640,245	8,820	256,700
Burma . . . . .	54,975	63,336	...
Assam . . . . .	...	...	80,000 (a)
Bengal . . . . .	576,821	553,951	...
North-Western Provinces . . . . .	2,064,025	...	263,600
Punjab . . . . .	27,502	157,920	...
Madras . . . . .	732,995	228,601	...
Bombay . . . . .	1,242,760	27,887	183,600

(a) For earthquake.

57. The Government of Bombay, both in respect of its Provincial account and in respect of its Municipalities, have been very hardly pressed by plague expenditure. They have submitted to us an examination of the financial condition of their principal Municipalities, and we have agreed to their giving out of their general revenues relief to their Municipalities to the extent of Rx. 228,078, of which the greater part goes to the City Corporation. Including this grant from their revenues, the Government of Bombay will have spent in direct charges of famine and plague—

	Famine. Rx.	Plague. Rx.	TOTAL. Rx.
1896-97 . . . . .	24,000	11,400	35,400
1897-98 . . . . .	...	191,500	191,500
1898-99 . . . . .	24,800	330,000	354,800
<b>TOTAL</b> . . . . .			<b>581,700</b>

Out of the expenditure of the first two years, aggregating Rx. 226,900, the Provincial Government have met out of their ordinary revenues Rx. 43,300, and the balance Rx. 183,600 has been made up by special contributions by Imperial; in the same way its balance of Rx. 50,000, and Rx. 26,200, its surplus of 1898-99, fall far short of the charges Rx. 354,800 of 1898-99, and it is necessary for the Imperial Government to make a further grant-in-aid of Rx. 278,600 leaving the province, on April 1899, with an opening balance of *nil*. The total direct expenditure on plague and famine which has been borne by the province comes to Rx. 43,300 in the first two years and Rx. 76,200 in the last, or Rx. 119,500 in all.

It is anticipated that Rx. 126,400 of Plague expenditure will be incurred in Bombay in 1899-1900, and an equal amount of grant-in-aid from Imperial to Provincial has been estimated for in that year.

58. The grants shewn in the above paragraphs may be regarded as grants in the ordinary way of business, that is, grants made on the principle that in any case of extreme calamity, when Local aid has been exhausted, the charge must fall, as far as possible, on Provincial resources, and when they are exhausted the Imperial Government must bear the burden; and I think a liberal interpretation has been given to this Imperial responsibility, for we have taken over the direct Provincial expenditure on famine and plague of the two Provinces most affected by plague, without insisting upon their first defraying any part of it out of their own balances, and it is our desire at present to go still farther. On one or two past occasions, when Imperial finances have been subjected to great stress, we have called upon the Provincial Governments to give us aid out of their resources,

and under present circumstances, when Imperial finance by the recovery of exchange and from other causes is prosperous, and Provincial finance has been sore smitten by the consequences of famine and plague, we consider that a portion of our surplus cannot be better employed than in restoring the financial condition of the various provinces and relieving them from the financial difficulties which accompany the emergence from a state of famine and plague, so as to enable them to carry on their ordinary administration and meet their ordinary administrative necessities.

59. In the case of Bombay, though, as above described, we have made large grants towards the direct expenditure on famine and plague, yet the effect of these two calamities is still shewn in the falling-off in revenue and in indirect expenditure (on police and the like) which accompanies plague measures. We propose on these considerations to make to Bombay a grant of Rx. 150,000.

60. Bengal has not been affected by plague expenditure to anything like the same extent as Bombay; but, on the other hand, its finances have suffered from the very large extent to which the famine expenditure was met from Provincial and Local resources. We propose to make to it a similar grant of Rx. 150,000. This is in addition to the assistance already undertaken to be given from Imperial sources towards the European General Hospital at Calcutta, and also in addition to Rx. 20,000 mentioned in paragraph 51.

61. In Assam the only immediate difficulties arise in connection with earthquake damages. Towards this we have already given Rx. 160,000, and the Chief Commissioner has asked for Rx. 67,500 more. We propose now to close this account by a grant of Rx. 100,000.

62. The accounts of the Central Provinces are weighted only in respect of the very small balance it at present possesses, and the Estimates of 1898-99, as already stated, produces a deficit of Rx. 11,200; we propose to make it a grant of Rx. 50,000.

63. The claim of Madras arises mainly in respect of the fact that, at the last revision of the Provincial contracts, a larger resumption of revenue was made from it than from any other province. We propose to make a grant to it of Rx. 100,000, besides the above mentioned grants for the Famine and Plague expenditure, namely, Rx. 50,700 in 1898-99 and Rx. 64,100 in 1899-1900.

64. Burma in our opinion requires no assistance, nor, if we make a strict reckoning, do the North-Western Provinces or the Punjab. But the expenditure in these two provinces has been limited by the consideration of their general financial position, and they have also had to bear some expenditure, both direct and indirect, upon plague. We propose to give to the former a grant of Rx. 100,000, and to the latter a grant of Rx. 50,000.

65. All these amounts will be granted in the accounts of the year 1898-99, and the same amount (less the excess expenditure in the Central Provinces, Assam, Bengal, Madras, and Bombay already provided for by the Provincial Governments in their estimates) will be entered in the Estimates of 1899-1900 as expenditure out of Provincial balances under the head of Civil Works,—not as an invitation to the several Local Governments to expend the amounts in that year, but as a permission to them to do so (by re-appropriation or otherwise), if on a consideration of their general financial position and of the necessity of keeping a balance in hand, they deem it advisable. The amounts thus entered include in the case of Bengal and Madras the payments they may make against the grants of Rx. 20,000 and Rx. 30,000 referred to in paragraphs 51 and 54. The Provincial Governments should, however, bear in mind that the grants now made are grants made once for all, and that it will be dangerous for them to take them as warranting any expenditure of a recurring character; also that the Government of India in making the grants admits against itself no liability to make

good to Provincial Governments the loss or expenditure incurred by them in respect of the kinds of expenditure to which it has had regard in assessing the distribution of the grants ; but admits merely that as in times of Provincial financial prosperity it has called upon the provinces to come to the aid of the general exchequer, so in times of Imperial financial prosperity it is reasonable and expedient that it should depart from a strict interpretation of its financial relations to the Provincial Governments and aid them when at the same time they have had, and have, special financial misfortunes pressing on them. Perhaps I may refer in this connection to paragraphs 127, 128, and 129 of Major Baring's (Lord Cromer's) Financial Statement of 1883.

66. These several free grants, as they may be called, are specially entered in the figures attached to the Financial Statement and are in addition to those entered at the end of the statement in paragraph 47. They are:—

	Rx.
Central Provinces . . . . .	50,000
Assam . . . . .	100,000
Bengal . . . . .	150,000
North-Western Provinces . . . . .	100,000
Punjab . . . . .	50,000
Madras . . . . .	100,000
Bombay . . . . .	150,000
TOTAL . . . . .	<u>700,000</u>

67. We have made fairly ample provision next year, namely, Rx. 126,400 in connection with the estimates of Bombay, Rx. 64,100 in Madras, and Rx. 209,500 not yet appropriated, for expenditure on combating the plague, which we may not unlikely have to meet in the future out of Imperial resources as we have done in the past. But we are not prepared, in a general way, to pay, out of Imperial resources, all the direct expenditure which the plague may cause, or to relieve Municipalities and other Local Bodies from the burden which necessarily falls upon them in respect of sanitary and medical expenditure caused by the approach or the advent of plague. Still less can we undertake to make up to Provincial Governments the excess expenditure which may have to be incurred under Police or in the other ordinary departments of Provincial Administration, or invite them to deal with ordinary administrative demands upon them with the same freedom which might be possible and even advisable, were we not all in the presence of a threatening calamity that necessitates our husbanding our resources as far as is possible.

### TWENTY YEARS' FINANCE.

68. Following up a purpose which I set before myself in last year's Financial Statement, I published, contemporaneously with the Finance and Revenue Accounts of last year, a summary of these accounts for the twenty years ending March 31, 1898. The summary was necessarily a statement of figures only, with no attempt at criticism, and I desire here to give some continuous account of the results which the figures shew, and explain where our Revenue and Expenditure have during these twenty years increased or decreased. The plan I adopt is to take one set of figures as the standard of the Revenue and Expenditure at the beginning of the period (or rather, say, for the year 1879), and another set as representing the standard for 1896 (that is, before the famine burst on the land). These seventeen years may be taken as a period of practically continuous financial history.

69. For the first of these two standards I take the average of the figures of 1878-79 and 1879-80. If we eliminate the war figures of these two years, which

in a comparison such as the present ought to be excluded, we obtain the following figures:—

	1878-79. Rx.	1879-80. Rx.
Surplus or Deficit . . . . .	+ 2,134,098	— 1,227,893
War Expenditure, India . . . . .	600,109	4,591,644
"    England . . . . . £	76,110	174,480
Surplus if war be excluded . . . . .	<u>2,810,317</u>	<u>3,538,231</u>

But we have still further to modify these figures by reason of the fact that they did not provide for the full famine liability of Rx. 1,500,000, the Famine Insurance being at the time in suspense, owing to the heavy war expenditure. This consideration adds Rx. 1,187,177 and Rx. 1,396,353 to the expenditure and reduces the surpluses to Rx. 1,623,140 and Rx. 2,141,878; or an average of Rx. 1,882,509.

That is, if we exclude consideration of war expenditure, and if we take Rx. 1,500,000 as the proper annual measure of famine liabilities, we had in 1879 a surplus of revenue of Rx. 1,882,500.

70. To find the similar figure for 1896, I take the figures of the Budget of that year which may be taken as expressing the standard of Revenue and Expenditure at the time. They are as follows, namely:—

	Rx.
Revenue in India (Budget) . . . . .	97,316,800
Expenditure, England, net. (Budget) . . . . . £	15,735,300
Exchange (according to rate actually realized) . . . . .	10,222,300
India (Budget), less Rx. 20,000 war . . . . .	69,368,500
Add—Amount wanting to make up Rx. 1,500,000 Famine Insurance . . . . .	500,000
Total . . . . .	<u>95,826,100</u>
Surplus of Revenue . . . . .	<u>1,490,700</u>

71. We have therefore, comparing the standard of 1879 with that of 1896, a slightly worse position in the latter of the two years. I have made a careful analysis both of the increase of Revenue and of the increase of Expenditure between the two years, and I find it to be as follows:—

#### Imperial Account.

	Rx.	Rx.	Rx.
Increase of Revenue under Salt, Customs, Tributes and Miscellaneous . . . . .	...	3,810,000	
Imperial Share of Increase of Revenue under Revenues provincially administered . . . . .	...	5,429,400	
Increase of net Revenues under Post Office, Telegraph, and Mint . . . . .	...	457,400	
Improvements under Debt Services, Railways, and Irrigation (excluding consideration of exchange) . . . . .	6,327,500		
Deduct—Loss by exchange charged against Railway Liabilities . . . . .	<u>2,608,300</u>		
		<u>3,719,200</u>	
Famine Insurance reduced in account by transfer to the preceding head of charges for interest on Indian Midland and Bengal-Nagpur Railways . . . . .	...	401,500	
Cessation of Railway Construction out of Revenue . . . . .	...	845,800	
Total available Improvement . . . . .	...		<u>14,663,300</u>

## FINANCIAL STATEMENT OF THE

<i>Absorbed as follows:—</i>	Rx.	Rx.	Rx.
Deterioration of Opium Revenue . . . . .	...	3,679,800	
Addition to charges for exchange. (Rate diminished from 19'85 pence to 14'45 pence) . . . . .	7,337,300		
<i>Deduct</i> —Amount taken to Railway Account . . . . .	2,608,300		
	<hr/>	4,729,000	
Deficit on Civil Administration of Upper Burma . . . . .	...	455,300	
Army Services: net Charges increased from Rx. 16,693,700 to Rx. 22,167,800 (irrespective of exchange) . . . . .	...	5,474,100	
Charges under "Political" increased from Rx. 427,100 to Rx. 898,700 . . . . .	...	471,600	
Civil and Miscellaneous charges in India increased from Rx. 1,189,200 to Rx. 1,541,300 . . . . .	352,100		
<i>Less</i> —Savings by decrease under Assignments and Territorial Pen- sions and Stationery . . . . .	223,800		
	<hr/>	128,300	
Sterling Expenditure other than Army, Debt Services, and Railways in- creased (excluding exchange) from £2,486,400 to £2,920,200 . . . . .	...	433,800	
Total . . . . .	...	<hr/>	15,371,900
Excess of demand over available means . . . . .	...	...	<hr/> 708,600

## Provincial Account.

Increase of Provincial share of Reve- nue under Revenues provincially ad- ministered (a) . . . . .	...	4,102,700	
Increase in net charges for Provincial Civil Administration from Rx. 14,374,900 to Rx. 18,160,800 . . . . .	...	3,785,900	
Balance of increase of Revenue not absorbed . . . . .	...	<hr/>	316,800

(a) That is,  $\frac{1}{4}$  of Land Revenue and of Excise:  $\frac{1}{2}$  of Assessed Taxes, Forest, and Registration:  $\frac{1}{4}$  of Stamps.

The deterioration on Imperial Account, Rx. 708,600, less the improvement on Provincial Account, Rx. 316,800, gives a net deterioration of Rx. 391,800, namely, a reduction in the surplus of Revenue from the standard of Rx. 1,882,500 in 1879 to that of Rx. 1,490,700 in 1896.

72. This list shews that the resources made available by increased revenue and careful administration have practically been absorbed by (1) Loss of Opium Revenue, (2) Increase of Exchange Charges, (3) Increase of Military Expenditure, (4) Increase of Political Expenditure, (5) Increase of Provincial Expenditure, *i.e.*, of charges of Civil Administration, (6) Net Charges on account of Upper Burma.

73. On the first two of these no remark need be made here; they are misfortunes we have had to accept. The last may also be passed over without remark; the occupation of Upper Burma was a measure forced upon us by



political necessity, apart from any question of finance. The Province will, we trust, shortly meet the expenses of its civil administration, but naturally it does not as yet fully pay its way. The other three heads call for special explanation.

74. The subject of Military Expenditure is too vast to be entered on in detail. A general explanation of its increase was given by Sir Henry Brackenbury in the Budget Debate of 26th March 1896 and by Sir Edwin Collen on the same date in 1897. In respect of their military charges the Government of India feel the same necessity which presses upon all other Military Powers, and which has imposed upon even the most pacific nations increased burdens. Both our military system in its details and our general military and defensive policy are closely linked with those of England; and we cannot escape the necessity of increasing our defensive expenditure in the same way, though not perhaps to the same extent, that England does.

75. In illustration of this point I present the following figures; the English ones are taken from the Statistical Abstract of the United Kingdom, 1882 to 1896, pages 10 and 11:—

	DEFENSIVE EXPENDITURE, UNITED KINGDOM. (a)			DEFENSIVE EXPENDITURE, INDIA. (b)
	Army. £	Navy. £	Total. £	Army and Military Works. Rs.
1882-83	15,133,451	10,259,853	25,393,304	16,928,587
1883-84	16,095,326	10,728,781	26,824,107	18,079,134
1884-85	18,600,338*	11,427,064	30,027,402	16,955,165
1885-86	17,027,084	12,660,509	29,687,593	17,340,369
1886-87	18,429,272	13,265,401	31,694,673	19,413,293
1887-88	18,167,196	12,325,357	30,492,553	20,548,766
1888-89	15,919,738	12,999,895	28,919,633	20,305,140
1889-90	17,345,812	13,842,241	31,188,053	20,511,504
1890-91	17,550,023	14,125,358	31,675,381	20,821,160
1891-92	17,258,900	14,150,000	31,408,900	22,570,532
1892-93	17,541,700	14,302,000	31,843,700	23,705,932
1893-94	17,939,700	14,048,000	31,987,700	23,537,693
1894-95	17,899,800	17,545,000	35,444,800	23,966,973
1895-96	18,459,800	19,724,000	38,183,800	23,976,714
1896-97	18,269,800	22,170,000	40,439,800	24,384,447

(a) Excluding Expeditions and Naval Defence Fund.

(b) Excluding Special Defences and the following Expeditions: (1) Egypt, (2) Quetta, (3) Burma,

(4) Chin-Lushai, (5) Chitral.

76. The result of these figures is to shew that while the Defence Expenditure in the United Kingdom has increased by 59 per cent, that in India has increased by only 44 per cent, even including the increase due to the fall of exchange, which affects Indian Military Expenditure in a special degree, owing to the

Net English Expenditure	£	4,000,000
British Soldiers' pay	£	1,590,000
TOTAL	£	5,590,000
Difference of exchange 19'85d. and 14'45d.	Rs.	2,526,000

large proportion of it that is measured by a sterling standard. The statement of expenditure in the United Kingdom is free from disturbance by this cause; while, on the other hand, the increase of Indian expenditure includes Rs. 2,526,000 directly due to this cause alone; and if this amount were excluded, the percentage of increase would be reduced to 29.

77. The two most recent measures causing considerable increase of Military Expenditure were the raising of the pay of native soldiers in 1895, and of that of British soldiers in 1898. The former of these concessions had been delayed on financial grounds for a length of time which all our military advisers considered to be open to objection. The second measure, the increase of British soldiers' pay, is the

result of the determination of Her Majesty's Government on a question of general imperial policy.

78. Under the head of Political Expenditure, the increase measured by percentage is even more considerable; in amount it is Rx. 471,600. A few remarks will shew that this increase has been caused solely by the necessities of external policy. Two-fifths of the whole amount arises from the one item of Rx. 180,000 for the subsidy of His Highness the Amir of Afghanistan; and the Afghan Refugees cost at least Rx. 60,000 more. The period under consideration, moreover, has witnessed the rise and development of the Baluchistan Agency, which now accounts for Rx. 130,000 of the outlay charged under this head; the appointment of an Agent on the Perso-Afghan Frontier (Rx. 13,000); the occupation of the Gilgit and Chitral Frontier (Rx. 16,000); and considerable new expenditure, say, Rx. 40,000, in controlling the tribes and employing levies along the North-Western Frontier. The head "Political" contained also in 1896 Rx. 14,000 expended on the African Coast of the Gulf of Aden (the corresponding revenues are under Miscellaneous), and the scheme of Imperial Service Troops has caused a further increase of Rx. 22,000.

79. I pass to the figures shewn against Provincial (including Local) net expenditure, which has increased during the period under review from Rx. 14,374,900 to Rx. 18,160,800. These are the charges of Civil Administration generally, and under such heads increasing outlay is not only justifiable but inevitable, in every country in which civilization is not stationary or retrograding. The system of Provincial finance is based on the theory that the increase in the Provincial share of the Revenues can be set aside for increase of expenditure upon Civil Administration, and that, if the increase is kept within this limit, we have by this limitation, under ordinary circumstances, sufficiently taken into consideration the financial difficulties arising from falling exchange, from the necessities of Military and Political Expenditure, from wars and famines. We proceed, therefore, on the assumption that there is no objection to the Provincial share of the normal growth of Revenue being, as fast as it accrues, spent on administrative improvements. As has often been pointed out, a Provincial Government can do nothing with its money except spend it; it cannot, for example, utilize a surplus for remission of taxation.

### Conclusion.

80. The statement which I have laid before the Council exhibits, I think, a very favourable condition of Indian Finance. Some of these favourable elements are, I admit, temporary only, and due in a large measure to a specially active trade; others, however, are permanent and betoken the return of the prosperity and progress which I noted in my Statement of March 1896, and which were so rudely interrupted by the outbreak of famine. The plague, though it is a great anxiety to both Imperial and Provincial Administrations, is, financially speaking, well within our power to cope with, and as the first responsibility for the measures taken in connection with it rests with the Provincial Administrations, I have been particular to examine the position of the Provincial Financial Accounts, and trust that the measures of relief and assistance sanctioned by the Government of India and set out in the statement will enable them to face the difficulties in which they are placed, though I take for granted they do not claim relief from their share in the anxieties which are inseparable from financial administration in India.

## PART II.

## DETAILS OF THE ACCOUNTS AND ESTIMATES.

## Section I.—The Accounts of 1897-98.

81. The Revised Estimate of 1897-98 was framed for a deficit of Rx. 5,283,100; in the closed Accounts this figure rises to Rx. 5,359,211, or Accounts of 1897-98. Rx. 76,111 worse than was anticipated when the Revised Estimate was framed.

The variations between the figures finally entered in the Accounts of the year and those assumed for the purposes of the Budget and the Revised Estimate are explained in the Appropriation Report published in the *Gazette of India* of the 18th instant.

The following statement compares the Revised Estimates with the Accounts of the year :—

		Revised Estimate.	Accounts.	Accounts, better.	Accounts, worse.
<b>REVENUE.</b>					
India	Rx.	96,262,000	96,139,287	...	122,713
England	£	192,000	193,662	1,662	...
Exchange	Rx.	107,500	109,055	1,555	...
<b>TOTAL</b>	<b>Rx.</b>	<b>96,561,500</b>	<b>96,442,004</b>	<b>...</b>	<b>119,496</b>
<b>EXPENDITURE.</b>					
India—	Rx.	77,136,300	76,939,069	197,231	...
Imperial, Provincial, and Local	Rx.	—705,700	—457,678	...	248,022
Adjustment of Provincial and					
Local Surplus or Deficit					
<b>NET</b>	<b>Rx.</b>	<b>76,430,600</b>	<b>76,481,391</b>	<b>...</b>	<b>50,791</b>
England	£	16,291,000	16,198,263	92,737	...
Exchange	Rx.	9,123,000	9,121,561	1,439	...
<b>TOTAL</b>	<b>Rx.</b>	<b>101,844,600</b>	<b>101,801,215</b>	<b>43,385</b>	<b>...</b>
<b>DEFICIT</b>	<b>Rx.</b>	<b>—5,283,100</b>	<b>—5,359,211</b>	<b>...</b>	<b>76,111</b>

82. The Revenue in India was less than the sum anticipated in the Revised Estimate by Rx. 122,713, and the Expenditure finally chargeable against that Revenue, after making allowance for the adjustment of the sums by which Provincial and Local Revenues were in surplus or deficit, exceeded the forecast by Rx. 50,791. In India, therefore, the Accounts as a whole turn out worse than the Estimate by Rx. 173,504. Against this must be set an improvement in Revenue in England of Rx. 3,217, and a decrease in Expenditure in England of Rx. 94,176—in all Rx. 97,393, including exchange. The sum of Rx. 76,111, being the difference between the results obtained in India and England, represents the total falling-off in the Accounts as compared with the Revised Estimate of the year. 1897-98. General Results.

83. The Land Revenue actually realised fell short of the Revised Estimate by Rx. 248,658. In the North-Western Provinces the collections were over-estimated by Rx. 157,820, and in Bombay by Rx. 104,384; while in Burma a sum of Rx. 46,270 was collected in excess of the Estimate. Owing to the fact that the largest instalment of Land Revenue falls due towards the close of the financial year, there is at all times a difficulty in making a precise forecast of the March collections, and in the past year the Estimate was also indirectly affected by the 1897-98. Revenue in India.

famine, which left it uncertain to the last moment to what extent it would be possible to enforce any given measure of compliance with the revenue demand of the year.

The Opium Revenue proved worse than the Estimate by Rx. 62,528, due to a decline in the exports of Malwa Opium to China. On the other hand, the realisations under Customs show an improvement of Rx. 63,895, and the Railway Revenue rose by Rx. 90,857 owing to a slight increase of traffic on some of the Railways towards the close of the year.

1897-98.  
Expenditure in  
India.

84. On the Expenditure side the outlay on Famine Relief during the last weeks of the year was less by Rx. 66,112 owing to the cessation of operations earlier than had been anticipated. In the Railway Revenue Account there was a saving of Rx. 125,704 on the Revised Estimate mainly under Working Expenses. Army Expenditure shows an excess of Rx. 62,239 due to increased payments to Native Troops on account of compensation for dearness of provisions and forage.

1897-98.  
Revenue and  
Expenditure  
in England.

85. The reduction in Expenditure in England of £92,737, or including Exchange Rx. 94,176, consists for the most part of a saving under Army Charges of £67,773. The increase in Revenue in England comes to the trifling sum of £1,662, or including Exchange Rx. 3,217, and consists mainly of recoveries on account of stores.

86. The Expenditure not charged to Revenue amounted to Rx. 4,328,541 as compared with Rx. 4,604,600 entered in the Revised Estimate.

### Section II.—Revised Estimate of 1898-1899.

1898-99.  
Statement of the  
gross figures.

87. The following is a general comparison of the Budget Estimates with the Revised Estimates of 1898-99:—

	Budget.	Revised.	Revised, better.	Revised, worse.
<b>REVENUE.</b>				
India . . . . . Rx.	98,791,700	101,217,400	2,425,700	
England . . . . . £	188,300	232,500	44,200	
Exchange . . . . . Rx.	105,400	116,200	10,800	
<b>TOTAL . Rx.</b>	<b>99,085,400</b>	<b>101,566,100</b>	<b>2,480,700</b>	
<b>EXPENDITURE.</b>				
India— Imperial, Provincial, and Local Rx.	72,610,100	71,603,300	1,006,800	
Adjustment of Provincial and Local Surplus or Deficit . Rx.	—116,800	+1,417,900	...	1,534,700
<b>NET . Rx.</b>	<b>72,493,300</b>	<b>73,021,200</b>	...	<b>527,900</b>
England . . . . . £	16,474,800	16,323,700	151,100	
Exchange . . . . . Rx.	9,225,900	8,161,800	1,064,100	
<b>TOTAL . Rx.</b>	<b>98,194,000</b>	<b>97,506,700</b>	<b>687,300</b>	
<b>SURPLUS . Rx.</b>	<b>891,400</b>	<b>4,059,400</b>	<b>3,168,000</b>	

1898-99.  
General features.

88. The leading characteristic of 1898-99 is the rapid recovery of the revenue from the effect of the unfavourable conditions prevailing in the two preceding years. Under all heads of Revenue, except Stamps and Registration, the sums actually realised are largely in excess of the forecast framed a year ago. The general prosperity of the people has added to the receipts under Salt and Customs; abundant harvests have increased the Railway Revenue; Opium has sold for higher prices and has cost less to produce; the burden of famine

relief has been removed; military expenditure has been reduced earlier and to a larger extent than was anticipated; and the charge for exchange has been less by a crore of rupees than that assumed in framing the Budget. The only adverse feature is the revival and extension of plague which has increased the medical expenditure in every Province and injuriously affected some branches of revenue.

89. The Revenue in India is expected to exceed the Budget Estimate by <sup>1898-99.</sup> Rx. 2,425,700, and besides this there will be a reduction of expenditure of General Results. Rx. 1,006,800 made up of Rx. 518,600 under Army, Rx. 305,200 under Opium, and Rx. 208,500 under Public Works—Buildings and Roads. Of this total improvement in India of Rx. 3,432,500, Rx. 1,534,700 occurs under Provincial and Local, and Rx. 1,897,800 under Imperial. The Revenue in England shows an increase of £44,200, and the Expenditure a decline of £151,100. Adding to these a reduction of the net charge for exchange by Rx. 1,074,900, the final result is an increase of the surplus of the year by Rx. 3,168,000 from Rx. 891,400 to Rx. 4,059,400.

90. The more important increases of Revenue in India occur under the following heads:— <sup>1898-99.</sup> Increase of Revenue in India.

	Rx.
Land Revenue . . . . .	111,200
Opium . . . . .	349,600
Salt . . . . .	319,200
Provincial Rates . . . . .	92,100
Customs . . . . .	307,900
Forests . . . . .	102,400
Miscellaneous . . . . .	102,100
Railway Receipts . . . . .	884,200
Irrigation Major Works . . . . .	193,200

91. The increase of Rx. 111,200 in the collections of Land Revenue <sup>1898-99.</sup> Land Revenue. includes the following amounts in excess of the Estimate:—

	Rx.
Burma . . . . .	100,800
North-Western Provinces and Oudh . . . . .	52,000
Bombay . . . . .	33,600

In Burma the continuous expansion of cultivation induced by a fertile soil and light settlements and the revision of assessment-rates have added to the ordinary revenue, and the yield of the Capitation Tax has been raised by the natural increase of population. In the North-Western Provinces and Oudh large sums are expected to be realised on account both of ordinary arrears and of revenue suspended during the famine. The enhanced collections in Bombay include arrears due to plague in some districts and to bad seasons in others; while in Sind the revenue has been raised not only by these causes, but by a favourable inundation greatly extending the area under spring crops.

Account must also be taken of the following decreases:—

	Rx.
Madras . . . . .	32,100
Central Provinces . . . . .	35,000
India . . . . .	10,960

## FINANCIAL STATEMENT OF THE

The decrease in Madras is due to a fall in the sales of lands benefited by the Periyar Irrigation Scheme in Madura; the Central Provinces figures are affected by suspensions of revenue and smaller recoveries of arrears; and the decline under India General is caused by the failure of the rains and general scarcity in Ajmir, and by drought, locusts, and low prices in Baluchistan where the Land Revenue is collected in produce.

92. Although the collections of Land Revenue in 1898-99 are expected to exceed the Budget Estimate, the Imperial share of the total collections will be considerably less by reason of the special contributions given in aid of Provincial resources which involve a re-adjustment of the Imperial and Provincial shares of the revenue.

The following table compares the respective shares as they appear in the Budget and Revised Estimates :—

	LAND REVENUE, BUDGET OF 1898-99.		LAND REVENUE, REVISED ESTIMATES OF 1898-99.	
	Imperial share.	Provincial share.	Imperial share.	Provincial share.
	Rx.	Rx.	Rx.	Rx.
Distribution according to Provincial Settlement . . . . .	16,237,900	11,330,300	16,264,300	11,415,100
<i>Add or Deduct—</i>				
Special contribution in aid of Plague and Famine expenditure and of General Resources of Provincial Governments . . . . .	—150,000	+ 150,000	—1,129,300	+ 1,129,300
Distribution according to Estimates . . . . .	16,087,900	11,480,300	15,135,000	12,544,400

The contribution of Rx. 150,000 entered in the Budget Estimate of 1898-99 includes Rx. 80,000 granted to Assam in aid of expenditure incurred on the repair of Earthquake damages, and Rx. 70,000 to Bombay in aid of Plague expenditure. The amount in the Revised, Rx. 1,129,300, is made up as follows :—

	Rx.
General contribution in aid of Provincial resources as stated in paragraph 66 of this Statement . . . . .	700,000
Special contribution in aid of Earthquake expenditure in Assam . . . . .	80,000
Special contribution in aid of Plague expenditure by Local Bodies in Bengal . . . . .	20,000
Special contribution in aid of Famine and Plague expenditure in Madras (Provincial and Local) . . . . .	50,700
Special contribution in aid of Famine and Plague expenditure in Bombay . . . . .	278,600
<b>TOTAL</b> . . . . .	<b>1,129,300</b>

1898-99.  
Opium Revenue.

93. The receipts from Opium in Bengal are likely to exceed the estimate by Rx. 264,500, the bulk of which represents the difference between ₹1,000 a chest, the price assumed in the Budget for Bengal Opium, and ₹1,055, the average actually realised. At the same time the quantity sold during the last three months of the year has risen by 450 chests, representing an increase in revenue of Rx. 51,600. More favourable conditions in the China market, aided by the reduction of the pass-duty on Malwa Opium from ₹600 to ₹500 per chest, which took place in October 1897, seem to have brought about a substantial recovery of the trade, though the exports have as yet hardly returned to the

level at which they stood before the great decline of 1896-97 and 1897-98. The result is an increase in the receipts over the estimate of Rx. 84,000.

94. Of the increase of Rx. 319,200 under Salt, the sum of Rx. 215,000, which has been realised in Madras, represents mainly the recovery of revenue deferred under the credit system from the previous year. The revenue brought to account during the year has probably also been to some extent enhanced by the fact that the rise in the price of Government paper during the last few months has tended to discourage resort to the credit system and to stimulate cash sales.

The receipts of the Northern India Salt Department show an increase of Rx. 52,200 due partly to normal development, but mainly to the revival of trade in Kohat salt consequent on the pacification of the frontier.

95. An increase of Rx. 23,200 in Bengal is due to the receipts under Local having been under-estimated in the Budget. In the North-Western Provinces Rx. 17,100 and in Madras Rx. 22,900 have been added in the collection of arrears, and in Bombay the increase of Rx. 17,600 has followed the rise in Land Revenue.

96. Of the rise of Rx. 307,900 under Customs, Rx. 199,100 occurs in Burma,—Rx. 66,200 under Imports, chiefly Manufactured Articles, Liquors, and Articles of Food and Drink, and Rx. 130,000 under Export Duty on Rice. Bengal accounts for Rx. 105,000 distributed over Articles of Food and Drink, Silver Bullion and Coin, Oils, and Liquors; and Bombay shows Rx. 37,000 comprising considerable increases under Oils, Liquors, Silver Bullion and Coin, Articles of Food and Drink, and Excise on Cotton Goods, and substantial decreases under Manufactured Articles and Import Duty on Cotton Goods. A decline of Rx. 34,200 in Madras occurs under Spirits and Liquors, Imported Cotton Goods, and Miscellaneous Exports.

97. The increase of Rx. 102,400 under Forests is made up of a rise of Rx. 199,500 in Burma, mainly due to the large demand for, and high market value of teak timber, which has added Rx. 111,500 to the royalty paid by the Bombay-Burma Trading Corporation for the forests from which they derive their supplies. The increase also includes a sum of Rx. 12,000 paid by the same Company in connection with mal-practices committed by their employés. A reduction of Rx. 71,400 in Bombay is ascribed to the depression in trade caused by the continuance of plague, and to the smaller demand for locomotive fuel in Sind and for forest produce in general.

98. The increase of Rx. 102,100 under Miscellaneous Revenue includes one sum of Rx. 57,400 recovered from the Burma Railway Company for the value of work done by famine labour on the Meiktila-Myingyan Railway, and another of Rx. 37,500 realised in Madras by the sale of cloth manufactured at Government expense during the recent famine in order to afford relief to weavers in distress.

99. The great rise of Rx. 884,200 in Railway Revenue in India is mainly due to the general development of traffic of all kinds which results directly and indirectly from the opening of new sections of line, and to the large export of grain which was rendered possible by the harvesting of good winter crops. The more important increases occur on the following lines:—

	Rx.
North-Western . . . . .	310,000
Great Indian Peninsula (net) . . . . .	416,000
Bombay, Baroda and Central India (net) . . . . .	210,000
East Indian . . . . .	200,000
Rajputana-Malwa . . . . .	160,000

and the more important decreases on the following :—

	Rx.
Eastern Bengal . . . . .	110,000
Southern Mahratta . . . . .	115,000
South Indian . . . . .	70,000
Mysore . . . . .	55,000
East Coast, including Bezwada-Madras . . . . .	60,000
Madras (net) . . . . .	55,000

The reduction on the Eastern Bengal State Railway was due to a short jute crop, and that on the Railways in Southern India to the effect of plague on the passenger traffic. The falling-off on the East Coast Railway was caused by delay in opening the Bezwada-Madras Section.

1898-99.  
Irrigation  
Revenue.

100. The increase of Rx. 193,200 in Irrigation Revenue is distributed as follows :—

	Rx.
North-Western Provinces and Oudh . . . . .	56,200
Punjab . . . . .	120,800
Other Provinces . . . . .	16,200

In the North-Western Provinces the area irrigated during the past *Kharif* season was larger than had been anticipated. A similar expansion of irrigation occurred on the Bari Doab, Sirhind, and Swat River Canals in the Punjab and on the Deccan and Guzarat Canals in Bombay, while in Sind a better supply of water produced an enhanced demand. The receipts were also raised by the recovery of outstanding balances on the Western Jumna Canal and in the Deccan and Guzarat.

1898-99.  
Telegraph  
Revenue.

101. The only decrease of any moment in the revenue of the current year occurs under the head of Telegraph Receipts, which show a falling-off of Rx. 154,800 made up as follows :—

	Rx.
Indian Telegraph . . . . .	114,400
Indo-European Telegraph . . . . .	40,400

The falling-off under the former head is due partly to the cessation of military operations on the North-West Frontier, but chiefly to the fact that, since the practice of delivering deferred telegrams by hand instead of sending them by post has been introduced, this class of message has gained greatly in popularity, and has to a considerable extent taken the place formerly occupied by ordinary and urgent messages. The decline in the Indo-European receipts occurs in the message traffic with the Indian Telegraph Department transferred at Karachi.

1898-99.  
Increases of  
Expenditure  
in India.

102. The more important increases of expenditure in India are :—

	Rx.
Medical . . . . .	327,800
State Railways: Working Expenses . . . . .	106,100
Guaranteed Companies: Surplus Profits, Land, and Supervision . . . . .	106,100
Mint . . . . .	49,000

1898-99.  
Medical Expendi-  
ture.

103. The large increase under Medical is due to the impossibility of making an accurate forecast of the expenditure required to guard against the spread of the plague in new directions, and to combat the disease where it has once become established. The cost of these operations continues to be far heavier in Bombay than elsewhere, and out of the total increase of Rx. 327,800 in the expenditure entered under Medical no less than Rx. 268,200 has been incurred in that province. The following statement gives an estimate of the cost in each province under Imperial, Provincial, and Local heads of the preventive and remedial



measures undertaken in 1896-97, 1897-98, 1898-99, and contemplated in 1899-1900:—

*Statement of direct and indirect expenditure connected with the plague under the various heads of Accounts for the years 1896-97, 1897-98, 1898-99, and 1899-1900.*

	India.	Central Provinces.	Bengal.	North-Western Provinces and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.
<i>Accounts, 1896-97.</i>								
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
3.—Land Revenue . . . . .	...	...	...	...	...	...	100	100
18.—General Administration . . . . .	...	...	...	...	...	...	3,100	3,100
19A.—Courts of Law . . . . .	...	...	...	200	...	...	200	400
19B.—Jails . . . . .	...	...	100	...	...	...	...	100
20.—Police . . . . .	...	...	...	100	...	...	900	1,000
24.—Medical . . . . .	...	200	4,300	500	200	...	13,800	19,000
<b>TOTAL</b> . . . . .	...	200	4,400	800	200	...	18,100	23,700
<i>Accounts, 1897-98.</i>								
3.—Land Revenue . . . . .	...	...	...	300	600	...	2,100	3,000
5 and 7.—Salt and Excise . . . . .	...	...	...	...	...	...	100	100
9.—Customs . . . . .	...	...	...	...	...	...	600	600
11.—Forest . . . . .	...	...	...	...	...	...	100	100
18.—General Administration . . . . .	4,100	...	...	...	100	...	9,300	13,500
19A.—Law and Justice, Courts of Law . . . . .	...	...	...	700	300	200	700	1,900
20.—Police . . . . .	200	...	1,500	1,100	1,000	100	12,800	16,700
22.—Education . . . . .	...	...	...	...	...	...	100	100
24.—Medical . . . . .	6,100	6,000	30,700	23,800	13,400	6,400	210,600	297,000
25.—Political . . . . .	...	...	...	...	...	...	100	100
30.—Stationery and Printing . . . . .	...	...	...	...	...	...	1,200	1,200
45.—Civil Works . . . . .	...	...	...	...	...	...	14,300	14,300
<b>TOTAL</b> . . . . .	10,400	6,000	32,200	25,900	15,400	6,700	252,000	348,600
<i>Revised Estimates, 1898-99.</i>								
3.—Land Revenue . . . . .	...	...	...	300	6,500	500	1,700	9,000
5 and 7.—Salt and Excise . . . . .	...	...	...	...	...	100	...	100
9.—Customs . . . . .	...	...	...	...	...	...	800	800
15.—Post Office . . . . .	...	...	...	...	...	100	...	100
18.—General Administration . . . . .	2,900	...	...	...	100	400	10,400	13,800
19A.—Law and Justice—Courts of Law . . . . .	...	...	...	300	2,400	100	700	3,500
20.—Police . . . . .	700	...	4,000	7,000	9,500	600	16,800	38,600
24.—Medical . . . . .	16,000	17,200	15,600	19,800	29,600	56,500	354,200	508,900
25.—Political . . . . .	...	...	...	...	...	...	300	300
30.—Stationery and Printing . . . . .	600	...	...	...	...	...	1,400	2,000
45.—Civil Works . . . . .	...	...	...	...	...	...	3,800	3,800
<b>TOTAL</b> . . . . .	20,200	17,200	19,600	27,400	48,100	58,300	390,100	580,900
<i>Budget Estimate, 1899-1900.</i>								
3.—Land Revenue . . . . .	...	...	...	...	...	4,100	1,100	5,200
5 and 7.—Salt and Excise . . . . .	...	...	...	...	...	700	...	700
9.—Customs . . . . .	...	...	...	...	...	...	400	400
15.—Post Office . . . . .	...	...	...	...	...	100	...	100
18.—General Administration . . . . .	1,700	...	...	...	...	400	10,500	12,600
19A.—Law and Justice, Courts of Law . . . . .	...	...	...	...	...	400	...	400
20.—Police . . . . .	1,400	...	8,800	5,000	...	2,900	13,800	31,900
24.—Medical . . . . .	223,500	17,800	5,000	20,800	5,500	139,100	152,000	563,700
25.—Political . . . . .	...	...	...	...	...	...	100	100
30.—Stationery and Printing . . . . .	1,000	...	...	...	...	...	1,500	2,500
<b>TOTAL</b> . . . . .	227,600	17,800	13,800	25,800	5,500	147,700	179,400	617,600
<b>GRAND TOTAL, FOUR YEARS . . . . .</b>	258,200	41,200	70,000	79,900	69,200	212,700	839,600	1,570,800

104. The Statement illustrates the gradual spread of plague since its first appearance in Bombay in 1896-97. In that year the measures undertaken to check the progress of the disease cost Rx. 23,700, of which Rx. 18,100 was spent in the area where it was actually prevalent, the balance representing outlay on railway inspection and similar measures designed to guard against its extension to provinces not then infected. In 1897-98 the total expenditure rose to Rx. 348,600, including Rx. 252,000 in Bombay and Sind. In addition to this, Bengal devoted Rx. 32,200 to the development of protective measures on lines of railway and to watching arrivals from infected areas; the North-Western Provinces and Oudh spent Rx. 25,900 in suppressing the outbreak of plague at Hardwar; and the Punjab spent Rx. 15,400 on preventive operations in the districts of Jullundur and Hoshiarpur. In 1898-99 there was a further increase of the total expenditure, as shown in the Revised Estimate, to Rx. 580,900, including Rx. 390,100 in Bombay, Rx. 58,300 in Madras where the plague has appeared in several districts, Rx. 48,100 in the Punjab, Rx. 27,400 in the North-Western Provinces, Rx. 19,600 in Bengal where protective arrangements were maintained and an outbreak occurred in Calcutta, and Rx. 20,200 under India General which includes the cost of combating the outbreak in Bangalore.

105. The estimate for next year amounts to Rx. 617,600, and provides for an increase of expenditure in Madras from Rx. 58,300 to Rx. 147,700; while the charges in Bombay are taken at Rx. 179,400, or Rx. 210,700 less than the Revised figures of the current year. A provision of Rx. 209,500 has been made under India General in order to meet requirements which cannot now be foreseen.

106. During the four years covered by the Statement the total expenditure by Government and District Funds in India amounts to Rx. 1,570,800, to which must be added £22,560 (including Exchange Rx. 34,862) spent in England on payments to doctors and nurses engaged for service in India. Even where plague itself has not appeared the necessity of maintaining inspection camps on the chief lines of communication imposes a severe burden on Provincial finances and strains the resources of the medical staff. The Statement takes no account of the heavy expenditure incurred by Native States and Municipalities except in so far as it includes grants made by the Bombay Government in aid of municipal outlay on plague.

The expenditure from the Home Treasury on account of pay, passage, etc., of medical officers and lady nurses in each of the four years has been or will be as follows:—

	Sterling. £	Exchange. Rx.	Total. Rx.
1896-97 . . . . .	1,013	669	1,682
1897-98 . . . . .	11,247	6,333	17,580
1898-99 (Revised) . . . . .	5,300	2,700	8,000
1899-1900 (Budget) . . . . .	5,000	2,600	7,600
	TOTAL	22,560	34,862

1898-99.  
State Railways:  
Working Expenses.

107. The rise in the Working Expenses of State Railways represents for the most part the cost of earning the increased revenue mentioned in paragraph 99 above. It is due chiefly to the heavier traffic worked, the greater lengths of mileage open, and to more extensive renewals of stock and permanent-way. Some lines have also had to provide for special repairs of the damage caused by the earthquake of 12th June 1897 and by floods. The more important increases occur on the following Railways:—

	Rx.
East Indian . . . . .	190,000
Rajputana-Malwa . . . . .	90,000
Assam-Bengal . . . . .	36,000

These are, however, to some extent counterbalanced by a decrease in the Working Expenses of the other lines noted below:—

	Rx.
North-Western . . . . .	100,000
East Coast, including Bezwada-Madras . . . . .	40,000
Southern Mahratta . . . . .	35,000
Mysore . . . . .	23,000
Oudh and Rohilkhand . . . . .	20,000

108. The increase of expenditure under Surplus Profits, Land, and Supervi-<sup>1898-99.</sup> sion is made up of an increase under Surplus Profits of Rx. 197,200 and a decrease <sup>Guaranteed</sup> under Land and Supervision of Rx. 91,100. Under the former head no provision <sup>Companies :</sup> was made in the Budget Estimate for the payment of surplus profits to the <sup>Surplus Profits,</sup> Madras Railway Company, and the goods earnings of the Bombay, Baroda <sup>Land, and</sup> and Central India and the Great Indian Peninsula were under-estimated. The <sup>Supervision.</sup> charges under Land and Supervision are reduced owing to less land being taken up for the Calicut-Cannanore Branch in Madras and certain minor lines in Bombay than had been originally expected.

109. The increase in Mint expenditure occurs partly under temporary <sup>1898-99.</sup> establishment and overtime allowances for the recoinage of Bhopal and Kashmir <sup>Mint Expenditure.</sup> rupees—an outlay more than counterbalanced by an increase in the Mint receipts. But the major portion of the increase is due to a loss of Rx. 40,000 on copper coinage in 1898-99. The gain or loss on copper coinage represents the difference between the face value of the coins actually put into circulation and the cost of making and distributing them. Of the enormous quantity of copper coin issued in the famine years for relief payments, a large proportion is now returning from circulation because it is in excess of the normal requirements of the people. The Estimate provides for the resulting loss on the coins so returned.

110. The more important decreases of expenditure occur under the following <sup>1898-99.</sup> heads:—

	Rx.	<sup>Decreases of</sup> <u>Expenditure in</u> India.
Land Revenue . . . . .	59,600	
Opium . . . . .	305,200	
Salt . . . . .	53,400	
Education . . . . .	60,300	
Political . . . . .	83,000	
Subsidised Railway Companies : Land and Subsidy . . . . .	81,200	
Civil Works . . . . .	208,500	
Army . . . . .	518,600	

111. The decrease of Rx. 59,600 under Land Revenue occurs for the most <sup>1898-99.</sup> part under the heads of Salaries, Exchange Compensation Allowance, Establish- <sup>Land Revenue</sup> ments, and Savings under Survey and Settlement in the North-Western Provinces, <sup>Expenditure.</sup> the Punjab, and Burma. The decrease of Rx. 15,400 in Madras is mainly under Local, and arises from delay in giving effect to a scheme for raising the pay of village accountants.

112. Under Opium the reduction of Rx. 305,200 in the estimated expenditure <sup>1898-99.</sup> is almost wholly under Payments to Cultivators, which vary from year to year <sup>Opium</sup> with the yield of the crop. The greater part of it occurs in Behar, where the <sup>Expenditure.</sup> sums likely to be required seem to have been greatly over-estimated.

113. Of the decline of Rx. 53,400 under Salt, Madras accounts for Rx. 25,100, <sup>1898-99.</sup> more than half of which is under the Purchase and Freight of Salt. A decrease <sup>Salt Expenditure.</sup> of Rx. 12,500 in Bengal is due to the whole of the Preventive Staff sanctioned for Orissa not having been appointed during the year. A similar decline in the expenditure of the Northern India Salt Department is due to smaller payments of salaries, reduction of charges for manufacture, and to the abolition of the Indus Preventive Line.

1898-99.  
Education  
Expenditure.

114. The decline of expenditure on Education is largest in Bengal (Rx. 17,200), owing to the charges on account of salaries being over-estimated, and in Bombay (Rx. 12,700) where the outlay was affected by the prevalence of plague.

1898-99.  
Political  
Expenditure.

115. Of the reduction of Rx. 83,000 under Political Expenditure, more than half is due to the subsidy to the Amir of Kabul not having been drawn in full. An apparent saving is also caused by the charges for the escort of the Burma-China Boundary Delimitation Commission being adjusted in the Military Accounts.

1898-99.  
Subsidised  
Railway Com-  
panies; Land and  
Subsidy.

116. The decrease in the payments to Subsidised Railway Companies occurs wholly in the item of land, and is due to the programme of the year not having been worked up to in the case of the Bengal and North-Western, Bhagalpur-Baidyanath, Mymensingh-Jamalpur, Amritsar-Sarhali, Jullundur-Hoshiarpur, and several other Railways.

1898-99.  
Civil Works.

117. Of the entire saving of Rx. 208,500 anticipated under the head of Civil Works, Rx. 118,800 occurs in the Local Section of the Estimates, and is due partly to the failure of District Boards to work up to their estimates, and partly to the estimates themselves having been revised in Bombay and Madras in order to provide funds for plague purposes. The former cause accounts for differences of Rx. 35,000 in Bengal, Rx. 21,400 in the North-Western Provinces and Oudh, and Rx. 12,400 in Burma; and the latter for decreases of Rx. 26,100 in Bombay, and Rx. 22,000 in Madras.

In the Provincial Section the savings amount to Rx. 69,600, of which the North-Western Provinces and Oudh contribute Rx. 9,000, Bombay Rx. 13,500, and Madras Rx. 18,400. In the North-Western Provinces the decrease is due partly to expenditure proceeding at a slower rate than was expected, and partly to the transfer of the Ghazipur Steam Ferry to the Bengal and North-Western Railway. In Bombay grants were reduced on general financial grounds after the Budget was passed, and in Madras savings were caused by a transfer to the Educational Department and by the non-payment of grants to Municipalities for water-supply projects.

1898-99.  
Army  
Expenditure.

118. The large decrease of Rx. 518,600 in Army Expenditure in India comprises the following important reductions:—

	Rx.
Military operations and special services due to the demobilisation of the Tirah Expeditionary Force in April 1898, and the substitution of the Khyber Brigade with moveable column for the Khyber Force as originally constituted . . . . .	291,100
Saving on Exchange Compensation Allowance owing to the rise in exchange . . . . .	41,200
Reduced expenditure under Army and Garrison Staff and Regimental Pay and Allowances with reference to recent actuals . . . . .	24,500
Saving arising from the short strength of the Army . . . . .	55,700
Saving on account of Troops serving in East Africa and Mauritius and charged to the Imperial Government . . . . .	33,400
Transfer to the Civil Estimates of charges for the pay of officers on plague duty . . . . .	24,100
Lapse of provision for increase of Commissariat-Transport Officers . . . . .	20,000
Reduced price of food and forage . . . . .	65,000

119. One cause of saving which affects not only Army Expenditure, but most of the important heads of Expenditure in India, is the rise in the rate of exchange, on the basis of which the Exchange Compensation Allowances have been calculated. The average rate assumed in the Budget Estimate of 1898-99 for this calculation was  $15\frac{1}{2}d.$ ; but the four quarterly rates with reference to which the allowances have been actually paid are  $15\frac{2}{3}d.$ ,  $15\frac{1}{2}d.$ ,  $15\frac{2}{3}d.$ , and  $15\frac{1}{2}d.$ , yielding an average for the whole year of  $15\frac{2}{3}d.$  The consequent saving amounts to Rx. 119,000.

120. The Sterling receipts are expected to exceed the Budget Estimate by £44,200. The three important items composing this increase are: £18,000 under Interest on temporary investments of Cash Balance, the rates of interest realised being higher; £9,000 representing larger miscellaneous receipts connected with the supply of stores to India; and £10,400 under Army receipts, mainly in the value of articles in possession of Regiments on their transfer from the Indian to the British Establishment.

121. The Sterling expenditure is expected to be less than the Budget Estimate by £151,100. The important variations comprising this difference are (1) a reduction of £83,300 in the charge for interest on loans; (2) a saving of £145,200 in the Army effective and non-effective charges; and (3) increases of £36,300 and £24,400, respectively, under Civil Furlough Allowances and Military Works.

The Interest charges are less by £83,300, of which £35,400 represents a decrease in interest on India  $2\frac{1}{2}$  per cent Stock owing to the loan this year not having been issued so early as was expected; £44,900 comes under reduction in interest on India Bills, due to a smaller amount of Bills being issued; while in addition to these savings, £10,000 provided to meet interest on temporary loans from the Bank of England was not required. On the other hand, the discount on the loan of £6,000,000 India  $2\frac{1}{2}$  per cent Stock issued in July 1898 amounted to £702,300. As this sum is exceptionally large, it has been decided to depart from the usual practice of entering the whole of it as a charge on the Revenue of the year, and to reduce the amount of debt incurred in excess of the money actually raised by means of a Discount Sinking Fund spread over 50 years, the rate of interest adopted in the calculation for the Sinking Fund being  $2\frac{1}{2}$  per cent. A sum of £7,000 has accordingly been entered in the Revised Estimate as the first investment towards this Sinking Fund.

As regards Army charges, the reduction in the demands for stores—mainly Ordnance stores—amounted to £105,000, and the payments for pay and pensions of non-effective and retired officers of the Indian Service and for furlough allowances of officers of that service are expected to be less than the Estimate by £88,000. On the other hand, arrear payments of £34,500 due to the War Office for effective and non-effective Army charges of the year 1897-98 have been made in the current year; there has also been an excess charge of £17,000 under the head of Troop Service.

The payments for Civil Furlough and Absentee Allowances have exceeded the Estimates owing to the exceptionally large number of officers on furlough, and the demands for stores required for the Bangalore Water-works have swelled the expenditure on account of Military Works.

122. The net charge for Exchange on Sterling expenditure is less than in the Budget Estimate by Rx. 1,074,900. The net Sterling expenditure is less by £195,300, and the Exchange on this difference at the rate of £1 = R 15'6, the rate of the Budget Estimate, is Rx. 109,400, which is the saving in Exchange due to the decrease in Sterling payments. The direct saving from the rise in the rate of Exchange from £1 = R15'6 to £1 = R15 is, therefore, Rx. 965,500.

## FINANCIAL STATEMENT OF THE

## Section III.—Budget Estimate of 1899-1900.

1899-1900.  
Statement of the  
gross figures.

123. The following is a general comparison of the Budget Estimate of 1899-1900 with that of 1898-99:—

		1898-99.	1899-1900.	1899-1900, better.	1899-1900, worse.
<b>REVENUE.</b>					
India . . . . .	Rx.	98,791,700	101,645,900	2,854,200	
England . . . . .	£	188,300	207,100	18,800	
Exchange . . . . .	Rx.	105,400	108,500	3,100	
<b>TOTAL . Rx.</b>		99,085,400	101,961,500	2,876,100	
<b>EXPENDITURE.</b>					
India—					
Imperial, Provincial, and Local	Rx.	72,610,100	73,762,600		1,152,500
Adjustment of Provincial and Local Surplus or Deficit . . . . .	Rx.	—116,800	—924,700	807,900	
<b>NET . Rx.</b>		72,493,300	72,837,900		344,600
England . . . . .	£	16,474,800	16,531,600		56,800
Exchange . . . . .	Rx.	9,225,900	8,659,400	566,500	
<b>TOTAL . Rx.</b>		98,194,000	98,028,900	165,100	
<b>SURPLUS . . . . . Rx.</b>		891,400	3,932,600	3,041,200	

1899-1900.  
Main features.

124. The year opens with fair promise. Except in limited areas in the Central Provinces and the Punjab the agricultural prospects are good, and the bulk of the population have returned to the standard of living which prevailed before the scarcity compelled them to reduce their consumption of all but absolute necessities. An expansion is accordingly looked for under all the principal heads of Revenues, except Registration fees, which are really payments for services rendered; and Railway receipts, which are a good test of general prosperity, are expected to show a corresponding increase. The only serious rise of expenditure is in the medical charges connected with the plague: the other increases represent improvements of administration, or outlay required to earn increased revenue.

1899-1900.  
General Results.

125. The Revenue in India is expected to exceed the estimated receipts of 1898-99 by Rx. 2,854,200, while the Expenditure, after allowing for the adjustment of Provincial and Local surpluses or deficits, will be increased by Rx. 344,600. In England an improvement of £18,800 in Revenue is anticipated against a rise in Expenditure of £56,800. At the same time the net charge for exchange will be reduced by Rx. 569,600, so that the combined account works out to a surplus of Rx. 3,932,600, being Rx. 3,041,200 in excess of the estimated surplus of 1898-99.

1899-1900.  
Increases of Re-  
venue in India.

126. The following are the most important increases of Revenue in India:—

Land Revenue . . . . .	73,700
Opium . . . . .	673,900
Excise . . . . .	60,900
Provincial Rates . . . . .	91,500
Customs . . . . .	58,200
Assessed Taxes . . . . .	55,900
Forest . . . . .	55,100

Railways—

State, Gross Receipts . . . . .	854,500
Guaranteed, Net Traffic Receipts . . . . .	768,500

Irrigation—

Major Works—Direct Receipts . . . . .	139,800
Land Revenue due to Irrigation . . . . .	71,100

127. The growth of Land Revenue is most marked in Burma, where <sup>1899-1900.</sup> Rx. 107,900 is expected to accrue from revision of assessments and increase in Land Revenue. cultivation. In the North-Western Provinces and Oudh Rx. 110,300 will be gained by enhancements of revenue resulting from the regular revision of settlements. An increase of Rx. 34,300 in the Central Provinces is due to provision having been made for the recovery of famine arrears. Decreases of Rx. 113,500 in Madras and of Rx. 25,400 in Bombay are caused by the reduction of the arrear balances which swelled the receipts in the current year added in the latter case to a less favourable inundation in Sind.

128. The Estimate anticipates an increase of Rx. 587,300 in the Opium Rev- <sup>1899-1900.</sup> Opium Revenue. enue in Bengal. Prices show an almost unbroken rise throughout the past year; the average per chest has gone up from R1,023 in 1897-98 to R1,055 in the current year and the price realised at the sale of March 1899 is R1,149 against R948 at the same time a year ago. R1,100 has accordingly been taken as the average price for the ensuing year. In Bombay it is assumed that the revival of the trade in Malwa Opium, which has followed on the reduction of duty, will continue unabated, and that the number of chests exported will be the same as in the current year. On this basis an increase in revenue of Rx. 84,000 is looked for.

129. The Excise Revenue has been slow to recover from the depression <sup>1899-1900.</sup> Excise Revenue. caused by the famine, and the Estimate anticipates only the moderate increase of Rx. 60,900. To this the North-Western Provinces and Oudh contributes Rx. 67,500 due to the normal growth of revenue and to the introduction of administrative reforms, while Burma, Bengal, and Bombay look forward to increases of about Rx. 25,000 apiece. On the other hand, the actuals of the current year in Madras point to a decline in revenue which is estimated at Rx. 110,000.

130. Of the increase of Rx. 91,500 under Provincial Rates, Bengal contributes <sup>1899-1900.</sup> Provincial Rates. Rx. 38,700 arising from the completion of revaluations in the Districts of Dinajpur and Backerganj. In Madras an increase of Rx. 21,600 is looked for from Village Service Funds.

131. In Bengal an increase of Customs Revenue, amounting to Rx. 55,000, <sup>1899-1900.</sup> Customs Revenue. is anticipated, mainly under Liquors, Articles of Food and Drink, and Silver Bullion and Coin. In Burma an aggregate improvement of Rx. 51,200 is expected under Export Duty on Rice and various heads of Import Duty, specially Liquors, Articles of Food and Drink, and Manufactured Articles. The Estimate for Madras shows a decline of Rx. 34,200, chiefly under Liquors, Imported Cotton Goods, and Exports.

132. The increase under the head of Assessed Taxes is largest in Bengal <sup>1899-1900.</sup> Assessed Taxes. (Rx. 25,000) and in Madras (Rx. 15,000), and is due to progressive revision of the assessments and to general improvement in the administration of this head of revenue.

133. An increase of Rx. 69,700 under Forest Revenue anticipated in Burma <sup>1899-1900.</sup> Forest Revenue. really represents a decline from the abnormal receipts for which credit has been taken in the Revised Estimates. The demand for teak at the present high prices is expected to fall off; the Bombay-Burma Trading Corporation will reduce their exports of timber from the Pynmana forests, and the revenue obtained in the form of royalty will be diminished in proportion.

1899-1900.  
Railway Revenue.

134. The Railway Revenue of the coming year is estimated at Rx. 1,623,000 in excess of the amount taken in the Budget of 1898-99. The forecast is justified by the excellent promise of the spring crops and by the additional mileage likely to be opened for traffic during the year.

1899-1900.  
Irrigation Revenue.

135. The Estimate of Irrigation Direct Receipts for 1899-1900 is based upon the normal expectations of Revenue, and anticipates a falling-off from the exceptionally high returns indicated by the Revised Estimate of the current year. As compared with the Budget of 1898-99, it provides for an increased Revenue of Rx. 139,800, which includes an increase of Rx. 80,200 in the Revenue from the Canals in the Punjab, and Rx. 54,100 from Canals in the North-Western Provinces and Oudh, due in each case to the growth of the demand for canal irrigation.

1899-1900.  
Decrease of Revenue.

136. The only important decrease of Revenue in India occurs under Telegraph Receipts, which show a falling off of Rx. 130,400 as compared with the Budget of 1898-99. This, however, represents an advance of Rx. 24,400 on the Revised Estimate of the current year, and indicates that the growth of operations in India is overtaking the decrease of Revenue brought about for the time being by the cessation of military operations, the extended use of deferred messages, and the falling-off in the Indo-European message traffic transferred at Karachi.

1899-1900.  
Decreases of Expenditure.

137. The chief reductions in Expenditure in India occur under the following heads:—

	Rx.
Army Services . . . . .	1,171,500
Interest on Ordinary Debt . . . . .	202,000
Famine Relief . . . . .	79,400
Construction of Protective Railway . . . . .	178,300

1899-1900.  
Army Expenditure.

138. The following are the principal causes which have contributed to bring about the important decrease of Rx. 1,171,500 in Army charges:—

	Rx.
Reduction of Military Operations and Special Services . . . . .	1,176,500
Saving under pay of British troops due to exchange being taken at 1s. 4d. instead of 1s. 3½d. the rupee . . . . .	120,000
Saving in Exchange Compensation . . . . .	20,800
Saving under Regimental Pay and Allowances . . . . .	45,000
Fall in the prices of food-supplies . . . . .	60,000
Saving due to the cost of the 1st Bengal Infantry stationed at Mauritius being debited to Her Majesty's Government . . . . .	21,200
	<u>1,443,500</u>

Against the above important decreases in expenditure the following increases are provided for:—

Provision of messing allowance made for the whole year instead of for part only as in 1898-99 . . . . .	114,600
Smaller deduction in India on account of excess provision in the Home Estimates . . . . .	48,300
Mobilisation Equipment of the additional corps included among the extra units of the field Army . . . . .	39,500
Reserve of compressed fodder to facilitate mobilisation operations . . . . .	37,600
Re-establishment of Cantonment Hospitals . . . . .	20,700
	<u>260,700</u>



139. As was explained in last year's Financial Statement, the decrease of Interest charges represents for the most part the interest on the difference between the Capital Expenditure on Railways and Protective Works and ordinary loans contracted in India. 1899-1900.  
Interest on Debt.

140. Except in a small portion of the Central Provinces where the people have not yet recovered from the famine of 1897-98, and in the South eastern districts of the Punjab where both the *kharif* and the *rabi* have suffered from want of rain and the area protected by irrigation is small, the prospects of the coming year are excellent, and it has not been found necessary to make any substantial provision for the relief of scarcity. Out of Rx. 85,000 provided last year to meet the probable wants of certain districts in Madras where the cold weather rains had partially failed, only Rx. 1,700 was spent and the small sum of Rx. 5,700 now entered is almost entirely intended to meet the possible requirements of Hissar and the neighbouring districts of the Punjab. 1899-1900.  
Famine Relief.

141. The Budget Estimate of 1898-99 provided Rx. 668,300 for outlay on the construction of Protective Railways, and this was raised during the year to Rx. 695,400 distributed as follows:— 1899-1900.  
Construction of  
Protective  
Railways.

	Rx.
East Coast Railway . . . . .	60,000
Bezwada-Madras . . . . .	669,400
Godavari Bridge . . . . .	166,400
Guntakul-Mysore . . . . .	— 400
South Indian . . . . .	— 200,000
	695,400

For the coming year the Expenditure has been placed at Rx. 490,000 allotted to—

	Rx.
East Coast Railway . . . . .	40,000
Bezwada-Madras . . . . .	30,000
Godavari Bridge . . . . .	200,000
South Indian . . . . .	50,000
Madura-Paumben . . . . .	100,000
Tinnevelly-Quilon . . . . .	70,000
	490,000

If to this latter sum be added Rx. 370,400, being the net charge for the Indian Midland and Bengal-Nagpur, two Protective Railways constructed by Companies; Rx. 603,900 set apart for Reduction of Debt; Rx. 30,000 allotted for Protective Irrigation Works; and Rx. 5,700 for the relief of distress, the resulting total makes up the sum of Rx. 1,500,000 set apart for expenditure on Famine Insurance.

142. The rate of exchange assumed in the Budget Estimates for 1899-1900 for the purpose of calculating Exchange Compensation Allowances is  $15\frac{3}{4}d.$  the rupee, and the total saving under the various heads of Expenditure affected by this item of charge amounts to Rx. 56,400. 1899-1900.  
Exchange  
Compensation  
Allowances.

*1899-1900.  
Increases of  
Expenditure in  
India.*

143. The chief increases of Expenditure in India anticipated in the Budget occur under the following heads :—

	Rx.
3.—Land Revenue . . . . .	65,600
Police . . . . .	102,600
Medical . . . . .	463,000
Reduction of Debt . . . . .	278,100
State Railways :	
Working Expenses . . . . .	276,500
Interest on Debt . . . . .	98,900
Guaranteed Companies :	
Surplus Profits, Land, and Supervision . . . . .	250,700
Irrigation, Minor Works and Navigation . . . . .	51,500
Military Works . . . . .	163,800
Civil Buildings and Roads . . . . .	648,700

*1899-1900.  
Land Revenue  
Charges.*

144. The Madras Estimate under 3.—Land Revenue includes an increase of Rx. 38,700 mainly intended to provide for a long standing scheme for the improvement of the position of Taluk Gomastahs, for the revision of Village Establishments, and the extension of Survey and Settlement. In Burma the charges of District Administration are being raised by Rx. 27,800 to meet the increased demands of a young Province with a growing Revenue.

*1899-1900.  
Police Charges.*

145. In Bengal an addition of Rx. 30,200 has been allotted under Police charges for improving the investigating staff of the District Police, and for strengthening the force in Calcutta. A provision of Rx. 27,200 has been made in the North-Western Provinces for adding to the number of Assistant District Superintendents and introducing reforms in the Rural Police System of Oudh. There are also smaller increases in the Punjab, Madras, Bombay, and Assam due partly to plague charges and partly to the reorganisation of the force and the cost of supplying improved arms and accoutrements.

*1899-1900.  
Medical Charges.*

146. Every Province, except the Punjab, anticipates a rise in Medical Expenditure, the largest increases being Rx. 131,500 in Madras and Rx. 79,200 in Bombay, both mainly on account of the plague expenditure shown in detail in paragraph 103 above. As the general resources of both these Governments have been seriously reduced by famine and plague, the Government of India have as is explained above, come to their aid with contributions from Imperial Revenues. The specific contributions thus passed in the Estimates through the Land Revenue head are Rx. 64,100 in Madras, and Rx. 126,400 in Bombay. In addition to the increases shown under Provincial expenditure on plague a reserve of Rx. 209,500 has been provided under India General in order to meet any unforeseen necessities which may arise during the year.

*1899-1900.  
Reduction of Debt.*

147. As no necessity for the relief of Famine is anticipated and the expenditure on Protective Railways and Irrigation Works has been reduced, an additional sum of Rx. 278,100 required to make up the Famine Insurance grant to the full amount of Rx. 1,500,000 will be charged under Reduction of Debt.

*1899-1900.  
State Railways.*

148. The increase of Rx. 276,500 under the Working Expenses of State Railways is due to provision being made for heavier traffic, a greater length of open line, and extensive renewals of permanent-way and other works which have been left unfinished during the current year.

*1899-1900.  
Railway  
Interest.*

149. The increase in the Railway Interest represents the interest payable on the new capital outlay to be undertaken on Railways.

*1899-1900.  
Guaranteed  
Companies :*

150. The increase of Rx. 250,700 under Guaranteed Companies is accounted for by the fact that the moiety of surplus profits payable to the Bombay, Baroda and Central India Railway is estimated at Rx. 187,000 against Rx. 117,000 in

1898-99, while the amount due to the Great Indian Peninsula is expected to rise from Rx. 60,000 to Rx. 270,000. It is improbable that the Madras Railway will earn surplus profits during the coming year, but a small provision of Rx. 10,000 has been made to cover the contribution to the Provident Fund and any small amount of surplus profits that may be declared.

151. The greater portion of the increase under Minor Works and Navigation occurs in Burma and Bombay, and is due to the gradual extension of the works classified under this head.

152. The increase of Rx. 163,800 on account of Military Works includes a sum of Rx. 150,000 which has been added to the ordinary grant for Military Works in order to provide for defensive works beyond the administrative frontier of India.

153. The increase under Civil Buildings and Roads is occasioned by the fact that the greater part of the free grants made to Provincial Governments in aid of their general resources have been entered under this head with the object of rendering them available for immediate expenditure if the financial position of the Governments concerned admits of it.

154. The increase of £18,800 in Sterling receipts in England occurs almost entirely under Army Receipts, and is due to larger receipts under the head of Indian Troop Service and larger recoveries on account of the value of clothing, accoutrements, etc., in the possession of Regiments on their transfer from the Indian to the British establishment.

155. The Sterling expenditure in England is estimated at £16,531,600 as compared with £16,474,800, the forecast for the current year.

Of the variations which bring out this result, reduced interest payments account for £45,100. The charges on account of the Post Office are less by £17,400 owing to a more favourable adjustment of the cost of the Eastern Mail Service as between the English and Indian Post Offices.

The payments of interest on capital deposited by Railway Companies show an increase of £42,600 due to further deposits of capital made by the East Indian Railway, the Bengal-Nagpur Railway, and the Indian Midland Railway. A decline in the charges on account of the Assam-Bengal Railway is owing to the rate of interest guaranteed on the Company's share capital having been reduced from  $3\frac{1}{2}$  to 3 per cent.

The Civil Superannuation and Pension Charges show an increase of £43,300, owing to a gradual increase in the claims to pension.

Under Effective Army charges the total in 1899-1900 is about the same as in the Budget Estimate of 1898-99, but the cost of the Indian Troop Service and the Miscellaneous charges will be less by £8,000, while, on the other hand, the estimate of the payments to the War Office in respect of British Forces serving in India is higher by £9,000.

Under Non-Effective Army Charges there will be a total increase of £21,000 made up of an increase in the payments to the War Office of £37,000, of small increases under Miscellaneous Pensions and other charges aggregating £4,000, and a reduction of £20,000 in the charges for pay and pensions of non-effective and retired officers of the Indian Service.

156. The charge for Exchange on the net Sterling expenditure during the coming year is less by Rx. 569,600 than in the Budget Estimate of 1898-99. The net Sterling expenditure is more than in the Estimate of 1898-99 by £38,000, and the exchange on this difference at the rate of £1=R15'6, being the rate assumed in the Budget Estimate for 1898-99, is Rx. 21,300. The direct saving from the rise in the rate of exchange from £1=R15'6 to 15'75d. the rupee, the rate taken for the coming year, amounts, therefore, to Rx. 590,900.

Section IV.—Statements comparing the figures of the Estimates under the more important heads of Revenue and Expenditure with those of past years.

LAND REVENUE.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99.		1899-1900, Budget.
				Budget.	Revised.	
REVENUE—	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Including that due to Irrigation—						
India General . . . . .	145,711	147,471	148,654	150,500	139,600	143,500
Central Provinces . . . . .	767,332	660,493	667,754	920,000	885,000	954,300
Burma . . . . .	2,485,004	2,396,961	2,646,270	2,657,000	2,757,800	2,764,900
Assam . . . . .	597,671	606,231	596,123	626,000	620,000	620,000
Bengal . . . . .	3,905,221	3,876,838	3,978,219	4,087,300	4,080,400	4,078,500
North-Western Provinces and Oudh . . . . .	6,134,442	5,104,374	5,719,678	6,667,900	6,719,900	6,778,200
Punjab . . . . .	2,440,115	2,329,755	2,510,892	2,614,100	2,626,300	2,617,500
Madras . . . . .	5,592,141	5,250,372	5,612,878	5,856,100	5,839,400	5,784,700
Bombay . . . . .	4,954,982	4,473,802	4,767,912	4,961,300	5,000,700	4,943,400
<b>TOTAL</b>	<b>27,022,619</b>	<b>24,846,297</b>	<b>26,648,380</b>	<b>28,540,200</b>	<b>28,669,100</b>	<b>28,685,000</b>
Shown under XXIX.—Irrigation	821,664	871,808	964,738	972,000	989,700	1,043,100
Shown under I.—Land Revenue	26,200,955	23,974,489	25,683,642	27,568,200	27,679,400	27,641,900
EXPENDITURE—						
District Administration . . . . .	1,875,769	1,893,376	1,944,042	1,884,000	1,868,500	1,917,800
Other Charges . . . . .	2,221,348	2,216,227	2,243,559	2,259,900	2,216,500	2,291,600
<b>TOTAL</b>	<b>4,097,117</b>	<b>4,109,603</b>	<b>4,187,601</b>	<b>4,143,900</b>	<b>4,085,000</b>	<b>4,209,400</b>

157. Throughout the period covered by the statement the Land Revenue of the area included under India General, has been below the standard of Rx. 175,000 attained in 1893-94. It escaped the influence of the famine of 1896-97, but during the present year there has been a marked drop in the revenue owing to a failure of the rains and general scarcity in Ajmir. An improvement is looked for in the coming year.

158. In the Central Provinces the whole area was affected by famine which began earlier and lasted longer than anywhere else in India. The effect on the Land Revenue was marked and extended over 1896-97 and 1897-98. Since then there has been a return of prosperity and the Revised Estimate includes Rx. 56,000 and the Budget Rx. 36,000 on account of famine arrears. Recent information shows that there has been some failure of crops in the wheat-growing areas of Saugor and Damoh, and the Budget has been framed on more cautious lines than was proposed by the local officers.

159. The Land Revenue in Burma received only a slight check in 1896-97 and then resumed its normal course of steady progress due to extension of cultivation, revision of low assessments based on provisional data, and the enhanced yield of the capitation tax which follows the growth of population in a new Province with large areas of fresh land.

160. Assam was untouched by the famine, and the figures of 1896-97 show an increase in the Land Revenue. In the following year the revenue was affected by the earthquake which reduced for the time being the tax-paying capacity of the people, while in Kamrup and Nowgong large tracts of land have been rendered uncultivable by the sand that has been thrown up. The reduction of revenue from this cause is estimated by the Chief Commissioner at not less than a lakh of rupees. Allowance has been made for this in framing the Budget of 1899-1900.

161. In Bengal the Land Revenue being permanently settled at very low rates is to a great extent beyond the reach of famine, but the calamity of 1896-97, which extended to the whole of North Behar, to a large part of Chota Nagpur and Western Bengal and to isolated tracts in Central Bengal, directly affected the rental of Government Estates where the State is itself the landlord, and reduced the recoveries of survey charges in Behar.

162. Distress in the North-Western Provinces began early and was widely diffused but the recovery of the country has been rapid. The Revised Estimate includes Rx. 440,000 on account of suspensions of revenue, and the Budget anticipates recoveries of Rx. 417,300 on this account besides Rx. 77,800 due to revision of settlements.

163. In the Punjab the revenue rose directly the famine was over, and although during the current year the estimate has not been worked up to and suspensions of revenue have been necessary in Hissar and the neighbouring districts, it is hoped that this will be counteracted by extension of cultivation along the Chenab Canal and in the Montgomery district.

164. The Revenue in Madras is improving in the manner characteristic of the Province. The balance in arrear at the close of 1896-97 has been steadily reduced and the Budget anticipates an increase of Rx. 70,900 from the resettlement of the Kistna and Godavari districts and from extension of cultivation.

165. In spite of famine and plague in Bombay arrears of revenue amounting to Rx. 250,500 have been recovered in the current year and a favourable inundation in Sindh has swelled the revenue by expanding the cultivated area. In the coming year there will be smaller arrears to collect, and the conditions in Sindh are expected to be less favourable, but Rx. 51,000 will be added to the demand by revision of settlements.

OPIUM.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99.		1899-1900, Budget.
				Budget.	Revised.	
<b>Revenue—</b>						
Bengal—Sale of Opium . . . .	5,240,349	4,850,352	3,991,048	3,900,000	4,164,000	4,488,000
Bombay—Pass Fees . . . .	1,655,907	1,334,847	966,985	1,200,000	1,234,000	1,281,000
Excise Opium and other Revenue.	227,666	224,039	221,739	229,800	231,400	231,700
<b>TOTAL . Rx.</b>	<b>7,123,922</b>	<b>6,409,238</b>	<b>5,179,772</b>	<b>5,329,800</b>	<b>5,679,400</b>	<b>6,003,700</b>
<b>Expenditure—</b>						
Payments to Cultivators, including purchase of Opium . . . Rx.	1,867,400	2,264,886	2,157,217	2,400,000	2,135,800	2,400,000
Other Charges . . . . Rx.	200,573	220,341	228,974	254,000	213,000	253,900
England . . . . £	550	882	1,853	1,400	1,600	2,200
Exchange . . . . Rx.	418	583	1,043	800	800	1,100
<b>TOTAL . Rx.</b>	<b>2,068,941</b>	<b>2,486,692</b>	<b>2,389,117</b>	<b>2,656,200</b>	<b>2,351,200</b>	<b>2,657,200</b>
<b>Statistics—</b>						
<b>Bengal—</b>						
Chests sold . . . .	37,695	39,000	39,000	39,000	39,450	40,800
Average price . . . R	1,390	1,244	1,023	1,000	1,055	1,100
Chests produced . . .	35,953	45,041	45,500	...	44,075	...
Chests in Balance, March 31st . . . .	23,551	29,587	36,080	...	40,705	...
Reserve, December 31st .	—2,652	—5,699	330	6,830	6,830	10,105
<b>Bombay—</b>						
Chests passed for export .	25,475½	21,751½	17,432½	24,000	25,680	25,680
Rate of Duty . . . R	650	650 & 600	600 & 500	500	500	500

166. Throughout the period comprised in the table the revenue derived from the sale of Bengal Opium follows the average price per chest offered at the Calcutta sales, which in its turn is determined mainly by the dollar and tael prices obtained in China. The growing competition of the Chinese drug has prevented the prices in China from rising in proportion to the increased value of the rupee due to the Currency legislation of 1893. The trade has also been handicapped by the uncertainties of exchange and the stringency of the Indian money market. These latter conditions have now improved and somewhat larger stocks are available for the China market. It is therefore hoped that the rise of Opium revenue in the current year, which was due largely to a scanty crop in China, may continue.

The decline in the exports of Malwa Opium which the table brings out, and its recent revival, are due to the same causes as those which affected Bengal Opium. The revival has been helped by the reduction of the pass-duty, which was found to be more than a declining trade could bear, to ₹500 per chest.

The receipts from Excise Opium are governed by the same causes as Excise Revenue generally, but as the consumers of opium are a comparatively well-to-do class, the returns are perhaps somewhat less sensitive to the influence of famine.

167. The main items of expenditure are payments to cultivators, the amount of which varies directly with the number of chests of Bengal Opium produced, and the quantity of Malwa Opium purchased for excise purposes which depends on the anticipated demand. The increase in charges is also due to the fact that the position of the officers of the Opium Department, which had long been admitted to be unsatisfactory, has of late years been bettered.

## SALT.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99.		1899-1900, Budget.
				Budget.	Revised.	
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Northern India (a) . . . . .	1,905,325	1,848,755	1,947,810	1,975,000	2,027,200	2,002,600
Burma (b) . . . . .	156,032	140,928	156,744	160,000	161,000	160,000
Bengal (b) . . . . .	2,488,620	2,500,119	2,463,315	2,500,000	2,524,000	2,500,000
Madras (a) . . . . .	1,997,489	1,694,164	1,726,961	1,770,000	1,985,000	1,793,100
Bombay (a) . . . . .	2,314,379	2,237,739	2,299,395	2,323,000	2,350,000	2,301,500
<b>TOTAL</b> . . . . .	<b>8,861,845</b>	<b>8,421,705</b>	<b>8,594,225</b>	<b>8,728,000</b>	<b>9,047,200</b>	<b>8,757,200</b>
Charges . . . . .	521,044	523,352	473,747	519,600	466,100	537,300.

(a) Chiefly excise on local manufacture. | (b) Chiefly duty on imported salt.

168. The fluctuations of the aggregate Salt Revenue correspond closely to the material condition of the mass of the people who consume salt. A sharp decline in the famine year 1896-97 has been followed by a gradual rise which in the Revised Estimate for the current year exceeded the standard of the revenue of 1895-96. The Bengal statistics, however, follow a somewhat different course. There the receipts rose in 1896-97 and fell in 1897-98 when the revenue of every other Province shows a rise. In explanation of this it may be observed, first, that large portions of the area supplied from Bengal escaped famine altogether, while the cultivating classes found their purchasing power greatly augmented by high prices; secondly, that the demand of 1897-98 was affected by the earthquake and cyclone of 1897; and thirdly, that imported salt is less sensitive to local influences than salt produced in the country.

The increase in the revenue in Northern India during the current year is mainly due to the revival of traffic in Kohat Salt since the cessation of the frontier disturbances. It is doubtful, however, whether the demand will continue on the same scale during the coming year; and reduced receipts are also expected from the salt produced at Sambhar, Didwana, and Pachbudra. For Burma and

Bengal the estimate is normal; in Madras it assumes a consumption of about 70 lakhs of maunds. The Bombay estimate has been taken at a moderate figure in view of the uncertainty arising from the prevalence of plague.

STAMPS.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99.		1899-1900, Budget.
				Budget.	Revised.	
<b>REVENUE.</b>						
Court Fees and Plain Paper . . .	3,224,216	3,216,005	3,305,376	3,301,100	3,411,000	3,442,800
Commercial and other Stamps . . .	1,418,875	1,476,870	1,456,034	1,478,900	1,396,300	1,425,800
Other Revenue . . . . .	83,964	84,867	75,633	75,900	32,600	28,500
<b>TOTAL . Rx.</b>	<b>4,727,055</b>	<b>4,777,742</b>	<b>4,837,043</b>	<b>4,855,900</b>	<b>4,839,900</b>	<b>4,897,100</b>
<b>Charges—</b>						
India . . . . . Rx.	95,158	97,006	97,998	99,700	97,100	100,400
England (Stores) . . . . . £	43,492	40,808	35,844	37,800	36,500	39,300
Exchange . . . . . Rx.	33,044	26,967	20,185	21,100	18,200	20,600
<b>TOTAL . Rx.</b>	<b>171,694</b>	<b>164,781</b>	<b>154,027</b>	<b>158,600</b>	<b>151,800</b>	<b>160,300</b>

169. The Stamp Revenue depends on such a wide variety of transactions that fluctuations in its aggregate yield can hardly be ascribed to any single cause. Scarcity, for example, exercises a converse effect on the demand for the two main classes of Stamps. On the one hand it compels self-denial in the pursuit of litigation, on the other it promotes the execution of documents for the purpose of raising money. Both these tendencies are reflected in the revenue returns. The receipts from Court-fees drop sharply in the famine year, but they recover at once, and their progress is so rapid that its effect was greatly under-estimated in framing the Budget of the current year. In the case of Commercial Stamps the course of development is reversed. The revenue rises in the famine year and falls continuously from that time to a level below that of 1895-96. It was over-estimated in the Budget of the current year, and the figure taken for 1899-1900 represents only a moderate advance on the standard of 1895-96.

EXCISE.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99.		1899-1900, Budget.
				Budget.	Revised	
<b>REVENUE.</b>						
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Bengal . . . . .	1,337,850	1,339,931	1,274,775	1,325,000	1,335,000	1,350,000
North-Western Provinces . . . . .	549,459	446,444	451,496	490,000	557,500	557,500
Madras . . . . .	1,438,405	1,489,657	1,461,945	1,530,000	1,390,000	1,420,000
Bombay . . . . .	1,164,147	1,009,650	1,004,996	1,120,000	1,146,000	1,146,000
Other Provinces . . . . .	1,232,556	1,238,518	1,206,242	1,252,300	1,302,500	1,304,700
<b>TOTAL .</b>	<b>5,722,417</b>	<b>5,614,200</b>	<b>5,489,454</b>	<b>5,717,300</b>	<b>5,731,000</b>	<b>5,778,200</b>
<b>Charges . . . . .</b>	<b>207,957</b>	<b>212,855</b>	<b>240,463</b>	<b>250,200</b>	<b>243,000</b>	<b>261,800</b>

170. The progress of Excise Revenue, like the growth of the receipts from Court-fees, is a fair test of the ability of the people to spend money on luxuries. The years of scarcity show accordingly a marked decline, and in Bombay, owing probably to plague and the apprehension to which it gives rise, the

## FINANCIAL STATEMENT OF THE

standard of 1895-96 has not yet been regained. In Madras, on the other hand, the effect of the famine and apprehended plague in reducing revenue was for a time neutralised by the extension of the tree-tax system of raising revenue from toddy. This system attained its present maximum application in 1897-98. The increase of charges is due to the adoption of more efficient methods of administration and prevention.

## PROVINCIAL RATES.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99.		1899-1900, Budget.
				Budget.	Revised.	
<b>REVENUE.</b>	<b>Rx.</b>	<b>Rx.</b>	<b>Rx.</b>	<b>Rx.</b>	<b>Rx.</b>	<b>Rx.</b>
District Local Funds	2,184,443	2,086,080	2,269,731	2,326,600	2,402,300	2,374,400
Provincial Cesses, including Famine Insurance	664,081	657,260	641,731	671,600	670,000	675,600
Village Service and Patwaris	734,443	667,487	678,399	726,400	737,100	748,600
Other Cesses	124,038	126,028	133,429	135,400	142,700	152,900
<b>TOTAL</b>	<b>3,707,005</b>	<b>3,536,855</b>	<b>3,723,290</b>	<b>3,860,000</b>	<b>3,952,100</b>	<b>3,951,500</b>
<b>Charges</b>	<b>52,675</b>	<b>54,301</b>	<b>52,530</b>	<b>52,400</b>	<b>55,700</b>	<b>60,600</b>

171. As was pointed out last year, the revenue from Provincial Rates is determined by the causes affecting Land Revenue, to which in most Provinces the rates bear a definite relation. The rise of revenue in the last three years corresponds therefore to the recovery of Land Revenue from famine influences. It should be added, however, that in tracts where the Land Revenue is permanently settled the revenue from Provincial Rates is increased independently of the Land Revenue by the periodical revaluation of the aggregate rental of a district for the purpose of levying these cesses.

## CUSTOMS.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99.		1899-1900, Budget.
				Budget.	Revised.	
<b>IMPORT DUTIES—</b>	<b>Rx.</b>	<b>Rx.</b>	<b>Rx.</b>	<b>Rx.</b>	<b>Rx.</b>	<b>Rx.</b>
Arms, Ammunition, and Military Stores	33,867	37,215	35,728	36,200	33,700	34,200
Liquors—Spirits	591,003	599,045	606,088	583,200	627,000	598,300
Other sorts	71,583	60,120	55,224	65,800	66,000	65,200
Articles of Food and Drink	311,108	305,953	387,063	319,500	380,900	357,400
Chemicals, Drugs, Medicines, etc.	102,397	92,108	106,933	96,700	104,500	103,400
Silver Bullion and Coin	355,869	326,481	433,899	253,300	328,500	237,000
Other Metals and Manufactures of Metals	257,871	202,480	222,424	223,100	204,800	218,700
Oils	408,090	429,067	556,015	411,600	510,300	449,400
Manufactured Articles	541,946	508,799	436,591	518,300	492,500	484,800
Raw Materials and Unmanufactured Articles	113,027	88,081	99,480	103,900	80,600	94,100
Cotton Goods	1,183,443	917,816	795,720	938,300	871,700	902,100
<b>TOTAL IMPORT DUTIES</b>	<b>3,970,804</b>	<b>3,567,165</b>	<b>3,735,165</b>	<b>3,549,900</b>	<b>3,700,500</b>	<b>3,544,600</b>
Excise Duty on Cotton Goods	63,915	112,344	116,188	115,700	134,400	132,900
<b>EXPORT DUTIES—</b>						
Rice	930,616	755,167	724,819	862,400	1,002,200	900,000
<b>LAND CUSTOMS AND MISCELLANEOUS</b>	<b>51,943</b>	<b>56,801</b>	<b>65,123</b>	<b>62,500</b>	<b>61,300</b>	<b>71,200</b>
<b>GRAND TOTAL</b>	<b>5,017,278</b>	<b>4,491,477</b>	<b>4,641,295</b>	<b>4,590,500</b>	<b>4,898,400</b>	<b>4,648,700</b>
<b>Charges</b>	<b>202,948</b>	<b>203,386</b>	<b>211,379</b>	<b>215,400</b>	<b>215,300</b>	<b>232,300</b>



172. The decline in the revenue from import duties in 1896-97 was due not merely to the effect of the famine in reducing the demand for manufactured articles and metals but also to the exemption of cotton yarns from duty and the reduction of the duty on cotton manufactures from 5 to  $3\frac{1}{2}$  per cent. The volume of the trade in cotton goods was not affected until the following year when the imports declined greatly. Since then business has revived, but it is still suffering from the effects of the plague in Bombay, a great producing and distributing centre, and from the overstocking of markets in China and Japan. The revenue from oils is derived chiefly from kerosene. The trade in this article fluctuates greatly and the cheaper oils from Russia and Sumatra are now beginning to compete successfully with the finer American oil. The increase under articles of food and drink is due to the imports of beet-sugar, principally from Germany and Austria, which has been poured into India in considerable quantities. The extraordinary rise in the imports of silver, especially in a year when the effects of the famine were still severely felt, is a phenomenon of which no satisfactory explanation has been found, but the trade is now diminishing and with a large demand springing up for gold, the decrease next year is expected to be considerable. The export duty shows a great contraction in 1896-97 and 1897-98 owing to great quantities of Burma rice, which would otherwise have been exported to foreign countries and have paid duty accordingly, being diverted to India to meet the famine demand. The large exports of 1898-99 followed on a bumper crop in Burma, the chief exporting province, but such a harvest is not expected to recur and the surplus available for export to foreign countries during 1899-1900 is likely to be considerably less than in the previous year.

## ASSESSSED TAXES.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99.		1899-1900, Budget.
				Budget.	Revised.	
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Deduction by Government from Salaries, Pensions, and Interest payments . . . . .	447,688	439,259	444,494	479,800	447,400	449,700
Other Collections . . . . .	1,387,561	1,433,550	1,450,971	1,413,100	1,482,700	1,499,100
<b>TOTAL</b> . . . . .	<b>1,835,189</b>	<b>1,872,809</b>	<b>1,895,465</b>	<b>1,892,900</b>	<b>1,930,100</b>	<b>1,948,800</b>
Charges . . . . .	29,868	30,323	32,278	32,700	33,100	33,500

173. The progress of this branch of revenue depends upon the general prosperity of the classes from which it is collected and upon the improvements constantly being introduced in the methods of assessing and levying the tax. The people by whom it is paid are to a great extent either independent of adverse seasonal influences, or derive a profit from their direct or indirect results, and the revenue accordingly does not show any distinct variation in relation to scarcity.

## FOREST,

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99.		1899-1900, Budget.
				Budget.	Revised.	
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Revenue . . . . .	1,660,504	1,733,869	1,739,514	1,735,600	1,838,000	1,790,700
Expenditure . . . . .	911,161	993,955	1,001,689	1,050,500	1,010,200	1,067,700
<b>NET</b> . . . . .	<b>749,343</b>	<b>739,914</b>	<b>737,825</b>	<b>685,100</b>	<b>827,800</b>	<b>723,000</b>

## FINANCIAL STATEMENT OF THE

174. The revenue under Forest has recovered from the effects of the famine and has resumed its normal rate of progress. The great increase shown in the Revised Estimate of the current year is due to the exceptional demand for teak timber which is not expected to be maintained during 1899-1900.

## INTEREST RECEIPTS.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99.		1899-1900, Budget.
				Budget.	Revised.	
India . . . Rx.	801,267	912,766	840,681	914,200	928,100	913,600
England . . . £	13,516	102,231	20,190	10,000	28,000	10,000
Exchange . . Rx.	10,269	67,558	11,370	5,600	14,000	5,300
<b>TOTAL . . Rx.</b>	<b>825,052</b>	<b>1,082,555</b>	<b>872,241</b>	<b>929,800</b>	<b>970,100</b>	<b>928,900</b>

175. On the subject of interest receipts there is nothing to be added to the explanations already given in paragraph 120 above.

## INTEREST EXPENDITURE.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99.		1899-1900, Budget.
				Budget.	Revised.	
<b>Interest on Debt—</b>						
India . . .	3,731,433	3,753,460	3,819,724	3,985,000	3,930,000	3,949,500
<i>Deduct charged to—</i>						
Irrigation . .	1,222,409	1,253,479	1,284,249	1,314,500	1,313,500	1,345,000
Railways . .	3,686,287	3,873,401	4,079,009	4,319,400	4,267,500	4,454,500
<b>Balance charged to Interest Rx.</b>	<b>-1,177,263</b>	<b>-1,373,420</b>	<b>-1,543,534</b>	<b>-1,648,900</b>	<b>-1,651,100</b>	<b>-1,850,000</b>
England . . . £	2,622,695	2,630,704	2,879,215	2,800,200	2,805,900	2,844,100
Exchange . . Rx.	1,992,644	1,738,458	1,621,343	1,618,000	1,402,900	1,489,700
<b>Interest on other Obligations—</b>						
On Savings Bank Balances . . Rx.	338,497	346,555	327,043	327,500	325,300	336,600
<b>Other items— including Exchange . .</b>	<b>268,226</b>	<b>111,656</b>	<b>188,153</b>	<b>192,800</b>	<b>193,100</b>	<b>194,700</b>
<b>TOTAL . . Rx.</b>	<b>4,044,799</b>	<b>3,453,953</b>	<b>3,472,260</b>	<b>3,378,600</b>	<b>3,076,800</b>	<b>3,014,200</b>
<b>Debt outstanding, March 31st—</b>						
Sterling . . . £	115,903,732	114,883,233	123,274,680	125,995,833	124,389,780	124,389,780
Rupee Debt—						
4 per cent . . Rx.	5,436,298	5,316,380	5,106,204	5,316,380	5,076,204	4,956,204
3½ per cent . .	96,462,450	90,918,610	93,937,030	107,873,430	95,137,030	95,137,030
3 per cent . .	---	10,954,820	10,972,350	---	10,972,350	10,972,350
Other Debt . .	1,890,180	1,925,243	1,590,050	1,170,743	1,464,850	1,394,850
Savings Bank Balances . .	11,121,252	10,886,792	10,556,734	10,970,492	10,792,134	11,255,234

176. The reduction in the Interest expenditure which has taken place during the period is due on the one hand to an increase in the amount of interest charged against Railways and Irrigation, and on the other to the reduction in the rate of exchange.

POST OFFICE, TELEGRAPH, AND MINT.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99.		1899-1900, Budget.
				Budget.	Revised.	
<b>POST OFFICE—</b>						
Revenue . . . . .	Rx. 1,713,495	Rx. 1,783,474	Rx. 1,879,163	Rx. 1,893,200	Rx. 1,896,200	Rx. 1,903,300
Expenditure . . . . .	1,643,798	1,703,111	1,729,474	1,776,300	1,731,100	1,791,200
<b>NET</b>	<b>+69,697</b>	<b>+80,363</b>	<b>+149,689</b>	<b>+116,900</b>	<b>+165,100</b>	<b>+112,100</b>
<b>TELEGRAPH—</b>						
Revenue Accounts—						
Revenue . . . . .	1,085,940	1,071,524	1,309,330	1,231,900	1,081,700	1,101,400
Expenditure . . . . .	737,907	770,977	819,530	827,800	808,700	830,200
<b>NET</b>	<b>+348,033</b>	<b>+300,547</b>	<b>+489,750</b>	<b>+404,100</b>	<b>+273,000</b>	<b>+271,200</b>
Capital Expenditure . . . . .	159,946	175,782	231,914	261,800	236,100	297,300
<b>MINT—</b>						
Revenue . . . . .	40,918	156,635	182,055	78,800	76,500	60,500
Expenditure . . . . .	53,229	61,823	88,557	66,100	115,000	65,700
<b>NET</b>	<b>-12,311</b>	<b>+94,812</b>	<b>+93,498</b>	<b>+12,700</b>	<b>-38,500</b>	<b>-5,200</b>

177. The Postal revenue displays unbroken progress throughout the period, and its advance in the coming year would have been more marked but for the introduction of the one-anna rate of postage to the United Kingdom and British Possessions and the concurrent reduction in the Inland rates of letter postage. At the same time a substantial addition has been made to the expenditure in order to provide for administrative improvements which have been needed for a long time.

178. The Telegraph receipts of 1897-98 were abnormally high owing to the great use of the telegraph in connection with frontier wars, famine, and plague. The decline experienced in the current year and anticipated in the next year is due partly to the cessation of military operations and partly to the increased popularity of deferred telegrams.

179. The increase in the Mint expenditure in 1898-99 is explained in paragraph 109 above.

CIVIL DEPARTMENTS.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99.		1899-1900, Budget.
				Budget.	Revised.	
General Administration { India . . . . .	1,594,089	1,587,278	1,588,016	1,567,700	1,580,900	1,579,200
{ England . . . . .	243,955	260,322	257,745	255,300	253,300	253,300
{ Exchange . . . . .	185,350	172,030	145,141	143,000	126,700	132,700
Law and Justice { Courts . . . . .	3,090,807	3,096,893	3,137,191	3,120,300	3,076,800	3,155,600
{ Jails . . . . .	956,762	1,082,246	1,118,703	1,075,000	1,028,800	1,083,900
Police . . . . .	4,040,817	4,156,560	4,233,923	4,201,600	4,175,200	4,303,900
Marine { Imperial (a) . . . . .	597,702	561,396	499,015	495,600	477,300	503,400
{ Provincial . . . . .	145,410	158,870	180,025	177,400	177,500	193,000
Education . . . . .	1,536,489	1,576,150	1,581,072	1,652,300	1,592,500	1,675,500
Ecclesiastical . . . . .	192,410	189,385	173,962	188,200	171,700	185,800
Medical . . . . .	1,030,915	1,076,696	1,355,417	1,225,600	1,558,900	1,693,800
Political . . . . .	1,062,183	1,003,401	933,820	1,014,400	932,200	1,016,400
Scientific and Minor Departments . . . . .	495,971	523,969	535,517	578,400	564,100	606,600
<b>TOTAL RX.</b>	<b>15,172,860</b>	<b>15,445,196</b>	<b>15,739,547</b>	<b>15,694,800</b>	<b>15,715,900</b>	<b>16,383,100</b>

(a) Includes Upper Burma charges up to 1896-97.

180. The progressive increase of total expenditure during the first three years of the period was partially arrested in 1898-99, but has been resumed in the Budget for the current year. This includes a large increase under Medical rendered necessary by the persistence of plague in Bombay and its spread to Madras, and likely to be further enhanced by the recent appearance of the disease in Calcutta. Provision has been made in Burma for the appointment of an additional Judicial Commissioner and for increasing the salaries of the Civil Administrative Staff, while in Bengal two Additional District and Sessions Judges and several temporary Subordinate Judges and Munsifs are to be appointed. The Police are to be strengthened in Bengal, the North-Western Provinces, Madras and Bombay.

## MISCELLANEOUS CIVIL CHARGES.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99.		1899-1900, Budget.
				Budget.	Revised.	
Territorial and Political Pensions . . . . .	454,082	437,397	442,458	430,000	435,500	427,700
Civil Furlough and Absentee Allowances—						
India . . . . .	793	746	763	700	1,700	700
England . . . . .	223,537	225,783	187,640	226,000	262,300	226,000
Exchange . . . . .	169,837	149,205	105,664	126,500	131,100	118,400
Superannuation Allowances and Pensions—						
India . . . . .	969,146	1,005,961	1,048,595	1,072,300	1,068,200	1,093,200
England . . . . .	1,817,694	1,874,519	1,901,744	1,925,700	1,944,000	1,969,000
Exchange . . . . .	1,381,029	1,238,745	1,070,910	1,078,400	972,000	1,031,400
Stationery and Printing	685,187	679,523	724,093	689,000	708,300	721,800
Miscellaneous . . . . .	232,027	244,830	234,959	229,000	250,100	255,300
<b>TOTAL Rx.</b>	<b>5,933,332</b>	<b>5,856,709</b>	<b>5,716,826</b>	<b>5,717,600</b>	<b>5,774,200</b>	<b>5,843,500</b>

181. The causes affecting this group of charges continue to operate on their usual scale, and no special explanatory remarks are called for.

## FAMINE RELIEF AND INSURANCE.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99.		1899-1900, Budget.
				Budget.	Revised.	
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
Famine Relief . . . . .	18,301	2,079,525	5,325,608	85,100	44,600	5,700
Construction of Protective Railways:						
Ditto ditto Irrigation Works . . . . .	529,867	...	...	668,300	695,400	490,000
Works . . . . .	38,317	46,830	37,517	20,000	13,500	30,000
Reduction or avoidance of Debt . . . . .	...	...	...	325,800	422,600	603,900
<b>TOTAL</b>	<b>586,485</b>	<b>2,126,355</b>	<b>5,363,125</b>	<b>1,099,200</b>	<b>1,176,100</b>	<b>1,129,600</b>
Net Charge on account of the Bengal-Nagpur and the Indian Midland Railways shown in the Railway Revenue Account . . . . .	413,515	438,857	352,948	400,800	323,900	370,400
<b>TOTAL EXPENDITURE CHARGEABLE TO THE FAMINE GRANT . . . . .</b>	<b>1,000,000</b>	<b>2,565,212</b>	<b>5,716,073</b>	<b>1,500,000</b>	<b>1,500,000</b>	<b>1,500,000</b>

182. These charges have been fully explained in other parts of this statement.

RAILWAY REVENUE ACCOUNT.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99.		1899-1900, Budget.
				Budget.	Revised.	
<b>STATE RAILWAYS—</b>						
Gross Receipts . . . Rx.	18,558,699	17,639,604	19,044,525	19,382,900	19,696,100	20,237,400
Working Expenses . . . Rx.	9,040,836	8,819,553	9,201,202	9,770,500	9,876,600	10,047,000
Interest and other Charges—						
India . . . . Rx.	3,700,813	3,888,549	4,095,593	4,336,500	4,283,600	4,471,800
England . . . . £	3,586,219	3,629,600	3,687,127	3,714,700	3,711,700	3,751,200
Exchange . . . Rx.	2,724,699	2,398,561	2,076,294	2,080,300	1,855,900	1,964,600
Net Result . . . . "	-493,868	-1,096,659	-15,691	-519,100	-31,700	+2,500
<b>GUARANTEED RAILWAYS—</b>						
Net Traffic Receipts . . Rx.	3,275,238	2,634,164	2,201,392	2,424,000	2,995,000	3,192,500
Surplus Profits, Interest and other Charges—						
India . . . . Rx.	533,137	483,610	135,112	321,600	429,800	571,700
England . . . . £	2,161,563	2,160,967	2,154,784	2,171,500	2,162,500	2,185,300
Exchange . . . Rx.	1,642,290	1,428,040	1,213,401	1,216,000	1,081,200	1,144,700
Net Result . . . . "	-1,061,752	-1,438,453	-1,301,905	-1,285,100	-678,500	-709,200
Other Receipts . . . . "	25,252	24,052	14,969	16,700	45,300	31,000
Other Charges . . . . "	89,900	148,921	129,989	310,300	213,200	204,900
<b>STATISTICS—</b>						
State Railways—						
Capital Expenditure to March 31—						
Expenditure by Government Rx.	122,701,781	126,978,761	130,614,851	136,512,261	134,196,651	138,155,251
Ditto by Companies £	25,721,568	27,538,341	29,684,713	31,850,541	31,569,513	33,415,713
Outlay on the East Indian Rail- way from debentures raised by the Company . Rx.	271,698	1,707,399	2,688,083	3,632,399	4,261,883	5,011,883
<b>TOTAL</b> .	148,695,047	156,224,501	162,987,647	171,995,201	170,028,047	176,582,847
Miles open on April 1 . . .	14,146	14,721	15,378	15,671	15,583	16,696
Guaranteed Railways— Miles open on April 1 . . .	2,587	2,587	2,588	2,588	2,588	2,592

183. The Revised Estimate of net receipts on State Railways is better than the Budget Estimate for 1898-99 by Rx. 207,100. The improvement is chiefly on the North-Western and Rajputana-Malwa Railways, due to a large traffic in grain, seeds and cotton.

184. The reduction in the Interest charges in India follows on the smaller outlay on Construction due to short shipments of stores from England. The rise in the rate of Exchange has caused a considerable saving on the Sterling charges, thus making the net result considerably better than in the original estimate.

185. The net receipts from State Railways in 1899-1900 are estimated at Rx. 370,900 higher than the Revised Estimate for 1898-99 in anticipation of a further improvement in traffic based on the excellent prospects of the spring crops and on the additional mileage which it is expected will be opened during the year. The increase in the Estimate of Working Expenses amounts to Rx. 170,400 and is due to heavier traffic, increased open mileage, and provision

for heavy renewals of way and works unfinished in 1898-99. There is also an increase in Interest charges, chiefly in India, due to the progress of Capital Outlay.

186. The Revised Estimate of net receipts from Guaranteed Railways exceeds the original Estimate by Rx. 571,000. This result is due to a marked improvement in goods traffic on the Great Indian Peninsula and Bombay, Baroda and Central India Railways following on an amelioration of the unfavourable conditions which obtained during the last two years, as well as to a reduction in the outlay on renewals on the Bombay, Baroda and Central India Railway.

The increase in Surplus Profits and other charges in India is more than covered by the saving in Exchange on Sterling Interest, leaving the net result, Rx. 606,600, better than the original Estimate.

A further improvement in traffic is expected in 1899-1900, but owing to the increase in Surplus Profits, etc., payable in India, and to the lower rate of Exchange adopted, the net result falls short of the Revised Estimate by Rx. 30,700 only.

## IRRIGATION.

IRRIGATION.	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99.		1899-1900, Budget.
				Budget.	Revised.	
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
<b>MAJOR WORKS.</b>						
Revenue						
{ Direct Receipts .	1,279,408	2,067,961	2,377,744	2,032,000	2,225,200	2,171,800
{ Land Revenue .	821,664	871,808	964,738	972,000	989,700	1,043,100
Expenditure						
{ Working Expenses	787,301	871,180	892,119	918,600	931,000	958,100
{ Interest .	1,222,409	1,253,479	1,284,249	1,314,500	1,313,600	1,345,900
NET	+91,362	+815,110	+1,166,114	+770,900	+970,300	+910,900
<b>MINOR WORKS.</b>						
Receipts—Direct . . . . .	198,881	210,870	227,382	224,100	246,800	236,200
Expenditure . . . . .	966,601	1,126,350	967,717	980,000	977,500	1,030,800
<b>STATISTICS OF MAJOR WORKS.</b>						
Capital Outlay to March 31 . . . . .	31,101,556	31,897,139	32,639,803	33,418,839	33,362,403	34,259,003

187. The Revised Estimate of direct receipts from Major Works is better than the Budget Estimate for 1898-99 by Rx. 193,200. The increase occurs chiefly in the Punjab and the North-Western Provinces and Oudh, and is due to a larger area having been irrigated in the past *kharif* season than was anticipated. The small increase of Rx. 22,700 in the receipts from Minor Works is due partly to the same cause, and partly to the revenue in the Montgomery District which was hitherto shown as Indirect, having been treated as Direct receipts in accordance with the new Schedule of Water-rates. The Budget Estimate for 1899-1900 has been based on normal demands for water in the *kharif* season of 1899, and besides allowing for an increase of Rx. 30,800 in the revenue from the Chenab Canal due to development of irrigation, provides also for favourable *rabi* irrigation in the Punjab generally. The increase of irrigation in 1898-99 caused a small increase in Working Expenses. The increase of Rx. 27,100 in Working Expenses provided for in 1899-1900 is due to additional lengths of canals and distributaries being opened for irrigation.

188. The financial results obtained during 1896-97 and 1897-98 from Irrigation Works, for which Capital and Revenue Accounts are kept, are given below :—

		1896-97.	1897-98.
<b>MAJOR WORKS.</b>			
<i>Capital Outlay—</i>		Rx.	Rx.
Direct and Indirect . . . . .	{ During the year . . . . .	831,509	775,125
	{ To end of year . . . . .	33,352,211	34,127,336
<i>Revenue Account—</i>			
Gross Revenue . . . . .		2,976,795	3,382,684
Maintenance and Working . . . . .		964,522	993,250
	Net Revenue	2,012,273	2,389,434
Interest . . . . .		1,253,542	1,284,250
	Net Profit	758,731	1,105,184
Percentage of net Revenue of the year on the Capital Outlay to end of the year . . . . .		6.03	7.00
<b>MINOR WORKS.</b>			
<i>Capital Outlay—</i>			
Direct and Indirect . . . . .	{ During the year . . . . .	196,930	132,200
	{ To end of year . . . . .	5,308,360	5,292,447
<i>Revenue Account—</i>			
Gross Revenue . . . . .		585,180	588,693
Maintenance and Working . . . . .		259,175	239,512
	Net Revenue	326,005	349,181
Percentage of net Revenue of the year on the Capital Outlay to end of the year . . . . .		6.14	6.60

The figures in this table are taken from the administrative accounts. In the case of Minor Works interest on the Capital Outlay is not charged, as the Capital Expenditure is incurred from Revenue.

**BUILDINGS AND ROADS.**

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99.		1899-1900, Budget.
				Budget.	Revised.	
<b>MILITARY WORKS—</b>						
Expenditure . . . . .	1,205,938	1,157,006	1,168,385	1,185,100	1,197,600	1,322,300
Receipts . . . . .	49,699	61,268	52,561	50,300	54,200	50,900
	Net	1,156,239	1,095,738	1,115,824	1,143,400	1,271,400
<b>CIVIL WORKS—</b>						
<i>Imperial—</i>						
Expenditure . . . . .	763,458	809,383	428,523	559,800	556,300	519,200
Receipts . . . . .	66,421	59,537	55,631	54,700	55,600	55,600
<i>Provincial—</i>						
Expenditure . . . . .	2,063,159	2,131,781	2,258,018	2,531,000	2,461,400	3,251,400
Receipts . . . . .	305,041	279,888	278,562	280,300	291,900	289,500
<i>Local—</i>						
Expenditure . . . . .	1,777,957	1,685,125	1,564,010	1,745,600	1,626,800	1,713,500
Receipts . . . . .	292,671	295,521	281,069	293,400	294,700	292,900

189. The expenditure on Provincial and Local Civil Works during 1898-99 is expected to fall short of the Budget Estimate by Rx. 69,600 and Rx. 118,800. This is due partly to the expenditure having been over-estimated in some Provinces, and partly to the restriction of outlay in Bombay and Madras in order to provide funds for expenditure in connection with plague.

190. The estimated expenditure on Military Works in 1899-1900 is higher than the Budget Estimate of the previous year by Rx. 137,200. This is chiefly due to provision to the extent of Rx. 150,000 having been made for defensive works beyond the administrative frontier.

## FINANCIAL STATEMENT OF THE

191. Under Imperial Civil Works the expenditure in 1899-1900 is less than the Budget Estimate of the previous year by Rx. 40,600, owing for the most part to the completion of the Bangalore Water-works.

In the Provincial and Local Section of the Estimates, the provision for expenditure depends chiefly on the state of the Provincial and Local balances, and in 1899-1900 considerable additions have been made in the Provincial Section in connection with the free grants to Local Governments of Rx. 700,000, as explained in paragraph 65; the total increase over this year in the Provincial Section is Rx. 790,000, and in the Local Section Rx. 86,700.

## ARMY SERVICES.

	Accounts, 1895-96.	Accounts, 1896-97.	Accounts, 1897-98.	1898-99.		1899-1900, Budget.
				Budget.	Revised.	
<b>EFFECTIVE SERVICES—</b>						
<i>Regimental Pay and Allowances—</i>						
India . . . . Rx.	8,697,465	8,598,670	8,278,218	8,400,200	8,140,700	8,104,900
England . . . . £	1,048,930	1,056,598	1,029,498	1,059,000	1,058,400	1,068,000
Exchange . . . . Rx.	796,945	698,236	579,731	593,000	529,200	559,400
<b>TOTAL</b> ..	<b>10,543,340</b>	<b>10,353,504</b>	<b>9,887,447</b>	<b>10,052,200</b>	<b>9,728,300</b>	<b>9,732,300</b>
<i>Less—Receipts</i> ..	<i>7,695</i>	<i>7,405</i>	<i>6,148</i>	<i>7,400</i>	<i>6,200</i>	<i>6,800</i>
<b>Net</b> ..	<b>10,535,645</b>	<b>10,346,099</b>	<b>9,881,299</b>	<b>10,044,800</b>	<b>9,722,100</b>	<b>9,725,500</b>
<i>Commissariat—</i>						
India . . . . Rx.	3,079,399	3,900,588	3,747,552	3,624,200	3,729,300	3,847,700
England . . . . £	21,838	40,832	32,197	21,400	24,600	48,600
Exchange . . . . Rx.	16,592	26,983	18,131	12,000	12,300	25,500
<b>TOTAL</b> ..	<b>3,117,829</b>	<b>3,968,403</b>	<b>3,797,880</b>	<b>3,657,600</b>	<b>3,766,200</b>	<b>3,921,800</b>
<i>Less—Receipts</i> ..	<i>437,966</i>	<i>452,322</i>	<i>389,493</i>	<i>458,200</i>	<i>424,100</i>	<i>465,300</i>
<b>Net</b> ..	<b>2,679,863</b>	<b>3,516,081</b>	<b>3,408,387</b>	<b>3,199,400</b>	<b>3,342,100</b>	<b>3,456,500</b>
<i>Ordnance—</i>						
India . . . . Rx.	846,935	921,362	852,006	773,500	817,100	823,700
England . . . . £	245,124	299,233	278,984	386,200	289,700	352,200
Exchange . . . . Rx.	186,238	197,743	157,101	216,300	144,800	184,500
<b>TOTAL</b> ..	<b>1,278,297</b>	<b>1,418,338</b>	<b>1,288,091</b>	<b>1,376,000</b>	<b>1,251,600</b>	<b>1,360,400</b>
<i>Less—Receipts</i> ..	<i>185,502</i>	<i>143,277</i>	<i>132,403</i>	<i>117,100</i>	<i>125,500</i>	<i>114,300</i>
<b>Net</b> ..	<b>1,092,795</b>	<b>1,275,061</b>	<b>1,155,688</b>	<b>1,258,900</b>	<b>1,126,100</b>	<b>1,246,100</b>
<i>Other Heads—</i>						
Expenditure . . . Rx.	5,485,002	3,674,561	7,326,279	5,150,400	4,719,600	4,027,200
Receipts . . . . "	235,933	235,375	242,742	220,300	255,800	226,100
<b>Net</b> ..	<b>5,249,069</b>	<b>3,439,186</b>	<b>7,083,537</b>	<b>4,930,100</b>	<b>4,463,800</b>	<b>3,801,100</b>
<b>NON-EFFECTIVE SERVICES—</b>						
India . . . . Rx.	897,135	906,263	922,385	957,500	945,600	912,600
England . . . . £	2,316,527	2,368,852	2,414,845	2,475,800	2,426,700	2,496,800
Exchange . . . . Rx.	1,760,027	1,565,417	1,359,847	1,386,400	1,213,300	1,307,800
<b>TOTAL</b> ..	<b>4,973,689</b>	<b>4,840,532</b>	<b>4,697,077</b>	<b>4,819,700</b>	<b>4,585,600</b>	<b>4,717,200</b>
<i>Less—Receipts</i> ..	<i>110,855</i>	<i>114,951</i>	<i>111,078</i>	<i>106,900</i>	<i>113,200</i>	<i>106,800</i>
<b>Net</b> ..	<b>4,862,834</b>	<b>4,725,581</b>	<b>4,585,999</b>	<b>4,712,800</b>	<b>4,472,400</b>	<b>4,610,400</b>
<b>GRAND TOTAL—</b>						
India . . . . Rx.	18,120,112	17,261,343	20,362,539	18,083,800	17,565,200	16,912,300
England . . . . £	4,135,794	4,211,135	4,244,227	4,409,300	4,324,100	4,493,100
Exchange . . . . Rx.	3,142,251	2,782,860	2,390,008	2,502,800	2,162,000	2,353,500
<b>TOTAL</b> ..	<b>25,398,157</b>	<b>24,255,338</b>	<b>26,996,774</b>	<b>25,055,900</b>	<b>24,051,300</b>	<b>23,758,900</b>
<i>Less—Receipts</i> ..	<i>978,011</i>	<i>953,330</i>	<i>881,864</i>	<i>909,900</i>	<i>924,800</i>	<i>919,300</i>
<b>Net</b> ..	<b>24,420,146</b>	<b>23,302,008</b>	<b>26,114,910</b>	<b>24,146,000</b>	<b>23,126,500</b>	<b>22,839,600</b>

192. The variations in the above figures have been explained in paragraphs 118, 120, 121, 138, 154, and 155 above.



### Section V.—Capital Expenditure on Public Works not charged against Revenue.

193. In paragraph 177 of the Financial Statement for March 1898 the programme sanctioned by the Secretary of State for the construction of Railways in India during the three years 1896-97 and 1897-98 and 1898-99, which involved the expenditure of 29 $\frac{2}{3}$  crores of rupees, was referred to and explained.

The year 1898-99 being the last of the three years to which the programme of 29 $\frac{2}{3}$  crores applied, it was considered necessary to prepare a new programme of Railway Construction for the three years from 1899-1900 to 1901-2. The large Cash Balances in the Indian Treasuries, which justified the policy of extending Railway Construction which was adopted in 1895-96, have now been exhausted. The new estimate of expenditure has accordingly been framed at a moderate figure, and a programme for the next three years working up to Rx. 20,322,100 has been sanctioned by the Secretary of State. In consequence, however, of the heavy lapse on the grant for 1898-99, amounting to Rx. 2,401,400, much of which is due to short outlay in England consequent on the engineering strikes and the failure of contractors to complete orders placed with them for stores, it has been decided, with the concurrence of the Secretary of State, to add a sum of Rx. 1,060,000, representing a portion of this lapse, to the grant for 1899-1900. A further addition of Rx. 1,090,000 has since been provisionally sanctioned under certain conditions, subject to the Secretary of State's approval. This new programme includes all Railway Construction for which Government undertakes any responsibility or gives any guarantee, and includes therefore, in addition to the classes of outlay provided for in the earlier programme, (1) the Capital expenditure of the three old Guaranteed Companies, and (2) outlay on branch lines of Railway incurred by Private Companies on firm guarantee by Government. The details of the new programme may be compared as follows with the corresponding expenditure in the three years ending with 1898-99:—

	1896-97. Actuals.	1897-98. Actuals.	1898-99. Revised.	Total.	1899-1900.	1900-1.	1901-2.	Total.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
<b>I.—State Lines—</b>								
(i) Managed by the State.	3,705,834	2,354,102	2,379,500	8,439,436	1,829,000	1,747,200	1,673,000	5,249,200
(ii) Managed by Companies.	1,973,841	2,258,587	2,771,900	7,004,328	2,876,000	2,552,000	2,755,500	7,183,500
<b>II.—Lines of three old Guaranteed Companies.</b>	285,348	437,819	851,600	1,574,767	1,107,800	550,000	471,400	2,129,200
<b>III.—Lines of other Guaranteed or Assisted Companies.</b>	2,979,194	3,526,515	2,937,300	9,443,009	2,841,900	1,820,000	1,921,100	6,583,000
<b>IV.—Branch Lines on firm guarantee.</b>	1,008	124,251	218,000	343,259	168,000	59,200	...	227,200
<b>TOTAL</b>	8,945,225	8,701,274	9,158,300	26,804,799	8,822,700	6,728,400	6,821,000	21,372,100

194. The Budget Estimate of 1898-99 provided for an expenditure of Rx. 13,051,300 on Railways, Irrigation Works, and Miscellaneous Public Improvements, including Rx. 1,129,900 on account of expenditure under the head of Open Line Capital by the three old Guaranteed Companies and Rx. 334,500

for Branch Lines with a firm guarantee. The total sum was distributed as follows :—

	Rx.
34.—Construction of Protective Railways . . . . .	668,300
48.—State Railways—Construction . . . . .	4,951,300
49.—Irrigation . . . . .	750,000
50.—Miscellaneous Public Improvements . . . . .	48,000
Capital of Indian Railway Companies . . . . .	3,475,000
Guaranteed Railways—Open Lines . . . . .	1,129,900
"          "      Extensions . . . . .	750,000
Branch Line Companies . . . . .	334,500
East Indian Railway Company's Debentures . . . . .	944,300
<b>TOTAL</b> . . . . .	<u>13,051,300</u>

195. During the course of the year it became apparent that, owing to the late arrival of English stores consequent on the engineering strikes in England and other causes, it would be impossible to work up to the amount of the Budget Estimate. It was also decided that expenditure on the jetties at Chittagong should not be treated as Miscellaneous Public Improvements not charged to Revenue, but should form a part of the expenditure under "48.—State Railways—Construction," the necessary adjustment in regard to previous expenditure being duly carried out. The Revised Estimates for Capital expenditure on Railways and Irrigation Works during 1898-99 have accordingly been prepared as under :—

	Rx.
34.—Construction of Protective Railways . . . . .	695,400
48.—State Railways—Construction . . . . .	2,882,200
49.—Irrigation . . . . .	692,200
Capital Account of Indian Railway Companies . . . . .	2,937,300
Guaranteed Railways—Open Lines . . . . .	552,800
"          "      Extensions . . . . .	298,800
Branch Line Companies . . . . .	218,000
East Indian Railway Company's Debentures . . . . .	1,573,800
<b>TOTAL</b> . . . . .	<u>9,850,500</u>

or for a sum less by Rx. 3,200,800 than the amount of the Budget Estimate.

In addition to the above sum, the Branch Line Companies not in receipt of a firm guarantee and the Companies whose accounts are outside the Government accounts are expected to spend during the year Rx. 1,470,100 as under :—

Branch Line Companies—

	Rx.
Ahmedabad-Parantij . . . . .	600
Mymensingh-Jamalpur . . . . .	70,000
South Behar . . . . .	204,000
Tapti Valley . . . . .	650,000
	<u>924,600</u>

Outside the Government Accounts—

Bengal and North-Western Railway Extensions . . . . .	445,000
Segowlie-Raksaul . . . . .	20,500
Nilgiri . . . . .	40,000
Bengal Dooars Extensions . . . . .	40,000
	<u>545,500</u>

Thus making a total of Rx. 11,320,600 for all Railways and Irrigation Works in India.

196. In Despatch No. 351 (Financial), dated 10th November 1898, from the Government of India, to the Secretary of State, it was proposed to incur expenditure to the extent of Rx. 20,322,100 on the construction of Railways during the three years 1899-1900 to 1901-2, distributed as under :—

	Rx.
1899-1900 . . . . .	6,772,700
1900-1 . . . . .	6,728,400
1901-2 . . . . .	6,821,000
	<hr/>
TOTAL . . . . .	20,322,100
	<hr/> <hr/>

The Secretary of State's approval to this forecast was conveyed in his telegram dated 10th January 1899.

197. The programme of proposed expenditure during 1899-1900 provides for a sum of Rx. 6,772,700. The reasons for the heavy lapse on the grant for 1898-99, amounting to Rx. 2,401,400, have already been stated in paragraph 193 above, and it has been explained that a sum of Rx. 2,150,000 has been added to the grant for 1899-1900. With this addition the total amount available for expenditure on construction of Railways will stand at Rx. 8,922,700. From this figure, however, it will be necessary to deduct a sum of Rx. 100,000 on account of the Capital cost of the Umaria Colliery which will be transferred to the Rewa Durbar with effect from 1st April 1899. The net amount entered in the Estimates for construction of Railways therefore stands at Rx. 8,822,700.

This sum has been distributed for expenditure on Railways as under :—

	Rx.
34.—Construction of Protective Railways . . . . .	490,000
48.—State Railways—Construction . . . . .	3,465,000
Capital of Indian Railway Companies . . . . .	2,841,900
Branch Line Companies . . . . .	168,000
Guaranteed Railways and Extensions . . . . .	1,107,800
East Indian Railway Company's Debentures . . . . .	750,000
	<hr/>
Total amount available . . . . .	8,822,700
	<hr/> <hr/>

In addition to the above, further Capital expenditure will also be incurred in 1899-1900 by Branch Line Companies not in receipt of a firm guarantee, and other Companies whose accounts are outside the Government accounts, to the extent of Rx. 950,300 as under :—

	Rx.
Branch Line Companies—	
Ahmedabad-Parantij . . . . .	2,100
Mymensingh-Jamalpur . . . . .	60,000
South Behar . . . . .	77,500
Tapti Valley . . . . .	230,000
	<hr/>
TOTAL . . . . .	369,600
	<hr/> <hr/>
Outside the Government Accounts—	
Bengal and North-Western Railway Extensions . . . . .	365,000
Segowli-Raksaul . . . . .	10,700
Nilgiri . . . . .	5,000
Bengal Dooars Extensions . . . . .	200,000
	<hr/>
TOTAL . . . . .	580,700
	<hr/> <hr/>

The provision for Irrigation Works amounts to Rx. 850,000.

The total Capital expenditure on Railways and Irrigation Works in 1899-1900 accordingly amounts to Rx. 10,623,000.

#### 48.—State Railways—Construction.

198. The Budget grant for 1897-98 amounted to Rx. 5,838,600 as under:—

	Rx.
Total provision in Forecast . . . . .	10,130,000
	Rx.
<i>Deduct</i> —Capital of Indian Railway Companies (Rx. 3,710,000 less Rx. 1,200,000 for East Indian Railway) . . . . .	2,510,000
Provision for Burma Railways . . . . .	1,000,000
Additional provision for expenditure in England on the Assam-Bengal Railway (Rx. 199,300—Rx. 80,000) . . . . .	119,300
	3,629,300
	6,500,700
<i>Deduct</i> —Amount provided for East Indian Railway from debentures raised by Company . . . . .	662,100
	5,838,600
Grant available . . . . .	5,838,600

The whole amount was shown under the head 48.—State Railways—Construction.

The Revised Estimate provided for a total expenditure of Rx. 3,903,400 under the same head, against which the actual expenditure incurred amounted to Rx. 3,632,005, thus falling short of the Revised Estimate by Rx. 271,395 and of the Budget provision by Rx. 2,206,595.

199. The amounts provided for Railway Construction this year and next are—Revised Estimate, 1898-99, Rx. 5,151,400, and Budget Estimate, 1899-1900, Rx. 4,705,000. These figures include provision to the extent of Rx. 695,400 and Rx. 490,000, respectively, under the head 34.—Construction of Protective Railways. The distribution of the above totals is given in paragraph 28 of this Statement.

200. The distribution of the total expenditure on Railway Construction through State and Companies' agency in each of the three years from 1897-98 to 1899-1900, as given in paragraph 193, is as follows:—

	1897-98, Accounts.	1898-99, Revised.	1899-1900, Budget.
<i>Expenditure in England.</i>			
1. State Lines . . . . .	809,010	788,000	681,000
2. Old Guaranteed Railways . . . . .	761,182	937,600	818,800
3. Extensions of ditto . . . . .	763	86,300	130,900
4. Other Guaranteed or Assisted Railways . . . . .	748,921	756,800	996,000
TOTAL . £	2,319,876	2,568,700	2,626,700

	1897-98, Accounts.	1898-99, Revised.	1899-1900, Budget.
<i>Exchange on Expenditure in England.</i>			
1. State Lines . . . . .	455,570	394,000	356,700
2. Old Guaranteed Railways at contract rate . . . . .	69,198	85,200	74,500
3. Extensions of ditto at average rates . . . . .	466	44,000	68,200
4. Other Guaranteed or Assisted Railways at contract rates . . . . .	462,842	394,100	517,700
<b>TOTAL . Rx.</b>	<b>988,076</b>	<b>917,300</b>	<b>1,017,100</b>
<i>Expenditure in India.</i>			
1. State Lines . . . . . Rx.	3,348,109	3,969,400	3,667,300
2. Old Guaranteed Railways (net repayments) . . . . . Rx.	—398,838	—470,000	—349,300
3. Extensions of ditto . . . . . Rx.	5,048	168,500	364,700
4. Other Guaranteed or Assisted Railways . . . . . Rx.	2,314,752	1,786,400	1,328,200
5. Branch Lines on firm guarantee . . . . . Rx.	124,251	218,000	168,000
<b>TOTAL INDIA .</b>	<b>5,393,322</b>	<b>5,672,300</b>	<b>5,178,900</b>
<b>TOTAL OF PROGRAMME .</b>	<b>8,701,274</b>	<b>9,158,300</b>	<b>8,822,700</b>
To the above should be added the following amounts on account of expenditure on other Companies' lines and expenditure on Railway Construction from Provincial Revenues:—			
Other Branch Lines . . . . .	563,685	924,600	369,600
Railways outside of Government accounts . . . . .	903,550	545,500	580,700
Provincial State Lines . . . . .	3,792	4,200	3,600
<b>GRAND TOTAL .</b>	<b>10,172,301</b>	<b>10,632,600</b>	<b>9,776,600</b>

49.—Irrigation—Construction.

201. The figures are:—

Accounts, 1897-98.	Budget, 1898-99.	Revised, 1898-99.	Budget, 1899-1900.
Rx.	Rx.	Rx.	Rx.
692,431	750,000	692,200	850,000

The expenditure during the current year is likely to fall short of the Budget Estimate by Rx. 57,800 owing chiefly to delay in starting work on the Jhelum Canal. In order to meet the heavy demands for expenditure on this and other projects, the Budget grant for 1899-1900 has been fixed at Rx. 850,000.

50.—Miscellaneous Public Improvements.

Accounts, 897-98.	Budget, 1898-99.	Revised, 1898-99.
Rx.	Rx.	Rx.
4,105	48,000	—4,100

202. As was explained in paragraph 185 of the Financial Statement of March 1898, this head was opened in the Accounts of 1897-98 to record the expenditure on the construction of certain jetties and landing-sheds at Chittagong in connection with the Assam-Bengal Railway. It has now been decided to classify this expenditure under the head "48.—Railways—Construction," and the expenditure of Rx. 4,105 recorded in 1897-98 has accordingly been written back in 1898-99.

### Section VI.—Ways and Means.

#### HOME TREASURY.

203. The following table sets out the transactions of the Home Treasury as they appear in the Budget and Revised Estimate for 1898-99 and in the Budget for the coming year :—

	Budget, 1898-99.	Revised, 1898-99.	Budget, 1899-1900.
<b>RECEIPTS.</b>			
	£	£	£
Council Bills . . . . .	16,000,000	19,000,000	17,000,000
Permanent Debt incurred . . . . .	6,000,000	5,297,700	...
Temporary Debt incurred . . . . .	6,000,000	4,500,000	4,500,000
Capital Receipts from Railway Companies— for discharge of debt . . . . .	1,491,600	805,500	1,248,600
„ expenditure . . . . .	1,676,000	1,226,300	1,473,000
Deposits and Advances, net . . . . .	...	200	...
<i>Add—Opening Balance</i> . . . . .	2,168,254	2,534,244	4,304,444
<b>TOTAL</b> . . . . .	<b>33,335,854</b>	<b>33,363,944</b>	<b>28,526,044</b>
<b>OUTGOINGS.</b>			
Excess of Expenditure over Revenue . . . . .	16,286,500	16,091,200	16,324,500
Expenditure not charged to Revenue . . . . .	1,119,900	791,100	682,100
Permanent Debt discharged . . . . .	3,384,700	3,384,900	...
Temporary Debt . . . . .	6,000,000	6,000,000	4,500,000
Issues to Railway "Companies on Capital Account— for discharge of debt . . . . .	1,491,600	805,500	1,248,600
„ expenditure . . . . .	2,316,500	1,823,900	1,948,700
Remittances from India, net— (a) Railway Companies' Remittances . . . . .	302,500	—62,700	736,000
(b) Family and other Remittances . . . . .	191,300	225,600	268,800
<i>Add—Closing Balance</i> . . . . .	2,242,854	4,304,444	2,817,344
<b>TOTAL</b> . . . . .	<b>33,335,854</b>	<b>33,363,944</b>	<b>28,526,044</b>

204. In the Budget Estimate of 1898-99 the net disbursements of the Home Treasury, excluding Loans and Council Bills, were taken at £18,540,700. The intention then was to provide £16,000,000 of this by the sale of Bills on India, and to meet the balance, £2,540,700, by raising Sterling loans in England. According to the Revised Estimates the net disbursements, apart from the discount on the loan raised during the year by means of  $2\frac{1}{2}$  per cent India Stock, will be £17,642,600, so that if the sales of Council Bills had been restricted to £16,000,000, loan funds would have had to meet only £1,642,600, instead of £2,540,700 as originally contemplated. But the new loan of the year was

raised at a heavy discount, amounting to £702,300, on a total debt of £6,000,000; while, on the other hand, the Secretary of State has taken advantage of the improvement in the cash balances in India and of the favourable prospects of the season to raise his drawings in 1898-99 to £19,000,000. The larger balances thus made available have enabled the Secretary of State to reduce temporary borrowing on India Bills from £6,000,000 to £4,500,000, and the cash balance of the Home Treasury at the end of the year is now expected to exceed the opening balance by £1,770,200. Although, for the reasons explained above, the sale of Bills on India to the extent of £18,000,000 only would have been more than sufficient to cover the net disbursements of the Home Treasury in 1898-99, the Secretary of State has drawn a million in excess of this sum with the object of fully meeting the large mercantile demand for remittance arising from the brisk trade of the year. The drawings of 1899-1900 will be reduced by a corresponding amount.

205. In accordance with the intention announced in paragraph 194 of the last Financial Statement, India Stock for £6,000,000 was issued in July 1898. The new stock was issued at  $2\frac{1}{2}$  per cent: but owing to the unfavourable state of the money market at the time, the loan was taken up at the heavy discount of £11 9s. 7d. per cent. The total amount tendered was £22,385,300, and the minimum rate of accepted tenders was £88 5s. 6d. It is usual, when the amount of discount on a new loan is moderate, to charge off the whole amount against the Revenues of the year in which the loan is raised; but as in the present case the discount comes to the large sum of £702,300, it has been decided, in accordance with an arrangement sanctioned in 1886, to create a Sinking Fund for its discharge by annual payments for 50 years at an interest of  $2\frac{1}{2}$  per cent per annum. Accordingly, the money actually raised by the loan, namely, £5,297,700, is shown in the table in paragraph 203 as a receipt on account of the loan, and the annual payment to the Sinking Fund, amounting to about £7,000, is, as already explained in paragraph 121, shown as expenditure.

1898-99.  
Sterling Loans.

In accordance with the programme settled at the beginning of the year, 384,700l. of Oudh and Rohilkhand Railway 4 per cent Debenture Stock was discharged on the 6th May 1898, and 3,000,000l. India Debentures bearing interest at  $3\frac{1}{4}$  per cent were also discharged on their expiry on 16th August 1898.

206. In March last it was intended to raise 6,000,000l. in 1898-99 by means of India Bills so as to replace an equivalent amount falling due in the year; but in consequence of the larger amount received for Bills of Exchange on India only 4,500,000l. of temporary debt had to be replaced, and the remainder was discharged by a reduction in the cash balances. Of the 4,500,000l. India Bills issued during the year, 2,500,000l. were issued in May 1898 and 2,000,000l. in September, both issues being for twelve months. The results of the loans were as follows:—

1898-99.  
Temporary Debt.

Month of Issue.	Amount tendered.	Amount accepted.	Average rate of interest per cent per annum.
	£	£	£ s. d.
May 1898 . . . . .	18,809,000	2,500,000	2 2 6
September 1898 . . . . .	7,175,000	2,000,000	2 12 0

207. The net issues to Railway Companies in England in 1898-99 are now estimated to be 597,600l. against 640,500l. entered in the Budget Estimate, showing a reduction of 42,900l. only. The following are the usual details:—

Capital of Railway Companies.

	Budget.	Revised.
	£	£
RECEIPTS.		
Subscribed Capital—		
(a) State Lines . . . . .	1,335,100	1,151,800
(b) Guaranteed Lines . . . . .	1,829,500	836,800
Miscellaneous . . . . .	3,000	43,200
TOTAL . . . . .	3,167,600	2,031,800

ISSUES.	Budget. £	Revised. £
For discharge of Debentures—		
(a) State Railways . . . . .	835,100	600,000
(b) Guaranteed Lines . . . . .	656,500	205,500
For Stores, Establishment Charges, etc.—		
(a) State Railways . . . . .	865,300	759,700
(b) Guaranteed Lines . . . . .	1,451,200	1,064,200
TOTAL . . . . .	3,808,100	2,629,400

Debentures of the Rohilkhand-Kumaon, Southern Mahratta, Madras, and Bombay, Baroda and Central India Railway Companies, aggregating £686,100, were renewed instead of being replaced by fresh Capital as was contemplated in the Budget programme. The Capital receipts from the Bombay, Baroda and Central India, the Great Indian Peninsula Railway, and the Madras Railway were less by 541,700*l.* than the original estimate. On the other hand, the Indian Midland and Bengal-Nagpur Railways raised 51,800*l.* more, making the net decrease in the amounts of new Capital 1,176,000*l.* as shown above. The item "Miscellaneous" includes 37,490*l.* received from the Bombay, Baroda and Central India Railway Company as contribution from the Fire Insurance Fund towards the cost of renewing Warren girders.

The estimates of the demands of the Companies for stores, establishment charges, etc., have proved too high except in the case of the Bengal Central, the Bengal-Nagpur, and the Burma Railways.

208. The following are the details of the remittance transactions of Railway Companies working State lines in India, to which advances of funds are made in England for the purchase of stores, etc., against adjustment in India by debit to the Railway Accounts :—

	Budget. £	Revised. £
Advances for purchase of Stores—		
East Indian Railway . . . . .	700,000	714,400
Rajputana-Malwa . . . . .	65,000	70,600
South Indian Railway . . . . .	65,000	47,300
Bengal and North-Western Railway . . . . .	75,000	107,000
	905,000	939,300
East Indian Railway Debentures . . . . .	600,000	1,000,000
Transfer Fees, etc. . . . .	2,500	2,000
	602,500	1,002,000
Net Remittance from India . . . . .	302,500	—62,700

The East Indian Railway has been authorised to raise 1,000,000*l.* instead of 600,000*l.* entered in the Budget Estimate, and the advances for purchase of stores are now expected to be largely in excess of the original estimates furnished by the several Companies.

*Family and other Remittances.*

209. The increase in the net payments on account of family and other remittances of £34,300 is the result of a number of large differences. The demands for Railway stores required by Native States have greatly exceeded the estimates sent from India, and the Revised Estimates also include 10,000*l.* estimated to be refunded to the Imperial Government in settlement of the expenses attending the employment of Native Indian Troops at Suakin. On the other hand, the repayments by Her Majesty's Government of expenses attending the employment of Indian Native Troops sent to Mombassa are expected to exceed the original estimate by 24,600*l.*



210. The net disbursements at the Home Treasury in 1899-1900, excluding Loans and Council Bills, are estimated at £18,487,100 against £18,540,700 in the Budget Estimate of 1898-99. As already stated in paragraph 204, the Secretary of State's present estimate of the drawings in 1898-99 will produce a large increase in his cash balances during the year, and this increase will be drawn upon to a considerable extent to meet the requirements of 1899-1900. It is therefore the present intention of the Secretary of State to draw during 1899-1900 £17,000,000 by Bills on India. 1899-1900.  
Home Treasury.  
Ways and Means.

No increase in the Sterling debt in 1899-1900 is contemplated at present; nor is it proposed to issue any India Stock in the year; but India Bills falling due in 1899-1900 will be covered by fresh issues of a corresponding amount.

According to the programme now announced, the net disbursements of the Home Treasury will be met, in the year 1899-1900, by the sale of Bills on India to the amount of £17,000,000 and by a reduction in the cash balances of £1,487,100.

211. It should be understood that in stating the present intentions of the Secretary of State no sort of pledge is given that he will adhere to the programme.

INDIA.

212. The following is a summary of the Estimate of Ways and Means in India:—

	1898-99.		1899-1900..
	Budget.	Revised.	Budget.
RECEIPTS.	Rx.	Rx.	Rx.
1. Excess of Revenue over the Expenditure charged against it . . . . .	26,298,400	28,196,200	28,808,000
2. Rupee Loan . . . . .	3,000,000	1,200,000	...
3. Increase of Unfunded Debt, mostly Savings Bank Deposits, net . . . . .	538,800	291,600	521,900
4. Other items, net . . . . .	—86,700	1,122,500	844,500
5. Remittances to Secretary of State, net— (a) Railway Companies' Remittances . . . . .	302,500	—62,700	736,000
(b) Other Remittances . . . . .	244,300	230,800	222,100
Add—Opening Balance . . . . .	16,722,352	15,982,443	17,072,043
<b>TOTAL</b> . . . . .	<b>47,019,652</b>	<b>46,960,843</b>	<b>48,204,543</b>
OUTGOINGS.			
6. Excess Expenditure charged to Provincial Balances . . . . .	116,800	—1,417,900	924,700
7. Expenditure not charged to Revenue . . . . .	4,002,300	2,383,700	3,275,600
8. Rupee Debt discharged . . . . .	325,000	245,200	190,000
9. Loans to Municipalities, etc., net . . . . .	—62,200	—262,500	248,800
10. Issues on Capital Account to Railway Companies, net . . . . .	1,468,800	873,300	781,300
11. Council Bills—Sterling Amount . . . . .	16,014,500	18,695,200	17,152,100
Exchange . . . . .	8,945,500	9,371,800	8,952,600
Add—Closing Balance . . . . .	16,208,952	17,072,043	16,679,443
<b>TOTAL</b> . . . . .	<b>47,019,652</b>	<b>46,960,843</b>	<b>48,204,543</b>

The headings in italics are connected with, and explained by, the corresponding figures of the Secretary of State's account in England. The others refer to purely Indian transactions.

1898-99.  
General Summary.

213. The excess of revenue in India over the expenditure charged against it was taken in the Budget Estimate of 1898-99 at Rx. 26,298,400, and it was assumed that it would be possible to pay Rx. 24,960,000 on account of Council Bills during the year with the help of a rupee loan of Rx. 3,000,000 and with a reduction in the cash balances of Rx. 513,400. The early cessation of warlike operations on the frontier, the partial failure of the opium crop which reduced the payments to cultivators, and a satisfactory improvement in Railway and other revenues so far improved the cash balances as to enable Government to reduce the rupee loan of the year to Rx. 1,200,000 without curtailing the drawings of the Secretary of State in the early part of the year. As the year advanced, a steady increase of the revenue and large lapses in the grants for Capital expenditure added constantly to the balances and rendered it possible to meet without difficulty payments for Council Bills considerably in excess of the Budget Estimate. It is now estimated that the revenue in excess of expenditure will amount to Rx. 28,196,200; that the balances of Provincial Governments and Local Funds will be increased by Rx. 1,417,900 instead of being reduced by Rx. 116,800 as anticipated in the Budget; and that the Capital expenditure of Government not charged to Revenue will be Rx. 1,618,600 less than the original estimate. The net result of these and other variations is that in spite of the proposed rupee loan having been reduced by Rx. 1,800,000, Rx. 28,067,000 will be paid on account of Council Bills, and the year will close with a cash balance of Rx. 17,072,043, being Rx. 1,089,600 in excess of the opening balance of the year.

Rupee Loan of  
1898-99.

214. It was announced in paragraph 200 of the last Financial Statement that a new loan of Rx. 3,000,000 would be raised in India in 1898-99. But owing to the scarcity of loanable Capital, due partly to famine and plague and partly to the Exchange Banks having remitted their surplus balances to England, the prospects of raising such a large amount in the Indian market were unfavourable. As a review of the Ways and Means in June 1898 showed that owing to a general improvement in revenue prospects a loan of Rx. 1,200,000 might be sufficient, it was decided to borrow that amount only. The state of the market made it impossible to attempt a 3 per cent loan, and the loan was therefore raised at  $3\frac{1}{2}$  per cent as in 1897-98.

The loan of Rx. 1,200,000 was issued on 30th July 1898, and tenders for it were received on 24th August 1898. The unfavourable state of the money market affected the result, and the loan was raised at a discount of  $5-3\frac{1}{2}$  annas per cent.

1899-1900.  
Main features.

215. The Revenue Account for 1899-1900 as now made up closes with a surplus of Rx. 3,932,600. The Capital expenditure on Railways and Canals not charged to Revenue must of necessity be provided for either from the surplus revenue, or by reducing the cash balances, or by contracting a loan. In 1899-1900 the requirements for Capital expenditure are:—

	Rx.
(1) Government expenditure in India . . . . .	3,275,600
(2) Government expenditure in England (£ 682,100 converted at $15\frac{1}{2}d.$ the rupee) . . . . .	1,039,400
(3) Net disbursements to Railway Companies in India . . . . .	1,355,600
(4) Net disbursements to Railway Companies in England (£475,700 converted at $15\frac{1}{2}d.$ the rupee) . . . . .	724,900
TOTAL . . . . .	<u>6,395,500</u>

Of the total sum of Rx. 6,395,500 thus required in England and in India for the purpose of Capital expenditure during 1899-1900, £1,487,100 or

Rx. 2,266,100 has already been rendered available in the manner explained in paragraph 210 above by the increase in the Secretary of State's balances resulting from the larger drawings of Council Bills during the current year, and the remainder Rx. 4,129,400 will be more than covered by the surplus revenue estimated at Rx. 3,932,600 and an estimated reduction in the cash balances in India of Rx. 392,600. Accordingly no new rupee loan will be required in India for the purpose of Capital expenditure in 1899-1900.

Apart from the revenue surplus mentioned above, there will be a net receipt on account of Unfunded Debt—chiefly Savings Bank deposits—of Rx. 521,900, and Rx. 603,900 (included in "Other items" in the table in paragraph 212) out of the Famine Insurance Grant of Rx. 1,500,000 will be available for appropriation in reduction of debt. Against these important receipts there will be taken the expenditure of Provincial Governments from accumulated balances (Rx. 924,700), the payments for rupee debt discharged (Rx. 190,000), and the loans by Government (Rx. 248,800). The payments of Council Bills in 1899-1900 as entered in the Estimates will be Rx. 26,104,700 including exchange, or Rx. 1,144,700 more than the corresponding figure in the Budget Estimates of 1898-99.

216. As above stated, no rupee loan in India will be required in 1899-1900, and it is not the present intention of the Government of India to raise any such loan in the year. Full liberty is, however, reserved as usual to alter the programme, as now announced, to any extent that may be considered desirable.

217. The following table gives the details of the transactions of Savings Banks during the last few years and the estimated transactions for 1898-99 and 1899-1900:—

YEAR.	Net additions to deposits, cash.	Interest.	Total addition.
1890-91 . . . . .	250,700	279,700	530,400
1891-92 . . . . .	517,900	306,200	824,100
1892-93 . . . . .	548,900	339,400	888,300
1893-94 . . . . .	179,900	368,000	547,900
1894-95 . . . . .	—84,500	297,000	212,500
1895-96 . . . . .	247,700	338,500	586,200
1896-97 . . . . .	—581,100	346,600	—234,500
1897-98 . . . . .	—657,100	327,000	—330,100
1898-99, Budget . . . . .	156,700	327,500	484,200
1898-99, Revised . . . . .	—90,300	325,700	235,400
1899-1900, Budget . . . . .	126,500	336,600	463,100

218. The Budget Estimate of 1898-99 anticipated a small addition of Rx. 156,700 to the net deposits, but according to the present estimates there will be a net withdrawal of Rx. 90,300 apart from interest. This result is attributed to the low price ruling for Government securities throughout the greater part of the year having encouraged small investors to withdraw their money from Savings Banks and buy Government paper. The price of  $3\frac{1}{2}$  per cent Government securities is now above par, and in preparing the Budget Estimates for 1899-1900 allowance has been made for a small addition to the net deposits of Rx. 126,500.

219. The transactions during the year 1898-99 under the head of Loans by Government are now expected to result in a net receipt of Rx. 262,500 against Rx. 62,200 entered in the Budget Estimate, an increase in the receipts of Rx. 200,300. This increase is made up of an increase in the recoveries of Rx. 174,400 and a decrease in the advances of Rx. 25,900. As is usually the case, the allotments asked for by Provincial Governments on behalf of local

*Loans by Government for local purposes.*

authorities could not be fully utilised by reason of delays in maturing the schemes of improvement for which the loans were required. The amounts so lapsing are largest in the North-Western Provinces and Oudh.

The recoveries were also larger than the original estimates, chiefly in the Central Provinces and the North-Western Provinces.

Provision has been made in the Budget Estimate of 1899-1900 for net issues on account of loans to the extent of Rx. 248,800 made up of allotments of advances aggregating Rx. 989,600 and recoveries of past loans, Rx. 740,800. The following are the figures of gross recoveries and issues for the six years ending 1899-1900:—

	Issues.	Recoveries.
1894-95 . . . . .	686,806	512,267
1895-96 . . . . .	744,789	506,246
1896-97 . . . . .	1,337,194	542,638
1897-98 . . . . .	1,466,739	958,153
1898-99, Revised . . . . .	771,700	1,034,200
1899-1900, Budget . . . . .	989,600	740,800

It will be observed that the large issues of the later years of the period have been to a great extent met by large recoveries which in their turn were rendered possible by the liberal scale on which certain classes of loans were given in years of scarcity. The estimates for next year include a large provision for loans to agriculturists and cultivators in the Punjab required partly for the relief of distress apprehended in the Hissar District, but chiefly in connection with the Chenab Canal Colonisation Project from which a substantial increase of revenue is expected. Allowance has been made for plague loans as far as they can be foreseen at present. A sum of Rx. 100,000 representing the Capital cost of the Umaria Colliery is also included in the figures as a loan to the Rewa Durbar. The Colliery will be transferred to the Durbar with effect from 1st April 1899, and pending recovery of the cost the amount is written off the Capital Account of Railways by transfer to the Loan Account.

Cash Balance. 220. The year 1899-1900 is estimated to close with a cash balance in the Indian Treasuries of Rx. 16,679,443, which is less than the opening balance of the year by Rx. 392,600.

J. WESTLAND.

CALCUTTA;  
March 20, 1899.

APPENDIX I.

ACCOUNTS AND ESTIMATES.

Accounts . . . . .	1897-98
Revised Estimates . . . . .	1898-99
Budget Estimates . . . . .	1899-1900

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*General Statement of the Accounts and Estimates of the Revenue  
India, in India*

	For details, vide Statement.	RECEIPTS.			
		ACCOUNTS, 1897-98.	BUDGET ESTIMATE, 1898-99.	REVISED ESTIMATE, 1898-99.	BUDGET ESTIMATE, 1899-1900.
<b>Revenue—</b>					
<b>Principal Heads of Revenue—</b>					
Land Revenue . . . . .	A	25,683,642	27,568,200	27,679,400	27,641,900
Opium . . . . .	"	5,179,772	5,329,800	5,679,400	6,003,700
Salt . . . . .	"	8,594,225	8,728,000	9,047,200	8,757,200
Stamps . . . . .	"	4,837,043	4,855,900	4,839,900	4,897,100
Excise . . . . .	"	5,489,454	5,717,300	5,731,000	5,778,200
Customs . . . . .	"	4,641,295	4,590,500	4,898,400	4,648,700
Other Heads . . . . .	"	8,728,842	8,870,100	9,113,500	9,090,400
<b>TOTAL PRINCIPAL HEADS Rx.</b>	...	<b>63,154,273</b>	<b>65,659,800</b>	<b>66,989,200</b>	<b>66,817,200</b>
Interest . . . . .	A	872,241	929,800	970,100	928,900
Post Office, Telegraph, and Mint . . . . .	"	3,370,548	3,203,900	3,054,400	3,065,200
Receipts by Civil Departments . . . . .	"	1,723,511	1,733,000	1,748,400	1,775,500
Miscellaneous . . . . .	"	940,994	918,600	934,700	854,500
Railways . . . . .	"	21,260,886	21,823,600	22,736,400	23,460,900
Irrigation . . . . .	"	3,569,864	3,228,100	3,461,700	3,451,100
Buildings and Roads . . . . .	"	667,823	678,700	696,400	688,900
Receipts by Military Department . . . . .	"	881,864	909,900	924,800	919,300
<b>TOTAL REVENUE Rx.</b>	...	<b>96,442,004</b>	<b>99,085,400</b>	<b>101,566,100</b>	<b>101,951,500</b>
<b>Debt, Deposits, and Advances—</b>					
Permanent Debt (net Incurred) . . . . .	C	6,077,779	5,290,300	2,867,600	...
Temporary Debt (net Incurred) . . . . .	"	5,000,000	...	...	...
Unfunded Debt (net Incurred) . . . . .	"	...	538,800	291,600	521,900
Deposits and Advances (net) . . . . .	"	2,944,660	598,600	869,900	...
Loans and Advances by Imperial Government (net Repayments) . . . . .	"	44,963	91,300	40,000	...
Loans and Advances by Provincial Governments (net Repayments) . . . . .	"	...	...	222,500	...
Remittances (net) . . . . .	"	...	53,000	745,200	...
Secretary of State's Bills drawn . . . . .	"	9,506,077	16,000,000	19,000,000	17,000,000
<b>TOTAL RECEIPTS</b>	...	<b>120,015,483</b>	<b>121,657,400</b>	<b>125,602,900</b>	<b>119,483,400</b>
Balance on 1st April—India . Rx.	...	13,873,752	16,722,352	15,982,443	17,072,043
England . £	...	2,832,354	2,168,254	2,534,244	4,304,444
<b>GRAND TOTAL</b>	...	<b>136,721,589</b>	<b>140,548,006</b>	<b>144,119,587</b>	<b>140,859,887</b>

*and Expenditure and Receipts and Disbursements of the Government of and in England.*

	For details, vide Statement.	DISBURSEMENTS.			
		ACCOUNTS, 1897-98.	BUDGET ESTIMATE, 1898-99.	REVISED ESTIMATE, 1898-99.	BUDGET ESTIMATE, 1899-1900.
<b>Expenditure—</b>					
Direct Demands on the Revenues . . . . .	B	10,816,813	11,210,900	10,712,300	11,353,600
Interest . . . . .	"	3,472,260	3,378,600	3,076,800	3,014,200
Post Office, Telegraph, and Mint . . . . .	"	2,869,525	2,932,000	2,890,900	2,984,400
Salaries and Expenses of Civil Departments . . . . .	"	15,739,547	15,694,800	15,715,900	16,383,100
Miscellaneous Civil Charges . . . . .	"	5,716,826	5,777,600	5,774,200	5,843,500
Famine Relief and Insurance . . . . .	"	5,363,125	1,099,200	1,176,100	1,129,600
Construction of Railways (charged against Revenue in addition to that under Famine Insurance) . . . . .	"	3,792	5,800	4,200	3,600
Railway Revenue Account . . . . .	"	22,693,502	23,921,400	23,614,500	24,341,500
Irrigation . . . . .	"	3,144,085	3,213,100	3,222,100	3,334,800
Buildings and Roads . . . . .	"	5,418,936	6,021,500	5,842,100	6,806,400
Army Services . . . . .	"	26,996,774	25,055,900	24,051,300	23,758,900
Special Defence Works . . . . .	"	23,708	...	8,400	...
<b>TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL Rx.</b> . . . . .	...	102,258,893	98,310,800	96,088,800	98,953,600
<i>Add—</i> Provincial Surpluses: that is, portion of Allotments to Provincial Governments not spent by them in the year . . . . .	End of B	203,232	137,500	1,419,900	...
<i>Deduct—</i> Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial balances . . . . .	"	660,910	254,300	2,000	924,700
<b>TOTAL EXPENDITURE CHARGED AGAINST REVENUE Rx.</b> . . . . .	...	101,801,215	98,194,000	97,506,700	98,028,900
<b>Expenditure not charged to Revenue—</b>					
Capital Outlay on Railways and Irrigation Works Rx.	End of B	4,328,541	5,749,300	3,570,300	4,315,000
<b>Debt, Deposits, and Advances—</b>					
Permanent Debt (net Discharged) . . . . .	C	...	...	...	190,000
Temporary Debt (net Discharged) . . . . .	"	...	...	1,500,000	...
Unfunded Debt (net Discharged) . . . . .	"	308,186	...	...	...
Deposits and Advances (net) . . . . .	"	...	...	...	121,600
Loans and Advances by Imperial Government (net Advances) . . . . .	"	...	...	...	11,800
Loans and Advances by Provincial Governments (net Advances) . . . . .	"	553,549	29,100	...	237,000
Capital of Railway Companies (net Payments) . . . . .	"	1,406,837	2,109,300	1,470,900	1,257,000
Remittances (net) . . . . .	"	333,829	...	...	46,700
Secretary of State's Bills paid . . . . .	"	9,472,745	16,014,500	18,695,200	17,152,100
<b>TOTAL DISBURSEMENTS</b> . . . . .	...	118,204,902	122,096,200	122,743,100	121,363,100
Balance on 31st March—India . . . . . Rx.	...	15,982,443	16,208,952	17,072,043	16,679,443
England . . . . . £	...	2,534,244	2,242,854	4,304,444	2,817,344
<b>GRAND TOTAL</b> . . . . .	...	136,721,589	140,548,006	144,119,587	140,859,887
Revenue . . . . .		96,442,004	99,085,400	101,566,100	101,961,500
Expenditure chargeable thereon . . . . .		101,801,215	98,194,000	97,506,700	98,028,900
Surplus (+) Deficit (—) . . . . . Rx.		—5,359,211	+891,400	+4,059,400	+3,932,600

A. F. COX,  
Comptroller General.

H. H. RISLEY,  
Offg. Secretary to the Government of India.

## FINANCIAL STATEMENT OF THE

## A.—STATEMENT of the REVENUE of

HEADS OF REVENUE.	ACCOUNTS, 1897-98.					REVISED	
	INDIA.		England.	Exchange.* 15'354d.	TOTAL.	INDIA.	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
<b>Principal Heads of Revenue—</b>	<i>Rx.</i>	<i>Rx.</i>	<i>£</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>
I.—Land Revenue . . . . .	14,526,340	11,157,302	...	...	25,683,642	15,135,000	12,544,400
II.—Opium . . . . .	5,179,772	...	...	...	5,179,772	5,679,400	...
III.—Salt . . . . .	8,581,447	12,778	...	...	8,594,225	8,954,000	93,200
IV.—Stamps . . . . .	1,246,394	3,590,649	...	...	4,837,043	1,240,600	3,599,300
V.—Excise . . . . .	3,717,352	1,772,102	...	...	5,489,454	3,880,900	1,850,100
VI.—Provincial Rates . . . . .	4,547	3,718,743	...	...	3,723,290	4,200	3,947,900
VII.—Customs . . . . .	4,608,681	32,614	...	...	4,641,295	4,859,300	39,100
VIII.—Assessed Taxes . . . . .	1,061,665	833,800	...	...	1,895,465	1,082,100	848,000
IX.—Forest . . . . .	900,630	838,884	...	...	1,739,514	940,600	897,400
X.—Registration . . . . .	244,335	242,209	...	...	486,544	228,000	226,000
XI.—Tributes from Native States . . . . .	884,029	...	...	...	884,029	939,700	...
<b>TOTAL</b>	<b>40,955,192</b>	<b>22,199,081</b>	<b>...</b>	<b>...</b>	<b>63,154,273</b>	<b>42,943,800</b>	<b>24,045,400</b>
<b>XII.—Interest . . . . .</b>	<b>658,712</b>	<b>181,969</b>	<b>20,190</b>	<b>11,370</b>	<b>872,241</b>	<b>705,400</b>	<b>222,700</b>
<b>Post Office, Telegraph, and Mint—</b>							
XIII.—Post Office . . . . .	1,869,217	9,946	...	...	1,879,163	1,885,600	10,600
XIV.—Telegraph . . . . .	1,302,823	...	4,163	2,344	1,309,330	1,070,600	...
XV.—Mint . . . . .	182,044	...	7	4	182,055	76,500	...
<b>TOTAL</b>	<b>3,354,084</b>	<b>9,946</b>	<b>4,170</b>	<b>2,348</b>	<b>3,370,548</b>	<b>3,032,700</b>	<b>10,600</b>
<b>Receipts by Civil Departments—</b>							
XVI.—Law and Justice { Courts . . . . .	5,814	351,099	...	...	356,913	7,500	363,300
{ Jails . . . . .	29,746	276,534	...	...	306,280	29,000	299,100
XVII.—Police . . . . .	1,404	446,926	...	...	448,330	1,300	437,000
XVIII.—Marine . . . . .	47,759	152,965	...	...	200,724	30,800	158,600
XIX.—Education . . . . .	1,623	215,895	...	...	217,518	2,100	220,200
XX.—Medical . . . . .	207	87,467	1,622	913	90,209	200	85,800
XXI.—Scientific and other Minor Departments . . . . .	10,972	92,091	303	171	103,537	10,900	50,800
<b>TOTAL</b>	<b>97,525</b>	<b>1,622,977</b>	<b>1,925</b>	<b>1,084</b>	<b>1,723,511</b>	<b>81,800</b>	<b>1,663,800</b>
<b>Miscellaneous—</b>							
XXII.—Receipts in aid of Superannuation, etc.	150,779	55,516	87,639	49,351	343,285	127,400	52,300
XXIII.—Stationery and Printing . . . . .	31,001	49,002	...	...	80,003	30,300	54,000
XXIV.—Exchange . . . . .	43,970	...	...	...	43,970	54,000	...
XXV.—Miscellaneous . . . . .	143,911	325,247	2,929	1,649	473,736	164,800	344,600
<b>TOTAL</b>	<b>369,661</b>	<b>429,765</b>	<b>90,568</b>	<b>51,000</b>	<b>940,994</b>	<b>376,500</b>	<b>450,900</b>
<b>Railways—</b>							
XXVI.—State Railways (Gross Receipts) . . . . .	18,985,869	58,296	230	130	19,044,525	19,639,000	56,800
XXVII.—Guaranteed Companies (Net Traffic Receipts) . . . . .	2,201,392	...	...	...	2,201,392	2,995,000	...
XXVIII.—Subsidized Companies (Repayment of Advances of Interest) . . . . .	12,990	...	1,266	713	14,969	44,800	...
<b>TOTAL</b>	<b>21,200,251</b>	<b>58,296</b>	<b>1,496</b>	<b>843</b>	<b>21,260,886</b>	<b>22,678,800</b>	<b>56,800</b>
<b>Irrigation—</b>							
XXIX.—Major Works: Direct Receipts . . . . .	1,265,377	1,112,367	...	...	2,377,744	1,551,600	673,600
Portion of Land Revenue due to Irrigation . . . . .	964,738	...	...	...	964,738	929,700	...
XXX.—Minor Works and Navigation . . . . .	57,359	170,023	...	...	227,382	78,900	167,900
<b>TOTAL</b>	<b>2,287,474</b>	<b>1,282,390</b>	<b>...</b>	<b>...</b>	<b>3,569,864</b>	<b>2,620,200</b>	<b>841,500</b>
<b>Buildings and Roads—</b>							
XXXI.—Military Works . . . . .	52,561	...	...	...	52,561	54,200	...
XXXII.—Civil Works . . . . .	10,440	559,631	28,911	16,280	615,262	10,500	586,600
<b>TOTAL</b>	<b>63,001</b>	<b>559,631</b>	<b>28,911</b>	<b>16,280</b>	<b>667,823</b>	<b>64,700</b>	<b>586,600</b>
<b>Receipts by Military Department—</b>							
XXXIII.—Army: Effective . . . . .	647,207	...	31,959	17,997	697,163	699,600	...
Non-effective . . . . .	88,502	...	14,443	8,133	111,078	90,700	...
Warlike operations . . . . .	73,623	...	...	...	73,623	44,900	...
<b>TOTAL</b>	<b>809,332</b>	<b>...</b>	<b>45,402</b>	<b>26,130</b>	<b>881,864</b>	<b>835,200</b>	<b>...</b>
<b>TOTAL REVENUES</b>	<b>69,795,232</b>	<b>26,344,055</b>	<b>193,652</b>	<b>109,055</b>	<b>96,442,004</b>	<b>73,339,100</b>	<b>27,878,300</b>

\* The columns headed "Exchange" show under the several heads of Revenue and Expenditure which include transactions in England Exchange thereon calculated in accordance with the average Rate obtained or estimated to be obtained for Bills and Telegraphic Transfers sold during the year.



INDIA, in India and in England.

ESTIMATE, 1898-99.			Increase + Decrease— of Revised, as compared with Budget Estimates, 1898-99. (Excluding Ex- change.)	BUDGET ESTIMATE, 1899-1900.			Increase + Decrease— of Budget, 1899-1900, as compared with Budget Esti- mates, 1898-99. (Excluding Ex- change.)	Increase + Decrease— of Budget, 1899-1900, as compared with Revised Estimates, 1898-99. (Excluding Ex- change.)		
England.	Exchange.* 16d.	Total.		INDIA.		England.			Exchange* 151d.	Total.
£	Rx.	Rx.	Imperial.	Provincial and Local.	£	Rx.	Rx.			
...	...	27,679,400	+ 111,200	16,014,700	11,627,200	...	...	27,641,900	+ 73,700	-37,500
...	...	5,679,400	+ 349,600	6,003,700	...	...	...	6,003,700	+ 673,900	+ 324,300
...	...	9,047,200	+ 319,200	8,661,900	95,300	...	...	8,757,200	+ 29,200	-290,000
...	...	4,839,900	-16,000	1,257,400	3,639,700	...	...	4,897,100	+ 41,200	+ 57,200
...	...	5,731,000	+ 13,700	3,911,800	1,866,400	...	...	5,778,200	+ 60,900	+ 47,200
...	...	3,952,100	+ 92,100	4,200	3,947,300	...	...	3,951,500	+ 91,500	-600
...	...	4,898,400	+ 307,900	4,599,300	49,400	...	...	4,648,700	+ 58,200	-249,700
...	...	1,930,100	+ 37,200	1,092,300	856,500	...	...	1,948,800	+ 55,900	+ 18,700
...	...	1,838,000	+ 102,400	919,200	871,500	...	...	1,790,700	+ 55,100	-47,300
...	...	454,000	-8,200	232,000	229,700	...	...	461,700	-500	+ 7,700
...	...	939,700	+ 20,300	937,700	...	...	...	937,700	+ 18,300	-2,000
...	...	66,989,200	+ 1,329,400	43,634,200	23,183,000	...	...	66,817,200	+ 1,157,400	-172,000
28,000	14,000	970,100	+ 31,900	700,100	213,500	10,000	5,300	928,900	-600	-32,500
...	...	1,896,200	+ 3,000	1,892,600	10,700	...	...	1,903,300	+ 10,100	+ 7,100
7,400	3,700	1,081,700	-151,600	1,095,000	...	4,200	2,200	1,101,400	-130,400	+ 21,200
...	...	76,500	-2,300	60,500	...	...	...	60,500	-18,300	-16,900
7,400	3,700	3,054,400	-150,900	3,048,100	10,700	4,200	2,200	3,065,200	-138,600	+ 12,300
...	...	370,800	+ 700	7,800	361,200	...	...	369,000	-1,100	-1,800
...	...	328,100	-7,200	32,100	316,600	...	...	348,700	+ 13,400	+ 20,600
...	...	438,300	-12,100	1,400	439,400	...	...	440,800	-9,600	+ 2,500
...	...	189,400	+ 39,600	21,200	156,200	...	...	177,400	+ 27,600	-12,000
...	...	231,300	-4,600	2,500	234,400	...	...	236,900	+ 1,000	+ 5,600
1,500	700	88,200	-1,300	200	87,000	1,500	800	89,500	-100	+ 1,200
400	200	102,300	+ 400	10,800	102,000	300	100	113,200	+ 11,400	+ 11,000
1,900	900	1,748,400	+ 15,500	76,000	1,696,800	1,800	900	1,775,500	+ 42,600	+ 27,100
93,400	46,700	319,800	-900	125,000	52,900	90,400	47,400	315,700	-5,700	-4,800
...	...	84,300	+ 2,400	30,400	52,300	...	...	82,700	+ 800	-1,600
...	...	54,000	-46,000	69,000	...	...	...	69,000	-31,000	+ 15,000
11,500	5,700	526,600	+ 111,100	67,200	316,100	2,500	1,300	387,100	-24,000	-135,100
104,900	52,400	984,700	+ 66,600	291,600	421,300	92,900	48,700	854,500	-59,900	-126,500
200	100	19,696,100	+ 313,200	20,175,500	61,600	200	100	20,237,400	+ 854,500	+ 541,300
...	...	2,995,000	+ 571,000	3,192,500	...	...	...	3,192,500	+ 768,500	+ 97,500
300	200	45,300	+ 28,400	29,500	...	1,000	500	31,000	+ 13,800	-14,600
500	300	22,736,400	+ 912,600	23,397,500	61,600	1,200	600	23,460,900	+ 1,636,800	+ 724,200
...	...	2,225,200	+ 193,200	1,504,100	667,700	...	...	2,171,800	+ 139,800	-53,400
...	...	989,700	+ 17,700	1,043,100	...	...	...	1,043,100	+ 71,100	+ 53,400
...	...	246,800	+ 22,700	73,000	163,200	...	...	236,200	+ 12,100	-10,600
...	...	3,461,700	+ 233,600	2,620,200	830,900	...	...	3,451,100	+ 223,000	-10,600
...	...	54,200	+ 3,900	50,900	...	...	...	50,900	+ 600	-3,300
30,100	15,000	642,200	+ 14,700	10,500	582,400	29,600	15,500	638,000	+ 10,000	-4,700
30,100	15,000	696,400	+ 18,600	61,400	582,400	29,600	15,500	688,900	+ 10,600	-8,000
44,700	22,400	766,700	-10,100	733,400	...	51,900	27,200	812,500	+ 30,900	+ 41,000
15,000	7,500	113,200	+ 6,900	83,200	...	15,500	8,100	106,800	-100	-7,900
...	...	44,900	+ 15,800	...	...	...	...	...	-29,100	-44,900
59,700	29,900	924,800	+ 12,600	816,600	...	67,400	35,300	919,300	+ 1,700	-10,900
232,500	116,200	101,566,100	+ 2,469,900	74,645,700	27,000,200	207,100	108,500	101,961,500	+ 2,873,000	+ 403,100
Add—Increase on account of Ex- change . Rx.			+ 10,800	Add—Increase (+) or Deduct—Decrease (-) on account of Exchange . Rx.			+ 3,100	TOTAL INCLUDING EXCHANGE RX.		
TOTAL INCLUDING EXCHANGE RX.			+ 2,480,700	TOTAL INCLUDING EXCHANGE RX.			+ 2,876,100	+ 395,400		

## B.—STATEMENT of the EXPENDITURE chargeable on the

HEADS OF EXPENDITURE.	ACCOUNTS, 1897-98.					REVISED	
	INDIA.		England.	Exchange.* 15'354d.	TOTAL.	INDIA.	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
<b>Direct Demands on the Revenues—</b>	<i>Rx.</i>	<i>Rx.</i>	£	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>
1.—Refunds and Drawbacks . . . . .	201,722	82,622	...	...	284,344	214,100	80,800
2.—Assignments and Compensations . . . . .	595,635	1,036,113	...	...	1,541,748	516,600	1,041,900
<b>Charges in respect of Collection, <i>vis.</i>—</b>							
3.—Land Revenue . . . . .	107,253	4,078,940	901	507	4,187,601	110,800	3,972,100
4.—Opium (including cost of Production)	2,386,221	...	1,853	1,043	2,389,117	2,348,800	...
5.—Salt (including cost of Production)	433,578	39,437	468	264	473,747	426,000	39,600
6.—Stamps . . . . .	—40,910	138,908	35,844	20,185	154,027	—40,300	137,400
7.—Excise . . . . .	159,149	81,122	123	69	240,463	160,700	82,300
8.—Provincial Rates . . . . .	...	52,530	...	...	52,530	...	55,700
9.—Customs . . . . .	81,531	129,848	...	...	211,379	81,000	134,100
10.—Assessed Taxes . . . . .	16,191	16,087	...	...	32,278	16,700	16,400
11.—Forest . . . . .	525,361	469,807	4,172	2,349	1,001,689	521,700	474,400
12.—Registration . . . . .	124,262	123,628	...	...	247,890	124,000	123,500
<b>TOTAL</b>	<b>4,499,993</b>	<b>6,249,042</b>	<b>43,361</b>	<b>24,417</b>	<b>10,816,813</b>	<b>4,480,100</b>	<b>6,158,200</b>
<b>Interest—</b>							
13.—Interest on Debt . . . . .	3,110,536	709,188	4,069,144	2,291,416	10,180,284	3,210,700	719,300
<i>Deduct—</i> Amounts chargeable to Railways†	4,079,009	...	1,189,929	670,073	5,939,011	4,267,500	...
" Amounts chargeable to Irrigation	729,480	554,760	...	...	1,284,249	754,500	559,100
Remainder chargeable on Ordinary Debt	—1,697,953	154,419	2,879,215	1,621,343	2,957,024	—1,811,300	160,200
14.—Interest on other Obligations . . . . .	510,620	4,536	51	29	515,236	514,900	4,000
<b>TOTAL</b>	<b>—1,187,333</b>	<b>158,955</b>	<b>2,879,266</b>	<b>1,621,372</b>	<b>3,472,260</b>	<b>—1,296,400</b>	<b>164,200</b>
<b>Post Office, Telegraph, and Mint—</b>							
15.—Post Office . . . . .	1,429,323	132,639	107,165	60,347	1,729,474	1,438,200	127,900
16.—Telegraph . . . . .	767,971	...	181,383	102,140	1,051,494	790,000	...
17.—Mint . . . . .	80,273	...	5,300	2,984	88,557	109,700	...
<b>TOTAL</b>	<b>2,277,567</b>	<b>132,639</b>	<b>293,848</b>	<b>165,471</b>	<b>2,865,525</b>	<b>2,337,900</b>	<b>127,900</b>
<b>Salaries and Expenses of Civil Departments—</b>							
18.—General Administration . . . . .	652,089	935,927	257,745	145,141	1,990,902	632,100	948,800
19.—Law and Justice { Courts . . . . .	31,900	3,100,581	3,013	1,697	3,137,191	27,000	3,047,900
{ Jails . . . . .	144,143	974,560	...	...	1,118,703	143,000	885,800
20.—Police . . . . .	59,162	4,173,693	683	385	4,233,923	61,600	4,112,400
21.—Marine (including River Navigation)	164,737	180,025	213,853	120,425	679,040	154,000	177,500
22.—Education . . . . .	17,319	1,561,344	1,541	868	1,581,072	17,700	1,572,000
23.—Ecclesiastical . . . . .	173,579	...	245	138	173,962	170,500	...
24.—Medical . . . . .	29,505	1,299,447	16,931	9,534	1,355,417	40,600	1,502,300
25.—Political . . . . .	833,030	62,730	24,349	13,711	933,820	825,600	70,400
26.—Scientific and other Minor Departments	300,272	194,434	26,109	14,702	535,517	320,600	209,500
<b>TOTAL</b>	<b>2,405,736</b>	<b>12,482,741</b>	<b>544,469</b>	<b>306,601</b>	<b>15,739,547</b>	<b>2,392,700</b>	<b>12,526,600</b>
<b>Miscellaneous Civil Charges—</b>							
27.—Territorial and Political Pensions	427,871	...	9,332	5,255	442,458	419,400	...
28.—Civil Furlough and Absentee Allowances	763	...	187,640	105,664	294,067	1,700	...
29.—Superannuation Allowances and Pensions	83,166	965,429	1,901,744	1,070,910	4,021,249	81,200	987,000
30.—Stationery and Printing . . . . .	116,364	522,619	54,449	30,661	724,093	121,200	514,400
32.—Miscellaneous . . . . .	40,164	152,714	26,921	15,160	234,959	58,300	154,700
<b>TOTAL</b>	<b>668,328</b>	<b>1,640,762</b>	<b>2,180,086</b>	<b>1,227,650</b>	<b>5,716,826</b>	<b>681,800</b>	<b>1,656,100</b>
<b>Famine Relief and Insurance—</b>							
33.—Famine Relief . . . . .	4,678,777	644,111	1,740	980	5,325,608	9,500	35,100
34.—Construction of Protective Railways . . . . .	...	...	...	...	...	695,400	...
35.—Construction of Protective Irrigation Works	37,517	...	...	...	37,517	13,500	...
36.—Reduction of Debt . . . . .	...	...	...	...	...	422,600	...
<b>TOTAL††</b>	<b>4,716,294</b>	<b>644,111</b>	<b>1,740</b>	<b>980</b>	<b>5,363,125</b>	<b>1,141,000</b>	<b>35,100</b>
<b>Carried over</b>	<b>13,380,585</b>	<b>21,308,250</b>	<b>5,942,770</b>	<b>3,346,491</b>	<b>43,978,096</b>	<b>9,737,100</b>	<b>20,668,100</b>

\* See foot-note to Statement A.

† Included under the following heads:—  
State Railways Interest on Debt  
Interest chargeable against Companies on Advances . . . . .

ACCOUNTS, 1897-98.				REVISED ESTIMATE, 1898-99.			
India.	England.	Exchange.	TOTAL.	India.	England.	Exchange.	TOTAL.
<i>Rx.</i>	£	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	£	<i>Rx.</i>	<i>Rx.</i>
3,991,278	971,045	546,815	5,509,138	4,135,100	965,900	483,500	5,585,500
87,731	218,884	123,258	429,873	132,400	218,900	109,500	460,800
<b>TOTAL</b>	<b>4,079,009</b>	<b>1,189,929</b>	<b>5,639,011</b>	<b>4,267,500</b>	<b>1,185,800</b>	<b>593,000</b>	<b>6,046,300</b>

Revenues of India, in India and in England.

ESTIMATE, 1898-99.			Increase + Decrease — of Revised, as compared with Budget Estimates, 1898-99. (Excluding Exchange.)	BUDGET ESTIMATE, 1899-1900.					Increase + Decrease — of Budget, 1899-1900, as compared with Budget Estimates, 1898-99. (Excluding Exchange.)	Increase + Decrease — of Budget, 1899-1900, as compared with Revised Estimates, 1898-99. (Excluding Exchange.)
England.	Exchange. * 15d.	TOTAL.		INDIA.		England.	Exchange. * 15d.	TOTAL.		
				Imperial.	Provincial and Local.					
£	Rx.	Rx.	Rx.	Rx.	£	Rx.	Rx.			
...	...	294,900	-15,800	218,100	79,300	...	...	297,400	-13,300	+2,500
...	...	1,558,500	-10,900	527,600	1,053,600	...	...	1,581,200	+11,800	+22,700
1,400	700	4,085,000	-59,100	106,100	4,102,000	900	400	4,209,400	+65,600	+124,700
1,600	800	2,351,200	-305,000	2,653,900	...	2,300	1,100	2,657,200	+700	+305,700
300	200	466,100	-53,500	491,200	45,200	600	300	537,300	+17,600	+71,100
36,500	18,200	151,800	-3,900	41,700	142,100	39,300	20,600	160,300	+2,200	+6,100
...	...	243,000	-7,100	173,100	88,500	100	100	261,800	+11,600	+18,700
...	...	55,700	+3,300	...	60,600	...	...	60,600	+8,200	+4,900
100	100	215,300	-100	81,900	150,200	...	...	232,300	+16,900	+17,000
...	...	33,100	+400	16,800	16,700	...	...	33,500	+800	+400
9,400	4,700	1,010,200	-41,600	552,800	503,900	7,200	3,800	1,067,700	+16,800	+58,400
...	...	247,500	-3,800	127,600	127,300	...	...	254,900	+3,600	+7,400
49,300	24,700	10,712,300	-497,100	4,907,400	6,369,400	50,400	26,400	11,353,600	+142,500	+639,600
3,991,700	1,995,900	9,917,600	-140,500	3,226,000	723,500	4,022,600	2,107,000	10,079,100	-90,100	+50,400
1,185,800	593,000	6,046,300	+54,100	4,454,500	...	1,178,500	617,300	6,250,300	-125,600	-179,700
...	...	1,313,600	+900	782,800	563,100	...	...	1,345,900	-31,400	-32,300
2,805,900	1,402,900	2,557,700	-85,500	2,011,300	160,400	2,844,100	1,489,700	2,482,900	-247,100	-161,600
100	100	519,100	-1,200	526,900	4,200	100	100	531,300	+11,000	+12,200
2,806,000	1,403,000	3,076,800	-86,700	1,484,400	164,600	2,844,200	1,489,800	3,014,200	-236,100	-149,400
110,060	55,000	1,731,100	-37,400	1,515,200	131,700	94,700	49,600	1,791,200	+28,100	+65,500
169,900	84,900	1,044,800	-26,900	850,300	...	181,900	95,300	1,127,500	+45,400	+72,300
3,500	1,800	115,000	+49,000	63,700	...	1,300	700	65,700	+800	-48,200
283,400	141,700	2,890,900	-15,300	2,429,200	131,700	277,900	145,600	2,984,400	+74,300	+89,600
253,300	126,700	1,960,900	+11,200	637,100	942,100	253,300	132,700	1,965,200	+9,500	-1,700
1,300	600	3,076,800	-43,400	27,400	3,127,600	400	200	3,155,600	+35,800	+79,200
...	...	1,028,800	-46,200	148,100	935,800	...	...	1,083,900	+8,900	+55,100
800	400	4,175,200	-26,400	64,900	4,238,100	600	300	4,303,900	+102,400	+128,800
215,500	107,800	654,800	-4,000	158,200	193,000	226,500	118,700	696,400	+26,700	+30,700
1,900	900	1,592,500	-59,900	18,900	1,654,300	1,500	800	1,675,500	+23,200	+83,100
800	400	171,700	-16,700	185,200	...	400	200	185,800	-2,400	+14,300
10,700	5,300	1,558,900	+331,800	248,000	1,430,100	10,300	5,400	1,693,800	+466,600	+134,800
24,100	12,100	932,200	-81,600	908,200	72,100	23,700	12,400	1,016,400	+2,300	+83,900
22,700	11,300	564,100	-10,600	332,700	232,900	26,900	14,100	606,600	+29,100	+39,700
531,100	265,500	15,715,900	+54,200	2,728,700	12,826,000	543,600	284,800	16,383,100	+702,100	+647,900
11,400	5,700	436,500	+7,200	410,300	...	11,400	6,000	427,700	-1,900	-9,100
262,300	131,100	395,100	+37,300	700	...	226,000	118,400	345,100	...	-37,300
1,944,000	972,000	3,984,200	+14,200	78,600	1,014,600	1,969,000	1,031,400	4,093,600	+64,200	+50,000
48,500	24,200	708,300	+21,400	111,700	535,000	49,300	25,800	721,800	+33,300	+11,900
24,700	12,400	250,100	+21,000	33,200	180,700	27,200	14,200	255,300	+24,400	+3,400
2,290,900	1,145,400	5,774,200	+101,100	634,500	1,730,300	2,282,900	1,195,800	5,843,500	+120,000	+18,900
...	...	44,600	-40,500	200	5,500	...	...	5,700	-79,400	-38,900
...	...	695,400	+27,100	490,000	...	...	...	490,000	-178,300	-205,400
...	...	13,500	-6,500	30,000	...	...	...	30,000	+10,000	+16,500
...	...	422,600	+96,800	603,900	...	...	...	603,900	+278,100	+181,300
...	...	1,176,100	+76,900	1,124,100	5,500	...	...	1,129,600	+30,400	-46,500
5,960,700	2,980,300	33,346,200	-366,900	10,339,500	21,227,500	5,999,000	3,142,400	40,708,400	+833,200	+1,200,100

BUDGET ESTIMATE, 1899-1900.

India.	England.	Exchange.	TOTAL.
Rx.	£	Rx.	Rx.
4,284,400	959,600	502,600	5,746,600
170,100	218,900	114,700	503,700
4,454,500	1,178,500	617,300	6,250,300

† The following further sums, which are included under XXVI and 38. — State Railways, are chargeable to the grant for Famine Relief and Insurance as representing the net charge on the Revenues on account of Protective Railways constructed through the agency of Companies:—

	Accounts, 1897-98.	Revised Estimate, 1898-99.	Budget Estimate, 1899-1900.
Indian Midland Railway	152,381	130,200	136,100
Bengal-Nagpur Railway	200,507	195,700	231,300
TOTAL . Fx.	352,948	325,900	370,400

## B.—STATEMENT of the EXPENDITURE chargeable on the

HEADS OF EXPENDITURE.	ACCOUNTS, 1897-98.					REVISED	
	INDIA.		England.	Exchange.* 15'354d.	Total.	INDIA.	
	Imperial.	Provincial and Local.				Imperial.	Provincial and Local.
	Rx.	Rx.	£	Rx.	Rx.	Rx.	Rx.
Brought forward . . . . .	13,380,585	21,308,250	5,942,770	3,346,491	43,978,096	9,737,100	20,668,100
37.—Construction of Railways (Charged against Revenue in addition to that under Famine Insurance) . . . . .	...	3,792	...	...	3,792	...	4,200
<b>Railway Revenue Account—</b>							
38.—State Railways : Working Expenses .	9,156,546	44,656	...	...	9,201,202	9,826,200	50,400
Interest on Debt . . . . .	3,991,278	...	971,045	546,815	5,509,138	4,135,100	...
Annuities in purchase of Railways . . . . .	...	...	1,712,419	964,296	2,676,715	...	...
Interest chargeable against Companies on Advances . . . . .	87,731	...	218,884	123,258	429,873	132,400	...
Interest on Capital deposit- ed by Companies . . . . .	16,584	...	784,779	441,925	1,243,288	16,100	...
39.—Guaranteed Companies : Surplus Pro- fits, Land, and Su- pervision . . . . .	126,213	...	...	...	126,213	418,900	...
Interest . . . . .	8,899	...	2,154,784	1,213,401	3,377,084	10,900	...
40.—Subsidized Companies : Land, etc. .	103,577	10,183	...	...	113,760	138,900	10,200
41.—Miscellaneous Railway Expenditure .	15,475	754	...	...	16,229	64,600	—500
<b>TOTAL</b> . . . . .	13,506,303	55,593	5,841,911	3,289,695	22,693,502	14,743,100	60,100
<b>Irrigation—</b>							
42.—Major Works : Working Expenses. .	506,267	385,852	...	...	892,119	537,400	393,600
Interest on Debt . . . . .	729,480	554,769	...	...	1,284,249	754,500	559,100
43.—Minor Works and Navigation . . . .	294,522	671,449	1,117	629	967,717	286,500	687,100
<b>TOTAL</b> . . . . .	1,530,269	1,612,070	1,117	629	3,144,085	1,578,400	1,639,800
<b>Buildings and Roads—</b>							
44.—Military Works . . . . .	1,059,540	...	69,633	39,212	1,168,385	1,113,600	...
45.—Civil Works . . . . .	302,120	3,822,028	80,866	45,537	4,250,551	405,400	4,088,200
<b>TOTAL</b> . . . . .	1,361,660	3,822,028	150,499	84,749	5,418,936	1,519,000	4,088,200
<b>Army Services—</b>							
46.—Army : Effective . . . . .	15,592,162	...	1,804,263	1,016,016	18,412,441	15,595,900	...
Non-Effective . . . . .	922,385	...	2,414,845	1,359,847	4,697,077	945,600	...
Warlike operations . . . . .	3,847,992	...	25,119	14,145	3,887,256	1,023,700	...
<b>TOTAL</b> . . . . .	20,362,539	...	4,244,227	2,390,008	26,996,774	17,565,200	...
<b>Special Defence Works—</b>							
47.—Special Defence Works . . . . .	—4,020	...	17,739	9,989	23,708	100	...
<b>TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL</b> . . . . .	50,137,336	26,801,733	16,198,263	9,121,561	102,258,893	45,142,900	26,460,400
<i>Add</i> —Special Grants to Provincial Govern- ments . . . . .	...	...	...	...	...	...	700,000
<i>Do.</i> —Portion of Allotments to Provincial Governments not spent by them in the year . . . . .	...	203,232	...	...	...	...	719,900
<i>Deduct</i> —Portion of Provincial Expenditure defrayed from Provincial balances . .	...	660,910	...	...	457,678	...	2,000
<b>Total Expenditure charged against Revenue</b> . . . . .	50,137,336	26,344,055	16,198,263	9,121,561	101,801,215	45,142,900	27,878,300

## Expenditure not charged to Revenue—

## Capital Outlay, Railways and Irrigation Works—

	ACCOUNTS, 1897-98.			
	India.	England.	Exchange.	Total.
	Rx.	£	Rx.	Rx.
48.—State Railways . . . . .	2,367,425	809,010	455,570	3,632,005
49.—Irrigation Works . . . . .	682,157	6,573	3,701	692,431
50.—Miscellaneous Public Improvements . . . . .	4,105	...	...	4,105
<b>TOTAL</b> . . . . .	3,053,687	815,583	459,271	4,328,541

Revenues of India, in India and in England—continued.

ESTIMATE, 1898-99.			Increase + Decrease— of Revised, as compared with Budget Estimates, 1898-99. (Excluding Exchange.)	BUDGET ESTIMATE, 1899-1900.					Increase + Decrease— of Budget, 1899-1900, as compared with Budget Estimates, 1898-99. (Excluding Exchange.)	Increase + Decrease— of Budget, 1899-1900, as compared with Revised Estimates, 1898-99. (Excluding Exchange.)
England.	Exchange* 16d.	Total.		INDIA.		England.	Exchange* 15½d.	Total.		
				Imperial.	Provincial and Local.					
£	Rx.	Rx.	Rx.	Rx.	£	Rx.	Rx.			
5,960,700	2,980,300	39,346,200	-366,900	10,339,500	21,227,500	5,999,000	3,142,400	40,708,400	+833,200	+1,200,100
...	...	4,200	-1,600	...	3,600	...	...	3,600	-2,200	-600
...	...	9,876,600	+106,100	10,005,000	42,000	...	...	10,047,000	+276,500	+170,400
966,900	483,500	5,585,500	-52,600	4,284,400	...	959,600	502,600	5,746,600	+89,400	+142,000
1,714,000	857,000	2,571,000	-1,800	...	...	1,719,200	900,500	2,619,700	+3,400	+5,200
218,900	109,500	460,800	-1,500	170,100	...	218,900	114,700	503,700	+36,200	+37,700
811,900	405,900	1,233,900	...	17,300	...	853,500	447,100	1,317,900	+42,800	+42,800
...	...	418,900	+106,100	563,500	...	...	...	563,500	+250,700	+144,600
2,162,500	1,081,200	3,254,600	-6,900	8,200	...	2,185,300	1,144,700	3,338,200	+13,200	+20,100
...	...	149,100	-81,200	114,700	10,200	...	...	124,900	-105,400	-24,200
...	...	64,100	-15,900	80,000	...	...	...	80,000	...	+15,900
5,874,200	2,937,100	23,614,500	+52,300	15,243,200	52,200	5,936,500	3,109,600	24,341,500	+606,800	+554,500
...	...	931,000	+12,400	560,000	398,100	...	...	958,100	+39,500	+27,100
...	...	1,313,600	-900	782,800	563,100	...	...	1,345,900	+31,400	+32,300
2,600	1,300	977,500	-3,200	314,400	715,500	600	300	1,030,800	+51,100	+54,300
2,600	1,300	3,222,100	+8,300	1,657,200	1,676,700	600	300	3,334,800	+122,000	+113,700
56,000	28,000	1,197,600	+2,200	1,299,600	...	14,900	7,800	1,322,300	+147,100	+144,900
100,600	50,300	4,644,500	-194,000	385,900	4,964,900	87,500	45,800	5,484,100	+650,100	+844,100
156,600	78,300	5,842,100	-191,800	1,685,500	4,964,900	102,400	53,600	6,806,400	+797,200	+989,000
1,879,900	940,000	18,415,800	-147,800	15,960,800	...	1,991,000	1,042,900	18,994,700	+328,200	+476,000
2,426,700	1,213,300	4,585,600	-61,000	912,600	...	2,496,800	1,307,800	4,717,200	-23,900	+37,100
17,500	8,700	1,049,900	-455,000	38,900	...	5,300	2,800	47,000	-1,452,000	-997,000
4,324,100	2,162,000	24,051,300	-663,800	16,912,300	...	4,493,100	2,353,500	23,758,900	-1,147,700	-483,900
5,500	2,800	8,400	+5,600	...	...	...	...	...	...	-5,600
16,323,700	8,161,800	96,088,800	-1,157,900	45,837,700	27,924,900	16,531,600	8,659,400	98,953,600	+1,209,300	+2,367,200
...	...	700,000	+700,000	...	...	...	...	...	...	-700,000
...	...	717,900	+834,700	...	...	...	...	924,700	-807,900	-1,642,600
...	...									
16,323,700	8,161,800	97,506,700	+376,800	45,837,700	27,000,200	16,531,600	8,659,400	98,028,900	+401,400	+24,600
Deduct—Decrease on account of Exchange . Rx.			-1,064,100	Add—Increase (+) or Deduct—Decrease (-) on account of Exchange . Rx.				-566,500	+497,600	
TOTAL INCLUDING EXCHANGE . Rx.			-687,300	TOTAL INCLUDING EXCHANGE . Rx.				-165,100	+522,200	
REVISED ESTIMATE, 1898-99.				BUDGET ESTIMATE, 1899-1900.						
India.	England.	Exchange.	Total.	India.	England.	Exchange.	Total.			
Rx.	£	Rx.	Rx.	Rx.	£	Rx.	Rx.			
1,700,200	788,000	394,000	2,882,200	2,427,300	681,000	356,700	3,465,000			
687,600	3,100	1,500	692,200	848,300	1,100	600	850,000			
-4,100	...	...	-4,100	...	...	...	...			
2,383,700	791,100	395,500	3,570,300	3,275,600	682,100	357,300	4,315,000			

\* See foot-note to Statement A.

## C.—Statement of Receipts and Disbursements

	ACCOUNTS, 1897-98.			REVISED ESTIMATE, 1898-99.			BUDGET ESTIMATE, 1899-1900.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	Rs.	£		Rs.	£		Rs.	£	
Revenue (from Statement A) . . . . .	96,139,287	193,662	96,332,949	101,217,400	232,500	101,449,900	101,645,900	207,100	101,853,000
Exchange added to Revenue . . . . .	109,055	...	109,055	116,200	...	116,200	108,500	...	108,500
<b>TOTAL</b> . . . . .	<b>96,248,342</b>	<b>193,662</b>	<b>96,442,004</b>	<b>101,333,600</b>	<b>232,500</b>	<b>101,566,100</b>	<b>101,754,400</b>	<b>207,100</b>	<b>101,961,500</b>
<b>Permanent Debt incurred—</b>									
<i>Sterling Debt—</i>									
India 2½ p. c. Stock . . . . .	...	3,500,000		...	5,297,700		...	...	
<i>Rupee Debt—</i>									
3½ p. c. Rupee Loan . . . . .	3,000,120	...		1,200,000	...		...	...	
<b>TOTAL</b> . . . . .	<b>3,000,120</b>	<b>3,500,000</b>	<b>6,500,120</b>	<b>1,200,000</b>	<b>5,297,700</b>	<b>6,497,700</b>	...	...	...
<b>NET</b> . . . . .			<b>6,077,779</b>			<b>2,867,600</b>			<b>0</b>
<b>Temporary Debt incurred—</b>									
Temporary Loans . . . . .	...	6,000,000	6,000,000	...	4,500,000	4,500,000	...	4,500,000	4,500,000
<b>NET</b> . . . . .			<b>5,000,000</b>			<b>0</b>			<b>0</b>
<b>Unfunded Debt—</b>									
Treasury Notes . . . . .	200	...		...	...		...	...	
Deposits of Service Funds . . . . .	142,309	...		143,200	...		144,800	...	
Savings Bank Deposits . . . . .	3,867,850	...		3,956,200	...		4,065,500	...	
<b>TOTAL</b> . . . . .	<b>4,010,359</b>	...	<b>4,010,359</b>	<b>4,099,400</b>	...	<b>4,099,400</b>	<b>4,210,300</b>	...	<b>4,210,300</b>
<b>NET</b> . . . . .			<b>0</b>			<b>291,600</b>			<b>521,900</b>
<b>Deposits and Advances—</b>									
Balances of Provincial Allotments . . . . .	203,232	...		1,419,900	...		...	...	
Appropriation for reduction of Debt . . . . .	...	...		422,600	...		603,900	...	
Excluded Local Funds . . . . .	851,848	...		804,700	...		803,400	...	
Railway Funds . . . . .	46,179	...		71,000	...		52,100	...	
Deposits of Sinking Funds . . . . .	12,500	...		13,100	...		13,700	...	
Departmental and Judicial Deposits . . . . .	22,472,638	...		19,972,200	...		20,198,100	...	
Advances . . . . .	8,657,183	2,097		10,033,800	200		3,517,100	...	
Suspense Accounts . . . . .	212,810	...		78,300	...		22,200	...	
Exchange on Remittance Accounts, net . . . . .	4,665,176	...		...	...		418,400	...	
Miscellaneous . . . . .	133,308	150		...	...		...	...	
<b>TOTAL</b> . . . . .	<b>37,254,874</b>	<b>2,247</b>	<b>37,257,121</b>	<b>32,815,600</b>	<b>200</b>	<b>32,815,800</b>	<b>25,628,900</b>	...	<b>25,628,900</b>
<b>NET</b> . . . . .			<b>2,944,660</b>			<b>869,900</b>			<b>0</b>
Carried over . . . . .	140,513,695	9,695,909		139,448,600	10,030,400		131,593,600	4,707,100	

*of the Government of India, in India and in England.*

	ACCOUNTS, 1897-98.			REVISED ESTIMATE, 1898-99.			BUDGET ESTIMATE, 1899-1900.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	Rx.	£		Rx.	£		Rx.	£	
Expenditure, Imperial and Provincial (from Statement B) . . . . .	76,939,069	16,198,263	93,137,332	71,603,300	16,323,700	87,927,000	73,762,600	16,531,600	90,294,200
Exchange, charged as Expenditure . . . . .	9,121,561	...	9,121,561	8,161,800	...	8,161,800	8,659,400	...	8,659,400
Add—Provincial Surpluses, transferred to "Deposits" . . . . .	203,232	...	203,232	1,419,900	...	1,419,900	...	...	...
Deduct—Provincial Deficits, charged against "Deposits" . . . . .	660,910	...	660,910	2,000	...	2,000	924,700	...	924,700
<b>TOTAL</b> . . . . .	<b>85,602,952</b>	<b>16,198,263</b>	<b>101,801,215</b>	<b>81,183,000</b>	<b>16,323,700</b>	<b>97,506,700</b>	<b>81,497,300</b>	<b>16,531,600</b>	<b>98,028,900</b>
Expenditure not charged to Revenue—									
Capital outlay on Railways and Irrigation Works . . . . .	3,053,687	815,583		2,383,700	791,100		3,275,600	682,100	
Exchange on Expenditure not charged to Revenue . . . . .	459,271	...		395,500	...		357,300	...	
<b>TOTAL</b> . . . . .	<b>3,512,958</b>	<b>815,583</b>	<b>4,328,541</b>	<b>2,779,200</b>	<b>791,100</b>	<b>3,570,300</b>	<b>3,632,900</b>	<b>682,100</b>	<b>4,315,000</b>
Permanent Debt discharged—									
<i>Sterling Debt—</i>									
India 4 p. c. Stock . . . . .	...	2,802		...	200		...	...	
India 3½ p. c. Debentures . . . . .	...	...		...	3,000,000		...	...	
Oude and Rohilkund Railway Debenture Stock . . . . .	...	...		...	384,700		...	...	
<i>Rupree Debt—</i>									
5½ p. c. Loans . . . . .	...	...		100	...		...	...	
5 p. c. Loans . . . . .	...	...		17,000	...		...	...	
4½ p. c. Loans . . . . .	7,950	...		4,000	...		4,000	...	
4 p. c. Loans . . . . .	219,203	...		167,500	...		160,000	...	
3½ p. c. Loans . . . . .	192,210	...		56,000	...		26,000	...	
Treasury Bills . . . . .	...	...		600	...		...	...	
Stock Notes . . . . .	176	...		...	...		...	...	
<b>TOTAL NET</b> . . . . .	<b>419,539</b>	<b>2,802</b>	<b>422,341</b>	<b>245,200</b>	<b>3,384,900</b>	<b>3,630,100</b>	<b>190,000</b>	<b>...</b>	<b>190,000</b>
Temporary Debt discharged—									
Temporary Loans . . . . .	...	1,000,000	1,000,000	...	6,000,000	6,000,000	...	4,500,000	4,500,000
<b>TOTAL NET</b> . . . . .			<b>1,000,000</b>		<b>6,000,000</b>	<b>6,000,000</b>		<b>4,500,000</b>	<b>4,500,000</b>
Unfunded Debt—									
Special Loans . . . . .	12,139	...		...	...		...	...	
Deposits of Service Funds . . . . .	113,608	...		113,700	...		113,300	...	
Savings Bank Deposits . . . . .	4,192,798	...		3,694,100	...		3,575,100	...	
<b>TOTAL NET</b> . . . . .	<b>4,318,545</b>	<b>...</b>	<b>4,318,545</b>	<b>3,807,800</b>	<b>...</b>	<b>3,807,800</b>	<b>3,688,400</b>	<b>...</b>	<b>3,688,400</b>
Deposits and Advances—									
Balances of Provincial Allotments . . . . .	660,910	...		2,000	...		924,700	...	
Excluded Local Funds . . . . .	852,089	...		787,400	...		773,200	...	
Railway Funds . . . . .	61,162	...		74,200	...		51,500	...	
Departmental and Judicial Deposits . . . . .	22,331,279	...		19,846,600	...		20,239,500	...	
Advances . . . . .	9,506,048	938		9,904,900	...		3,410,800	...	
Suspense Accounts . . . . .	200,408	...		39,100	...		17,000	...	
Exchange on Remittance Accounts, net . . . . .	...	...		956,500	...		...	...	
Miscellaneous . . . . .	698,648	979		335,200	...		336,800	...	
<b>TOTAL NET</b> . . . . .	<b>34,310,544</b>	<b>1,917</b>	<b>34,312,461</b>	<b>31,945,900</b>	<b>...</b>	<b>31,945,900</b>	<b>25,753,500</b>	<b>...</b>	<b>25,753,500</b>
<b>Carried over</b> . . . . .	<b>128,164,538</b>	<b>18,018,565</b>		<b>119,961,100</b>	<b>26,499,700</b>		<b>114,762,100</b>	<b>21,713,700</b>	

## FINANCIAL STATEMENT OF THE

## C.—Statement of Receipts and Disbursements

	ACCOUNTS, 1897-98.			REVISED ESTIMATE, 1898-99.			BUDGET ESTIMATE, 1899-1900.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	Rx.	£		Rx.	£		Rx.	£	
Brought forward	140,513,895	9,695,909		139,448,600	10,030,400		131,593,600	4,707,100	
Loans and Advances by Imperial Government	100,109	...	100,109	140,800	...	140,800	116,100	...	116,100
NET			44,963			40,000			0
Loans and Advances by Provincial Governments	858,044	...	858,044	893,400	...	893,400	624,700	...	624,700
NET			0			222,500			0
Capital Receipts from Railway Companies— On account of Subscribed Capital Repayments	660,654 1,423,847	1,190,500 4,061		1,077,800 1,577,700	1,988,600 43,200		525,600 1,356,700	2,718,600 3,000	
TOTAL	2,084,501	1,194,561	3,279,062	2,655,500	2,031,800	4,687,300	1,882,300	2,721,600	4,603,900
NET			0			0			0
Remittances—									
Inland Money Orders	25,714,421	...		26,850,000	...		28,000,000	...	
Other Local Remittances	...	...		739,100	...		751,900	...	
Other Departmental Accounts	423,844	...		780,200	...		488,000	...	
Net Receipts by Civil Treasuries from—									
Post Office	...	...		216,500	...		373,400	...	
Telegraph	140,445	...		37,000	...		11,300	...	
Guaranteed Railways	2,559,191	...		3,583,000	...		3,115,300	...	
Public Works	...	...		1,904,900	...		937,000	...	
Net Receipts from Civil Treasuries by—									
Post Office	357,579	...		...	...		...	...	
Marine	221,307	...		205,300	...		239,300	...	
Military	18,562,120	...		16,114,900	...		15,422,400	...	
Public Works	794,622	...		...	...		...	...	
Remittance Account between England and India—									
Railway transactions	891,936	595,731		939,300	1,002,000		1,238,000	502,000	
Other	1,053,186	213,198		488,500	230,900		421,100	166,800	
TOTAL	50,718,651	808,929	51,527,580	51,858,700	1,232,900	53,091,600	50,997,700	668,800	51,666,500
NET			0			745,200			0
Secretary of State's Bills drawn	...	9,506,077	9,506,077	...	19,000,000	19,000,000	...	17,000,000	17,000,000
TOTAL RECEIPTS	194,275,000	21,205,476		194,997,000	32,295,100		185,214,400	25,097,500	
Opening Balance	13,873,752	2,832,354		15,982,443	2,534,244		17,072,043	4,304,444	
GRAND TOTAL	208,148,752	24,037,830		210,979,443	34,829,344		202,286,443	29,401,944	

FORT WILLIAM,  
FINANCE AND COMMERCE DEPARTMENT;  
The 20th March 1899.

W. H. DOBBIE,  
Deputy Comptroller General.



of the Government of India, in India and in England—continued.

	ACCOUNTS, 1897-98.			REVISED ESTIMATE, 1898-99.			BUDGET ESTIMATE, 1899-1900.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	Rx.	£		Rx.	£		Rx.	£	
Brought forward	128,164,533	18,018,565		119,961,100	26,499,700		114,762,100	21,713,700	
Loans and Advances by Imperial Government	55,146	...	55,146	100,800	...	100,800	127,900	...	127,900
NET			0			0			11,800
Loans and Advances by Provincial Governments	1,411,593	...	1,411,593	670,900	...	670,900	861,700	...	861,700
NET			553,549			0			237,000
Payments to Railway Companies on Capital Account—									
For discharge of Debentures	...	24,123		...	805,500		...	1,248,600	
For Expenditure	3,146,849	1,514,927		3,528,800	1,823,900		2,663,600	1,948,700	
TOTAL	3,146,849	1,539,050	4,685,899	3,528,800	2,629,400	6,158,200	2,663,600	3,197,300	5,860,900
NET			1,406,837			1,470,900			1,257,000
Remittances—									
Inland Money Orders	25,714,510	...		26,859,000	...		28,000,000	...	
Other Local Remittances	244,503	...		739,100	...		751,900	...	
Other Departmental Accounts	429,615	...		780,200	...		488,000	...	
Net Payments into Civil Treasuries by—									
Post Office	...	...		216,500	...		373,400	...	
Telegraph	140,485	...		37,000	...		11,300	...	
Guaranteed Railways	2,559,191	...		3,523,000	...		3,115,300	...	
Public Works	...	...		1,224,900	...		937,000	...	
Net Issues from Civil Treasuries to—									
Post Office	357,579	...		...	...		...	...	
Marine	224,333	...		205,300	...		239,300	...	
Military	18,562,120	...		16,114,500	...		15,422,400	...	
Public Works	864,260	...		...	...		...	...	
Remittance Account between England and India—									
Railway transactions	592,497	895,170		1,002,000	939,300		502,000	1,238,000	
Other	226,345	1,050,801		257,700	456,500		199,000	435,600	
TOTAL	49,915,438	1,945,971	51,861,409	50,950,600	1,395,800	52,346,400	50,039,600	1,673,600	51,713,200
NET	...	...	333,829			0			46,700
Secretary of State's Bills paid	9,472,745	...	9,472,745	18,695,200	...	18,695,200	17,152,100	...	17,152,100
TOTAL DISBURSEMENTS	192,166,309	21,503,586		193,907,400	30,524,900		185,607,000	26,584,600	
Closing Balance	15,982,443	2,534,244		17,072,043	4,304,444		16,679,443	2,817,344	
GRAND TOTAL	208,148,752	24,037,830		210,979,443	34,829,344		202,286,443	29,401,944	

A. F. COX,  
Comptroller General.

H. H. RISLEY,  
Offg. Secretary to the Government of India.

**D.—Account of Provincial and Local Savings charged to Revenue, and held at the disposal of Provincial Governments under their Provincial Settlements.**

**Provincial and Local Balances.**

NOTE.—These balances do not include the Balances of Deposits and Advances upon Local Fund Accounts.

	India.	Central Provinces.	Burma.	Assam.	Bengal.	N.-W. P. and Oudh.	Punjab.	Madras.	Bombay.	TOTAL.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
<b>Accounts, 1897-98.</b>										
Balance at end of 1896-97	12,735	46,726	413,744	128,319	569,652	60,638	200,886	616,069	523,347	2,572,116
Added in 1897-98 . . .	...	...	177,510	...	...	25,722	...	...	...	203,232
Spent in 1897-98 . . .	1,407	10,885	...	39,637	279,146	...	2,111	170,433	157,291	660,910
Balance at end of 1897-98 .	11,328	35,841	591,254	88,682	290,506	86,360	198,775	445,636	366,056	2,114,438
<b>Revised Estimate, 1898-99.</b>										
Balance at end of 1897-98 (by Accounts).	11,328	35,841	591,254	88,682	290,506	86,360	198,775	445,636	366,056	2,114,438
Added in 1898-99 . . .	...	44,800	279,600	63,100	284,400	378,500	126,700	146,100	96,700	1,419,900
Spent in 1898-99 . . .	2,000	...	...	...	...	...	...	...	...	2,000
Balance at end of 1898-99 .	9,328	80,641	870,854	151,782	574,906	464,860	325,475	591,736	462,756	3,532,338
<b>Budget Estimate, 1899-1900.</b>										
Balance at end of 1898-99 (by Revised Estimate).	9,328	80,641	870,854	151,782	574,906	464,860	325,475	591,736	462,756	3,532,338
Spent in 1899-1900 . . .	900	23,900	126,800	117,200	145,700	80,000	66,100	196,300	167,800	924,700
Balance at end of 1899-1900	8,428	56,741	744,054	34,582	429,206	384,860	259,375	395,436	294,956	2,607,638

W. H. DOBBIE,  
Deputy Comptroller General.

A. F. COX,  
Comptroller General.

H. H. RISLEY,  
Offg. Secretary to the Government of India.

FORT WILLIAM,  
FINANCE AND COMMERCE DEPARTMENT;  
The 20th March 1899.

E.—Statement of Net Revenue and Expenditure—India and England.

Part I.—Income.

REVENUE.	Accounts, 1897-98.		Revised Estimate, 1898-99.		Budget Estimate, 1899-1900.	
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
<b>I.—Land Revenue, etc. :</b>						
1. Land Revenue . . . . .	25,026,285		27,627,600		27,590,300	
2. Forest . . . . .	1,735,027		1,834,600		1,787,500	
3. Tributes from Native States . . . . .	883,629		939,700		937,500	
	28,244,941		30,401,900		30,315,300	
<i>Deduct,—</i>						
<i>Assignments</i> . . . . .	1,117,466		1,125,600		1,148,300	
<b>NET</b> . . . . .	—	27,127,475	—	29,276,300	—	29,167,000
<b>II.—Opium, Net Receipts</b> . . . . .	2,788,744		3,326,500		3,344,500	
<i>Deduct,—</i>						
<i>Assignments</i> . . . . .	5,099		5,100		5,100	
<b>NET</b> . . . . .	—	2,783,645	—	3,321,400	—	3,339,400
<b>III.—Taxation :</b>						
1. Salt . . . . .	8,565,524		9,008,900		8,723,600	
2. Stamps . . . . .	4,783,877		4,784,500		4,841,800	
3. Excise . . . . .	5,458,441		5,701,600		5,752,500	
4. Provincial Rates . . . . .	3,717,560		3,946,000		3,946,400	
5. Customs . . . . .	4,555,073		4,803,200		4,541,500	
6. Assessed Taxes . . . . .	1,881,233		1,917,900		1,936,500	
7. Registration . . . . .	485,419		452,600		460,500	
	29,447,127		30,614,700		30,202,800	
<i>Deduct,—</i>						
<i>Assignments</i> . . . . .	419,183		427,800		427,800	
<b>NET</b> . . . . .	—	29,027,944	—	30,186,900	—	29,775,000
<b>IV.—Miscellaneous Receipts (i.e., Mint, Gain by Exchange and Miscellaneous)</b> . . . . .	—	376,245	—	292,000	—	195,600
		59,315,309		63,076,600		62,477,000
Excess of Expenditure over Income . . . . .		5,359,211		—		—
		64,674,520		63,076,600		62,477,000

Part II.—Expenditure.

CHARGES.	Accounts, 1897-98.		Revised Estimate, 1898-99.		Budget Estimate, 1899-1900.	
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
<b>I.—Debt Services</b> . . . . .	—	2,600,019	—	2,106,700	—	2,085,300
<b>II.—Military Services :</b>						
1. Army . . . . .	26,114,910		23,126,500		22,839,600	
2. Military Works . . . . .	1,115,824		1,143,400		1,271,400	
3. Special Defence Works . . . . .	23,708		8,400		—	
<b>TOTAL</b> . . . . .	—	27,254,442	—	24,278,300	—	24,111,000
<b>III.—Collection of Revenue :</b>						
1. Land Revenue, including District Administration . . . . .	4,187,601		4,085,000		4,209,400	
2. Forest . . . . .	1,001,689		1,010,200		1,067,700	
3. Other Heads . . . . .	1,412,314		1,412,500		1,540,700	
<b>TOTAL</b> . . . . .	—	6,601,604	—	6,507,700	—	6,817,800
<b>IV.—Commercial Services :</b>						
<i>Net Expenditure—</i>						
Railway . . . . .	1,432,616		878,100		880,600	
Telegraph . . . . .	...		...		26,100	
	1,432,616		878,100		906,700	
<i>Deduct—Net Receipts—</i>						
Irrigation . . . . .	425,779		239,600		116,300	
Post Office . . . . .	149,689		165,100		112,100	
Telegraph . . . . .	257,836		36,900		...	
	833,304		441,600		228,400	
<b>NET</b> . . . . .	—	599,312	—	436,500	—	678,300
<b>V.—Civil Services :</b>						
1. Civil Departments . . . . .	14,016,036		13,967,500		14,607,600	
2. Miscellaneous Civil Charges . . . . .	5,058,579		5,120,000		5,189,800	
3. Famine Relief and Insurance . . . . .	5,303,125		1,176,100		1,129,600	
4. Construction of Railways (charged against Revenue in addition to that under Famine Insurance) . . . . .	3,792		4,200		3,600	
5. Civil Works . . . . .	3,635,289		4,002,300		4,846,100	
	28,076,821		24,270,100		25,776,700	
<i>Add or Deduct,—</i>						
Provincial Surplus or Deficit . . . . .	457,678		1,417,900		924,700	
<b>TOTAL</b> . . . . .	—	27,619,143	—	25,688,000	—	24,852,000
		64,674,520		59,017,200		58,544,400
Excess of Income over Expenditure . . . . .		...		4,059,400		3,932,600
		64,674,520		63,076,600		62,477,000

W. H. DOBBIE,  
Deputy Comptroller General.  
FORT WILLIAM,  
FINANCE AND COMMERCE DEPARTMENT;  
The 20th March 1899.

A. F. COX,  
Comptroller General.

H. H. RISLEY,  
Offg. Secretary to the Government of India.

## APPENDIX II.

### Memorandum by the Honourable Major-General Sir Edwin Collen, K.C.I.E., on Military Expenditure.

The estimates with which the Military and Marine Department of the Government of India is concerned, are—

I—Indian Military Estimates.

II—Home (India) Military Estimates.

III—Military Works Estimates.

IV—Marine Estimates.

2. They will be dealt with in this memorandum in the order given above.

#### I.—Indian Military Estimates.

##### *Revised Estimates, 1898-99.*

3. The revised Indian Military Estimates for 1898-99, compared with the budget for the year, show a net saving of Rx. 520,800 caused by an increase in receipts of Rx. 2,200 and a decrease in expenditure of Rx. 518,600.

Comparison—  
Revised for 1898-99,  
and  
Budget for 1898-99.

4. The more important causes which have led to the decrease in expenditure are as under :—

(a) There is a decrease of Rx. 344,300 on account of military operations and an increase of Rx. 53,200 on account of special services, thus giving a net decrease of Rx. 291,100 on account of military operations and special services. The decrease on account of military operations is mainly due to the large expenditure on account of field operations on the North-West Frontier, which was anticipated when the budget was framed, not having been incurred, owing to the cessation of those operations earlier than was expected, and also to various changes in the strength and organisation of the forces which were mobilised. On the other hand, the increase on account of special services is chiefly caused by the augmented garrisons in the Malakand and Tochi Valley not having been reduced on as early a date as was anticipated.

(b) Another cause of decrease, amounting to Rx. 65,000, was the fall in the prices of food supplies for men and animals.

(c) There was also a decrease of Rx. 41,200 on account of exchange compensation allowance, owing to exchange having been favourable during the year.

(d) Again, savings accrued owing to the authorised strength of British infantry being short by one battalion for a part of the year (Rx. 36,700); to the employment of the 1st Bengal Infantry at Mauritius, and to the retention for service in East Africa of the 27th Bombay Infantry and the head-quarters wing of the 4th

## FINANCIAL STATEMENT OF THE

Bombay Rifles for longer periods than were anticipated. The Military Estimates were relieved of expenditure on account of the two latter items to the extent of Rx. 18,000 and Rx. 15,400, respectively, the charges having been borne by Her Majesty's Imperial Government. The Military Estimates were further relieved of expenditure to the extent of Rx. 24,100 on account of the pay and allowances of officers whose services were placed at the disposal of the Civil Department for plague duty.

(e) A lapse of Rx. 20,000 has also occurred in the budget for 1898-99, as the orders of the Secretary of State on the question of increasing the establishment of Commissariat-Transport officers could not be given effect to in that year.

(f) In addition to the foregoing, the following are the chief causes which contributed towards reducing expenditure:—

(i) Under Grant 1 (*Army and Garrison Staff*) there are savings amounting to Rx. 14,500 owing chiefly to absence of officers on furlough.

(ii) Under Grant 3 (*Regimental Pay, Allowances and Charges*) there are savings to the extent of Rx. 29,000, owing to fluctuations in the strength of the troops.

(iii) Under Grant 4 (*Commissariat Establishments, Supplies and Services*) the savings aggregate Rx. 28,500, and are due to smaller purchases of malt-liquor owing to decreased consumption (Rx. 14,000); and to less expenditure on other accounts.

(iv) Under Grant 10 (*Ordnance Establishments, Stores and Camp Equipage*) the savings aggregate Rx. 20,000 owing chiefly to fluctuations in establishments and smaller purchases of camp equipage and other stores.

5. The total decrease in expenditure was, however, to some extent counterbalanced by certain increases, the more important of which are the following:—

(a) Special bounties and advances of deferred pay were paid to a limited number of men of certain British regiments serving in India, to induce them to extend their service with the colours. This causes an increase to the extent of Rx. 31,900.

(b) Judging from the experience of the first nine months there will be larger expenditure to the extent of Rx. 15,000 on account of the ordinary conveyance of troops and stores.

(c) Owing to the existence of plague in India, it has been found necessary to give additional grants-in-aid, to certain cantonments in the Bombay Command, to meet expenditure on plague operations.

(d) Under Grant 9 (*Medical Establishments, Supplies and Services*) there is larger expenditure to the extent of Rx. 10,000 chiefly in the purchase of medical supplies.

*Estimates, 1899-1900.*

6. The estimates for 1899-1900, in the net, amount to Rx. 16,095,700, or Rx. 1,155,100 less than the budget for 1898-99. This is due to a decrease in receipts of Rx. 16,400 and in expenditure of Rx. 1,171,500.

Comparison—  
Budget for 1898-99,  
and  
Estimate for 1899-1900.

7. In comparing the estimates of next year with the budget for the current year, it will be found that the decrease in *receipts* is mainly due to less issues on payment of commissariat supplies being anticipated than in the current year owing to the cessation of field operations.

8. The decrease in *expenditure* is accounted for as follows:—

- (a) A saving of Rx. 1,176,500 occurs in the provision for military operations and special services.
- (b) In consequence of the higher rates of exchange adopted for the estimates of 1899-1900, a saving of Rx. 120,000 is anticipated in the pay of British troops and of Rx. 20,800 in exchange compensation allowance.
- (c) A saving, amounting to Rx. 60,000, is due to an anticipated fall in the prices of food supplies for men and animals as compared with the prices adopted for the current year's budget.
- (d) Again, savings to the extent of Rx. 21,200 will accrue owing to the cost of the 1st Bengal Infantry while stationed at Mauritius being borne by Her Majesty's Government.
- (e) Another cause of saving, resulting directly from the cessation of field operations, is that the provision for expenditure on account of non-effective services is reduced by Rx. 22,500 as regards extra pensionary allowances, and by Rx. 14,500 for war medals.
- (f) In addition to the foregoing, the following reductions in expenditure are anticipated:—
  - (i) Under Grant 3 (*Regimental Pay, Allowances and Charges*) savings to the extent of Rx. 45,000 are anticipated owing to probable fluctuations in strength and other causes.
  - (ii) Under Grant 4 (*Commissariat Establishments, Supplies and Services*) savings, amounting to Rx. 32,800, are expected, owing to (1) smaller purchases of malt-liquor (Rx. 12,800); (2) to the special grant (Rx. 10,000) made in the preceding year for purchase of transport animals to complete the authorised complement of mobilisation animals not having been repeated; and (3) to smaller provision (Rx. 10,000) as against Rx. 20,000 in 1898-99 having been made for additional officers for the Commissariat-Transport Department.
  - (iii) Under Grant 6 (*Clothing Establishments, Supplies and Services*) reduced expenditure of about Rx. 17,400 is anticipated, owing to smaller purchases of certain articles being necessary.
  - (iv) Under Grant 10 (*Ordnance Establishments, Stores and Camp Equipage*) there will be savings, aggregating Rx. 10,300, due chiefly to anticipated variations in establishments, and also to a smaller provision having to be made for the conversion of the equipment of the batteries of the field army to that suitable for the 15-pounder projectiles.

9. The foregoing decreases in expenditure will, however, be partly counter-balanced by certain increases, of which the following are the more important :—

- (i) Increased provision to the extent of Rx. 114,600 has been made for messing allowance to the British Army. In this connection it may be mentioned that, as explained in my memorandum of last year, the details connected with the measures to be adopted in India, in furtherance of the improvements made in the position of the non-commissioned officers and men of the British Army in all parts of Her Majesty's dominions, were not settled when the budget for 1898-99 was closed ; provision, therefore, was made therein for only Rx. 200,000. During the currency of that year the matter was, however, finally settled, and with the sanction of the Secretary of State certain measures were adopted in India with effect from the 1st June 1898. These measures involve the abolition of deferred pay, and the grant of a gratuity on discharge or transfer to the Army Reserve ; also the grant of messing allowance of  $2\frac{1}{4}$  annas per diem in addition to usual pay and extra-duty pay, and the free issue of groceries, for which the soldier had up to that time been required to pay 9 pies per diem. I may mention that the soldiers who were in the service at the time these changes were introduced had the option of accepting them, or continuing under the arrangements they were intended to supersede. These considerations and the fact that expenditure for the whole, instead of a part, of a year has to be provided for, account for the increase in the provision for this allowance in the estimate of next year.
- (ii) Provision to the extent of Rx. 39,500 has been made for providing the mobilisation equipment of the additional corps (line of communications) included among the extra units of the field army ; and of Rx. 37,600 for maintaining a reserve of compressed fodder to facilitate mobilisation requirements. A sum of Rx. 18,400 has also been provided for the supply of camel saddles for the 3rd and 4th Divisions and extra units of the field army.
- (iii) A sum of Rx. 20,700 has been provided for the re-establishment of Cantonment Hospitals.
- (iv) There will also be increased expenditure to the extent of Rx. 17,200 due to the raising of an additional Native mountain battery.
- (v) Increased provision, amounting to Rx. 16,800, has also been made on account of the ordinary movements of troops and stores, as it is anticipated that the reliefs next year will be heavier than they were this year.
- (vi) Larger provision to the extent of Rx. 14,000 has been made for camps of exercise.
- (vii) Another cause of increased expenditure, amounting to Rx. 13,800, is the return of the head-quarters wing of the 4th Bombay Rifles and the anticipated return from Mombassa early next year of the 27th Bombay Infantry, the cost of which during its absence from India has been borne by Her Majesty's Imperial Government.
- (viii) There will also be larger expenditure to the extent of Rx. 10,000 on account of medical supplies and services.

(ix) The expenditure side of the budget estimate for next year is also increased by reason of a smaller deduction in India to adjust excess provision in the Home Estimate—Rx. 48,300.

10. A statement is appended showing the net amounts under each of the 20 Grants for effective and non-effective services, and for military operations:—

		STRENGTH.			
		1899-1900.	1898-99.		
British Army	... ..	72,495	72,516		
Native Army	... ..	143,021	143,533		
Total	... ..	215,516	216,049		

Grants.		NET ESTIMATES.		DIFFERENCE ON NET ESTIMATES.		Remarks.
		1899-1900.	1898-99.	Increase.	Decrease.	
	<b>Effective Services.</b>	Rx.	Rx.	Rx.	Rx.	
1	Army and Garrison Staff ... ..	541,290	541,210	80	...	
2	Administrative Staff ... ..	205,542	208,892	...	3,350	
3	Regimental Pay, Allowances and Charges ... ..	8,098,142	8,392,856	...	294,714	
4	Commissariat Establishments, Supplies and Services ... ..	3,382,430	3,166,013	216,417	...	
5	Remount and Veterinary Establishments, Supplies and Services ... ..	344,411	336,909	7,502	...	
6	Clothing Establishments, Supplies and Services ... ..	207,894	204,775	3,119	...	
7	Barrack Establishments, Supplies and Services ... ..	243,808	229,950	13,858	...	
8	Administration of Martial Law ... ..	42,905	43,189	...	284	
9	Medical Establishments, Supplies and Services ... ..	743,078	712,231	30,847	...	
10	Ordnance Establishments, Stores and Camp Equipage ... ..	709,373	656,359	53,014	...	
11	Ecclesiastical ... ..	33,032	27,972	5,060	...	
12	Education ... ..	46,926	47,291	...	365	
13	Sea Transport Charges ... ..	57,222	56,267	955	...	
14	Miscellaneous Services ... ..	368,847	212,086	156,761	...	
15	Volunteer Corps ... ..	202,564	196,707	5,857	...	
	<b>Total, Effective Services Rx.</b>	<b>15,227,464</b>	<b>15,032,707</b>	<b>493,470</b>	<b>298,713</b>	
	<b>Non-Effective Services.</b>					
16	Rewards for Military Services ... ..	16,228	32,445	...	16,217	
17	Military Pensions to Europeans ... ..	98,364	106,197	...	7,833	
18	Military Pensions to Natives ... ..	709,304	727,373	...	18,069	
19	Widows' Pensions and Compassionate Allowances ... ..	—58,789*	—54,952*	—3,837	...	
20	Departmental Pensions .. ..	64,225	62,130	2,095	...	
	<b>Total, Non-Effective Services Rx.</b>	<b>829,332</b>	<b>873,193</b>	<b>—1,742</b>	<b>42,119</b>	
	<b>Military Operations Rx.</b>	<b>38,904</b>	<b>1,344,900†</b>	<b>...</b>	<b>1,305,996</b>	
	<b>Grand Total Rx.</b>	<b>16,095,700</b>	<b>17,250,800</b>	<b>491,728</b>	<b>1,646,828</b>	
			<b>Net decrease Rx. ...</b>	<b>1,155,100</b>		

\* The bulk of subscriptions of officers to Indian Military Service Family Pensions is received in India, while most of the expenditure is incurred at home. The receipts in India, therefore, exceed the expenditure in India, and hence, as the figures in the above statement are *net*, there must be a minus entry.

† In my memorandum on military expenditure last year the heading "*Military Operations*" did not appear, although it did appear in the Financial Statement, the charges being included in my memorandum under Grant 14. The figure adopted above differs from that in the Financial Statement for last year, by reason of a change in classification involving a redistribution between ordinary charges and warlike operations.



## II.—Home (India) Military Estimates.

### *Revised Estimates, 1898-99.*

11. The second of the estimates with which the Military Department is concerned is the Home estimate for army effective and non-effective charges. The Home Budget Estimates for 1898-99 provided for a gross expenditure of £4,469,300, while in the Revised Estimates provision has been made to the extent of £4,324,100.

Comparison—  
Revised for 1898-99,  
and  
Budget for 1898-99.

12. The saving of £145,200 in the Revised, as compared with the Budget Estimate for 1898-99, is chiefly due to decrease in the payments for ordnance stores, owing, to a great extent, to the reduction of demands made by India. It is also due to reduced payments on account of the furlough allowances of officers of the Indian Service, and of the pay and pensions of non-effective and retired officers of the Indian Service. These decreases are, however, partly counter-balanced by larger payments having been made to the War Office in settlement of their claims for 1897-98 on account of the effective and non-effective service of the British forces serving in India, than were anticipated when the Budget Estimate was framed.

13. There is also an increase of £10,400 on account of receipts in the Revised, as compared with the Budget Estimates for 1898-99, due chiefly to larger receipts being anticipated on account of the Indian Troop Service, and in the value of articles in possession of regiments on their transfer from the Indian to the British establishment.

14. The net figures of the revised, therefore, show a saving of £155,600 on those of the Budget Estimate for 1898-99 due, as explained above, to a decrease in expenditure of £145,200 and an increase in receipts of £10,400.

### *Estimates, 1899-1900.*

Comparison—  
Budget for 1898-99,  
and  
Estimate for 1899-1900.

15. The receipts and expenditure for 1899-1900 are as follows:—

					Receipts.	Expenditure.	Net expenditure.
					£	£	£
Effective	...	...	...	...	51,900	1,996,300	1,944,400
Non-effective	...	...	...	...	15,500	2,496,800	2,481,300
				Total	67,400	4,493,100	4,425,700

16. Compared with the budget for 1898-99, larger receipts to the extent of £18,100 are anticipated in 1899-1900, owing to the same causes as those which have led to the figures on account of receipts being increased in the Revised Estimate for 1898-99. The total gross expenditure for 1899-1900 is, however, higher by £23,800 than the amount provided in the budget for the preceding year, owing chiefly to larger amounts being provided for payment to the War Office on account of the effective and non-effective services of the British forces serving in India, as the amounts adopted on this account in the budget of the preceding year were too low. These increases in expenditure are partly counter-balanced by provision for one transport for trooping service less than in the preceding year having been made, and by reduced expenditure being anticipated on account of pay and pensions of non-effective and retired officers of the Indian Service.

17. The gross charges on account of effective services include payments to the War Office in respect of the British forces serving in India, amounting, as estimated in the coming year, to £730,000, as against £721,000 in the estimates for 1898-99. These charges are based on the capitation rate of £7-10 for each man borne on the establishments of the British forces in India, with the addition of the charge for deferred pay issued to British soldiers on discharge or transfer to the reserve. In connection with the deferred pay, it may be mentioned that during the current financial year it was decided to abolish this concession and to substitute for it a gratuity, the effect of which will be to ultimately reduce military expenditure at Home. The other items included in the gross effective charges are furlough allowances and pay during the voyage of British forces serving in India (£108,000); furlough allowances of officers of the Indian Service (£230,000); Indian Troop Service (£260,600); passage of officers and troops otherwise than in transport (£19,000); miscellaneous (£19,000); and stores for India (£629,700).

The gross charges on account of non-effective services are made up of the retired pay, etc., of the British forces for service in India (£554,000); pay of the non-effective Colonels of Royal Artillery (£24,800); while the pay and pensions of non-effective and retired officers of the Indian Service amount to £1,800,000, the miscellaneous pensions to £86,000, and the Indian Military Service Family Pensions to £32,000.

18. The net expenditure for 1899-1900 is more by £5,700 than that for the preceding year; and, as explained above, this is due to an increase of £18,100 in receipts and an increase of £23,800 in gross expenditure.

19. Subsequent to the estimate of 1899-1900 being closed, it was decided to defer the supply from England of certain stores to the value of £11,093 for which provision was included in those estimates. This over-provision in the Home Estimates has been adjusted by a corresponding deduction in the Indian Estimates with the result that, as compared with the net expenditure of 1898-99, there will be a saving in 1899-1900 of £5,393 in the Home Expenditure.

## FINANCIAL STATEMENT OF THE

20. The figures of actual expenditure in 1897-98, of the *Budget* and *Revised Estimates* for 1898-99, and of the *Estimate* for 1899-1900, are given below in detail for convenience of comparison :—

	Accounts, 1897-98.	Budget Estimate, 1898-99.	Revised Estimate, 1898-99.	Estimate, 1899-1900.
EFFECTIVE.	£	£	£	£
Payments to War Office in respect of British Forces serving in India ...	729,719	721,000	744,400	730,000
Furlough Allowances and Pay during voyage of British Forces serving in India ...	98,390	108,000	112,000	108,000
Furlough Allowances of officers of the Indian Service ...	195,800	230,000	202,000	230,000
Indian Troop Service ...	228,944	267,600	284,600	260,600
Passage of officers and troops otherwise than in transports ...	17,737	19,000	12,000	19,000
Miscellaneous ...	31,651	20,000	19,500	19,000
Stores for India ...	527,141	627,900	522,900	629,700
<b>Total ...</b>	<b>1,829,382</b>	<b>1,993,500</b>	<b>1,897,400</b>	<b>1,996,300</b>
<b>NON-EFFECTIVE.</b>				
Payments to War Office for Retired Pay, etc., of British Forces for service in India ...	506,847	517,000	527,500	554,000
Pay of non-effective Colonels of Royal Artillery ...	24,518	24,800	24,200	24,800
Pay and pensions of non-effective and retired officers of the Indian Service ...	1,771,591	1,820,000	1,760,000	1,800,000
Miscellaneous pensions, etc. ...	84,443	84,000	84,500	86,000
Indian Military Service Family Pensions ...	27,446	30,000	30,500	32,000
<b>Total ...</b>	<b>2,414,845</b>	<b>2,475,800</b>	<b>2,426,700</b>	<b>2,496,800</b>
<b>Total, Effective and Non-Effective ...</b>	<b>4,244,227</b>	<b>4,469,300</b>	<b>4,324,100</b>	<b>4,493,100</b>

21. The following table shows, in detail, the expenditure for stores (including freight) from 1893-94 to-1899-1900 :—

	ACCOUNTS.					Revised Estimate, 1898-99.	Estimate, 1899-1900.
	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.		
	£	£	£	£	£	£	£
Clothing ...	200,699	210,107	210,613	158,825	177,184	169,500	193,400
Ordnance and Miscellaneous ...	547,202	323,141	235,850	290,835	269,377	289,700	352,200
Medical ...	26,494	22,075	19,942	26,446	22,512	21,600	30,200
Commissariat ...	30,864	22,720	21,838	40,832	32,197	24,600	48,600
Chitral Relief Force ...	...	...	6,914	6,873	752	...	...
Malakand Field Force ...	...	...	...	...	23,403	16,500	...
Tochi Field Force ...	...	...	...	...	1,716	1,000	...
North-West Frontier Field Operations ...	...	...	...	...	...	..	5,300
<b>Total ...</b>	<b>805,259</b>	<b>578,043</b>	<b>495,157</b>	<b>523,811</b>	<b>527,141</b>	<b>522,900</b>	<b>629,700</b>

### III.—Military Works Estimates.

Excluding English expenditure and exchange, the budget estimate for 1898-99 amounted to Rx. 1,135,800; the revised estimate of expenditure amounted to Rx. 1,113,700. There has, therefore, been less expenditure in India of Rx. 22,100.

The budget estimate for 1899-1900, excluding English expenditure and exchange, amounts to Rx. 1,299,600, or Rx. 185,900 more than that of 1898-99. The difference is due to an extra grant of Rx. 14,500 for the Barrack Department duties in the Madras Command, now taken over by the Military Works Department, and to a provision of Rx. 150,000 for defence works on the North-West Frontier.

The heads of the Military Works estimate are in round figures:—

	Rx.
For original works, including works in progress and those to be commenced	400,800
„ repairs	349,000
„ establishment	298,000
„ Barrack Department establishment, supplies, and tools and plant	86,000

The new works, 168 in number, including 63 in progress and 105 not commenced, comprise fourteen water-supply works on which Rx. 47,300 is to be spent, and Rx. 22,100 for coast and inland fortifications, the balance being made up of drainage works, hospitals, barracks, and Ordnance, Commissariat, Marine, and Remount requirements. Many of these new works are of a minor character, or are renewals. The demands are very large, and no fewer than 354 works cannot be provided for. If they had been provided for it would have meant an addition of Rx. 940,000 to the budget.

The laborious task of re-constructing the organization for the performance of the military works services has been completed, and I hope that the new arrangements will come into force at an early date.

### IV.—Marine Estimates.

#### *Revised Estimates, 1898-99.*

The net figures of the Budget Estimate of the Royal Indian Marine for 1898-99 were Rx. 142,500, the Revised Estimate stands at Rx. 123,200, showing a decrease of Rx. 19,300.

Comparison—  
Revised for 1898-99,  
and  
Budget for 1898-99.

This decrease in the net expenditure is caused by excess receipts amounting to Rx. 17,500, and a reduction in expenditure to the extent of Rx. 1,800.

The excess under receipts is chiefly due to large recoveries from the Home Government in connection with the employment of Royal Indian Marine vessels on Imperial Service.

The increases in expenditure (aggregating Rx. 8,400) are chiefly due to smaller recoveries for stores issued to, and works executed for, other departments.

The decreases in expenditure (aggregating Rx. 10,200) are principally due to savings in matters of establishments and up-keep; reduced expenditure on repairs to Her Majesty's ships in Indian seas and Royal Indian Marine vessels at outstations; smaller payments of exchange compensation allowance; temporary vacancies and other items.

Taking the increase against the decrease, there is a net decrease of Rx. 1,800, and adding these figures to the increased receipts, Rx. 17,500, the result is a decrease of Rx. 19,300 in the Revised as compared with the Budget Estimate.

*Estimates, 1899-1900.*

The net figures of the Marine Estimate for 1899-1900 are Rx. 136,950 against Rx. 142,500, the figures of the budget for 1898-99 showing a decrease of Rx. 5,550. This decrease is caused by an increase in receipts, amounting to Rx. 7,900, due to anticipated recoveries in connection with the employment of the *Clive* on Imperial Service, counterbalanced by increased expenditure to the extent of Rx. 2,350.

Comparison—  
Budget for 1898-99,  
and  
Estimate for 1899-1900.

**General Remarks.**

Having reviewed the estimates with which the Military and Marine Department of the Government of India is concerned, I would now offer the following remarks in connection with the work of the Army Departments under the administrative control of the Military Department.

The past year has happily been one during which the army of India has enjoyed a much-needed rest, but the experiences of the year 1897-98 have shown certain weak points in the military system, and every department has been engaged in considering what remedies shall be applied, while the whole question of the military position on the North-West Frontier has been examined.

The deficiencies in the transport service have also been engaging attention, and a strong Committee under the presidency of Lieutenant-General G. E. L. Sanford was formed to consider the organisation of that important service. The Committee has submitted a valuable and elaborate report and their recommendations are now under our immediate consideration. The question of improving the ambulance transport has been taken up, and the proposals of a Committee have been submitted. Another weakness that made itself conspicuous during the late campaigns was the deficiency in mountain artillery. We have received the Secretary of State's permission to raise an additional battery.

A decision has been arrived at regarding the gauge of frontier railways; the Nowshera-Dargai line will be pushed on the 2-foot 6-inch gauge; and we have formulated proposals for providing a stock of the plant required for field service tramways and railways.

Another subject to which we have given our attention is that of house accommodation in cantonments. As is well known, difficulties have frequently occurred in obtaining house accommodation in cantonments for officers of the army, and the existing rules on the subject having been found inadequate, it has been considered expedient to make better provision for that purpose by means of legislation. A Bill was introduced on the 4th November 1898. The memorials

from house-owners and the opinions of local Governments and Administrations are being carefully considered.

I have already alluded to the proposed re-organisation of the transport. Last year I mentioned that the insufficiency of the existing complement of commissariat-transport officers had been brought specially to notice in the late campaigns. After very full consideration a large increase to the establishment was recommended. The Secretary of State for India has sanctioned an immediate increase of twelve officers and has called for further information to enable him to decide what further addition is necessary.

With a view to supply the hospitals and British troops with pure milk, steps are being taken to improve the management of dairies generally, and to work dairy and grass farms in conjunction. The supply of grass to the mounted branches has been, in recent years, a matter for anxious consideration, but I hope that we are now in a fair way to attain something like success. An experimental training class for British non-commissioned officers and men in scientific grass farming has been opened at Allahabad, and other measures are being taken to generally improve the supervision of grass farms, and to make them paying concerns. The rules for the provision of grass lands for the horses of Native cavalry in the Bengal and Punjab Commands have been extended to the Native cavalry in the Bombay Command.

Considerable progress has been made in various matters connected with the manufacture and supply of munitions of war. Proposals have been made for the establishment of a factory for the manufacture of cordite on a large scale. This will enable us to be independent of England for our cordite supply and will effect a considerable economy. A site has been decided upon at Jubbulpore for the establishment of a Central Gun-Carriage Factory for all India. The three existing factories at Madras, Bombay, and Fatehgarh cannot be kept up to date economically, and the establishment of a central factory will effect a saving in the cost of establishments. The Harness and Saddlery Workshops in the Bombay Arsenal have been closed, and the work transferred to Madras. In dealing with the working of the Ordnance Department during 1897-98 in my last year's memorandum, I referred to the fact that in order to provide a central authority for the expeditious and economical supply of stores to the arsenals and depots in India, the whole of the ordnance factories in this country had been placed under the direct control of the Director-General of Ordnance in India. I would now add that as a necessary sequel to this arrangement a central office for dealing with the audit and accounts of these factories has been ordered to be formed with effect from the 1st April 1899. Pole draught is being substituted for shaft draught in batteries of horse and field artillery in India. Horse artillery batteries are also being equipped to take cordite cartridges with 12-pr. projectiles, while the field batteries are being altered to carry 15-pr. projectiles with cordite cartridges. It has been decided to carry out the re-armament of British cavalry in India with the Lee-Enfield Magazine carbine, and the artillery with the Martini-Enfield carbine as funds become available.

The equipment of additional corps of the field army for duty on the lines of communication under the plan of mobilisation will be proceeded with in 1899-1900.

The provision of remounts for the army is always a matter of the greatest importance. Various improvements and economies have been effected, and on the whole it may be claimed that satisfactory Australian and country-bred remounts are issued to the army. With a view to developing mule-breeding in India, the purchase of additional donkey stallions from Cyprus was sanctioned, and we have engaged to take a certain number of stallions annually. The increasing difficulty of obtaining donkey stallions from the continent renders it imperative that other sources of supply should be opened up.

There is no more important question than that of the sanitary condition of the army. A great deal remains to be done, but year by year we are making improvements, endeavouring to find out defects and how to remedy them. More troops are stationed in the hills during the hot weather, barracks rebuilt or renewed, and a supply of good water provided at an increasing number of stations. Investigations have been specially made into the sources of the water-supply at various places, and the most stringent precautions have been taken locally to protect the men, as far as possible, from impure water. In the Native Army a considerable progress has been made in re-building the lines; but there are still many lines which ought to be renewed. Valuable sanitary work has been done by the officers appointed for the purpose, and special investigations have been made at those stations which have been particularly afflicted by enteric disease; and water-supply and drainage schemes have been pushed on. It is hoped that the establishment of cantonment hospitals will do much to mitigate the severity of a certain class of diseases. Owing to the conservancy arrangements in cantonments in the Bombay Command being of an unsatisfactory nature, measures are being taken for gradually introducing into that Command the system which has proved successful in the Bengal and Punjab Commands. Funds have been specially provided for the improvement of the sanitary condition of the important military station of Quetta.

#### Marine Department.

During the past year the work in the dockyards at Bombay and Kidderpore (Calcutta) has been normal, notwithstanding the difficulties which the occurrence of plague in the former place gave rise to. The vessels of the Royal Indian Marine have been employed in the usual trooping service, which has extended to Mauritius and Durban. Experiments have been made, with some success, in sending convalescents for a sea trip during the trooping voyages. Two vessels of the Indian Marine have been many years in the service, and, although at present efficient, arrangements will have to be made to replace them before many years elapse.

EDWIN H. H. COLLEN,

*The 20th March 1899.*

*Major-General.*

## APPENDIX III.

Memorandum by the Honourable Sir Arthur Trevor, K.C.S.I.,  
on the conclusions of the Conference of 1898 on Railway  
extensions in India.

The Railway Conference of 1898 met at Viceregal Lodge, Simla, on the 15th

**PRESIDENT :**  
His Excellency the Viceroy. (The Earl of Elgin).

**MEMBERS :**  
The Honourable Sir James Westland, K.C.S.I.  
The Honourable Major-General Sir E. H. H. Collen, K.C.I.E.  
The Honourable Sir Arthur Trevor, K.C.S.I.  
Mr. F. R. Uppcott, Secy. to the Govt. of India, P. W. Dept.  
Mr. A. R. Becher, Accountant General, P. W. Dept.

**SECRETARY :**  
Captain W. J. McElhinny, R.E., Offg. Under-Secy. to the Govt. of India, P. W. Dept. (Railway Branch).

and 16th August 1898, and was constituted as noted in the margin. A representative of the Revenue and Agricultural Department was not included on the Committee this year, as with the exception of a group of light lines in the Madras Presidency, which are not urgent and the projects for which are incomplete, there were no famine lines brought forward that had not already been discussed in former years.

2. Twenty-three new projects were considered, of which five were set aside, one was recommended for construction by a Native State, and the remaining seventeen were held over as not yet ripe for a decision.

The line recommended for construction is the Tonk Branch, 10 miles in length and estimated to cost Rx. 40,000. It will connect Tonk with the Jeypore-Chambal Railway.

3. Of lines held over or set aside at the Conference of 1897, and neither hitherto included in the programme nor brought under negotiation outside the programme, two have now been recommended for construction by, or on the responsibility, direct or indirect, of Government, one by a Branch Line Company, and two for construction without assistance by Native States and private enterprise.

The lines in question are shown below:—

No.	Name.	Approximate length.	Approximate cost.	Locality and agency.
	<i>(a) By or on the responsibility, direct or indirect, of Government.</i>	Miles.	Rx.	
1	Nowshera-Mardan . . . .	40	117,600	Punjab. As part of the North Western railway.
2	Midnapur-Jherria . . . .	122	1,221,200	Southern Bengal. As part of the Bengal Nagpur railway.
	<i>(b) Open to Branch Line Companies.</i>			
1	Chandipur-Taki . . . .	39	172,000	Bengal. Branch of Bengal Central railway.
	<i>(c) Reserved for Native States.</i>			
1	Shoranur-Cochin . . . .	64	917,700	Madras. Branch of Madras railway.
	<i>(d) By private enterprise.</i>			
1	Ammáyanayakanur-Kuruvanath . . . .	75	500,000	Madras. Branch of South Indian railway.



4. Of the two lines recommended for construction by, or on the responsibility of, Government, No. 1, the Nowshera-Mardan, has been estimated for, and provision has also been made in the ensuing programme of railway construction for its commencement.

No. 2, the Midnapore-Jherria, has been accepted for early commencement of construction for the reason that it will open out all the coal-fields at present demanding railway facilities, and at the same time provide a valuable connection for the traffic between Upper India and the east and south coasts of India. The line, which will also have a famine protective value, has been provided for within the programme.

The Chandipur-Taki Railway has been accepted for construction without any Government guarantee, and arrangements are being made by the Promoters for carrying out the survey and preparation of the detailed project by the agency of the Bengal Central Railway Company. The Shoranur-Cochin railway has also been accepted for construction by the Native State of Cochin without any Government guarantee, while the formation of an independent Company to construct the Ammáyanayakanur-Kuruvanath as a tramway without a guarantee under the provisions of the Indian Tramways Act, XI of 1886, has been agreed to, subject to certain conditions.

5. As has been explained on former occasions, the extent to which it is possible to give effect to the recommendations of the Conference in regard to Capital Expenditure on railways other than such as are made by Branch Line Companies under the terms of Government of India Resolution No. 514 R. C., dated 17th April 1896, or by Native States or private Promoters without financial assistance, has been governed up to the end of the year now closing by the limitations of a programme covering the three years, 1896-97 to 1898-99. This programme provided for a total expenditure of Rx. 29,660,000, against which we expect to spend the following amounts:—

	Rx.
In 1896-97 (Actuals) . . . . .	8,658,800
„ 1897-98 ( „ ) . . . . .	8,145,500
„ 1898-99 (Revised Estimate) . . . . .	8,387,500
	<hr/>
TOTAL . . . . .	25,191,800
	<hr/> <hr/>

The Budget Estimate for 1898-99 was prepared for Rx. 10,788,900, but owing to the late arrival of English stores consequent on the engineering strikes in England and other causes, the impossibility of working to the original programme was recognized some time ago, and the Revised Estimate has been reduced accordingly to the sum of Rx. 8,387,500 above shown.

For the three years, 1899-1900 to 1901-1902, on which we are about to enter, it has been thought advisable that we should work on a somewhat less ambitious programme, providing about 6 crores a year for new lines and extensions as against nearly 8½ crores under the previous programme. The chief object of this reduction is to give time for the earnings to overtake the expenditure. The forecast which has been prepared and approved by the Secretary of State works out accordingly to Rx. 20,322,100, distributed as under:—

	Rx.
1899-1900 . . . . .	6,772,700
1900-1901 . . . . .	6,728,400
1901-1902 . . . . .	6,821,000
	<hr/>
TOTAL . . . . .	20,322,100
	<hr/> <hr/>

The additional amount, approximately Rx. 750,000 in each year, which it will be observed has been provided, is due to the inclusion in programme limits from this year of the open line Capital expenditure of the three guaranteed companies and the anticipated expenditure by branch line companies financed on the basis of a firm guarantee instead of a rebate, which items have hitherto been dealt with outside the programme.

The sum set down for expenditure during 1899-1900 is Rx. 6,772,700. In consequence, however, of the heavy lapse, amounting to Rx. 2,401,400, on the grant for 1898-99, to which reference has already been made and which was in a great measure due to short outlay in England consequent on the failure of contractors to complete orders placed with them for stores, it has been agreed, with the concurrence of the Secretary of State, to add a sum of Rx. 1,060,000, representing a portion of this lapse to the grant for 1899-1900, and a further sum of Rx. 1,090,000 subsequently reduced to Rx. 990,000 has been provisionally added under certain conditions with the concurrence of Finance Department, subject to Secretary of State's approval. With this addition the total amount available for expenditure on construction of Railways during 1899-1900 will stand at Rx. 8,822,700.

This sum has been distributed for expenditure on Railways as under :—

	Rx.
34.—Construction of Protective Railways . . . . .	490,000
48.—State Railways—Construction . . . . .	3,465,000
Capital of Indian Railway Companies . . . . .	2,841,900
Branch Line Companies . . . . .	168,000
Guaranteed Railways and Extensions . . . . .	1,107,800
East Indian Railway Company's debentures . . . . .	750,000
	<hr/>
Total amount available . . . . .	8,822,700
	<hr/>

6. Statement A appended to this memorandum gives the programme as modified up to date, and shows also the progress made with such of the lines accepted by Government on the recommendation of the Conference for early construction as have been brought within the programme. The distribution of the amount it shows as available for expenditure during 1899-1900 and subsequent years will, of course, be liable to modification according to circumstances.

7. Statements B and C show how matters stand in regard to lines recommended for early construction at the cost of Branch Line Companies, Native States, etc., outside the programme, and either actually taken in hand or under consideration and negotiation with a view to construction; and Statement D summarises the actual and anticipated progress of railway construction generally for the two years, 1898-99 and 1899-1900.

A. C. TREVOR,

STATEMENT A IN APPENDIX III.

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Statement referred to in paragraph 6 of the Minute, showing the expenditure actually incurred and the estimated further expenditure to be incurred on Railways to end of 1901-1902.

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No.	Railway.	Length.	Approximate cost according to latest information or estimates.	Expenditure to 31st March 1908.	Revised Estimate, 1898-99.	
1	2	3	4	5	6	
		Miles.	Rx.	Rx.	Rx.	
<b>I.—FROM IMPERIAL FUNDS.</b>						
<b>(i)—BY STATE AGENCY.</b>						
<i>Open Lines.</i>						
	Expenditure on open lines worked by the State	...	...	...	1,402,300	
<i>Lines under Construction.</i>						
1	Nowshera-Dargai . . . . .	40	117,600	...	...	
2	Eastern Bengal system. { i.—Ranaghat-Godagari . . . . .	93	930,000	...	...	
3		...	1,000,000	...	...	
4		ii.—Ganges Bridge at Godagari . . . . .	60	600,000	...	...
5		iii.—Godagari-Maldah . . . . .	40	300,000	...	...
6		iv.—Maldah-Raeganj . . . . .	51	468,800	...	...
7	v.—Rungpore-Dhubri . . . . .	...	597,000	153,800	166,400	
8	East Coast, Godavari Bridge . . . . .	139	843,400	762,500	54,400	
9	Rae Bareli Benares Extension . . . . .	87	1,611,500	1,377,400	142,500	
10	Mari-Attock . . . . .	...	310,100	169,500	108,400	
11	Kotri-Rohri, Indus Bridge . . . . .	55	178,800	108,200	64,700	
12	Bhatinda-Ferozepore conversion to 5' 6" gauge . . . . .	...	151,900	10,800	46,100	
13	Rungpore-Dhubri, Teesta Bridge . . . . .	20	45,600	8,000	30,300	
14	Cooch Behar-Santrabari, British section . . . . .	14	136,000	56,900	26,100	
15 } 16 }	Shadipalli-Balotra { (i) British section . . . . . (ii) Conversion of H. U. section	75	315,600	2,700	100,300	
		55	63,300			
17	Agra-Delhi Chord . . . . .	121	907,600	6,200	...	
18	Ghaziabad-Moradabad Chord . . . . .	87	823,000	...	238,000	
	Reserve . . . . .	...	...	...	...	
<b>Total Lines under Construction</b>		<b>937</b>	<b>9,400,200</b>	<b>2,656,000</b>	<b>977,200</b>	
<b>Total I (i)—By State Agency</b>		<b>937</b>	<b>9,400,200</b>	<b>2,656,000</b>	<b>2,379,500</b>	

on Railways to end of 1901-1902.

Total probable expenditure to 31st March 1899 (Cols. 5+6).	Budget Estimate, 1899-1900.	FORECAST FOR		Total probable expenditure up to end of 1901-1902.	No.	REMARKS.
		1900-1901.	1901-1902.			
		Subject to alteration.				
7	8	9	10	11	12	13
Rx.	Rx.	Rx.	Rx.	Rx.		
...	625,800	650,000	650,000	...		
...	120,000	50,000	...	170,000	1	New projects.
...	...	100,000	100,000	200,000	2	
...	...	100,000	100,000	200,000	3	
...	...	50,000	50,000	100,000	4	
...	...	50,000	50,000	100,000	5	
...	100,000	200,000	200,000	500,000	6	
320,200	200,000	100,000	...	620,200	7	
816,900	4,000	...	...	820,900	8	
1,519,900	25,000	...	...	1,544,900	9	
277,900	35,000	...	...	312,900	10	
172,900	...	...	...	172,900	11	
56,900	111,500	...	...	168,400	12	
38,300	12,500	...	...	50,800	13	
83,000	...	...	...	83,000	14	
103,000	100,000	47,200	...	250,200	15	
...					16	
6,200	...	200,000	200,000	406,200	17	
238,000	332,600	200,000	323,000	1,093,600	18	New project
...	162,600	...	...	162,600		Reserve.
3,633,200	1,203,200	1,097,200	1,023,000	6,956,600		
3,633,200	1,829,000	1,747,200	1,673,000	6,956,600		

## FINANCIAL STATEMENT OF THE

## Statement of Forecast of Capital Expenditure

No.	Railway.	Length.	Approximate cost according to latest information or estimates.	Expenditure to 31st March 1898.	Revised Estimate, 1898-99.
1	2	3	4	5	6
		Miles.	Rx.	Rx.	Rx.
<b>I.—FROM IMPERIAL FUNDS—contd.</b>					
	Brought forward	937	9,400,700	2,656,000	2,379,500
<b>(ii)—BY THE AGENCY OF MAIN LINE COMPANIES.</b>					
<i>Open Lines.</i>					
	Expenditure on open lines worked by the Agency of Companies.	...	...	...	770,400
<i>Lines under Construction.</i>					
19	Rajputana-Malwa, Godhra-Baroda chord	45	341,200	...	...
20	Tirhoot, Hajipore-Begum Sarai-Katihar Extension	158	1,223,100	604,400	250,000
21	Tirhoot, Sakri-Jainagar Branch	30	158,600	...	...
22	Assam-Bengal	736	(i) Construction, chargeable to Part II	6,469,500	1,180,400
23			(ii) Land, chargeable to Part I		
24	East Indian, Moghalsarai-Gya Extension	126	1,511,100	701,400	529,100
25	Ditto Dehree-Daltonganj	78	721,800	...	20,000
26	Ditto Shikhoabad-Farakhabad Branch	66	452,000	...	...
27	South Indian, Negapatam-Nagore Branch	5	23,900	...	...
28	Ditto Madura-Pamban	102	459,000	...	...
29	Tinnevelley-Quilon, British Section	45	250,000	...	...
	Total Lines under Construction	1,391	16,004,500	8,107,000	2,001,500
	Total I (ii)—By Main Line Companies	1,391	16,004,500	8,107,000	2,771,900
	GRAND TOTAL I—From Imperial Funds	2,328	25,404,700	10,763,000	5,151,400

\* Includes Rx. 3,656,000 from Company's funds.

on Railways to end of 1901-1902—contd.

Total probable expenditure to 31st March 1899. (Cols. 5+6.)	Budget Estimate, 1899-1900.	FORECAST FOR		Total probable expenditure up to end of 1901-1902.	No.	REMARKS.
		1900-1901.	1901-1902.			
		Subject to alteration.				
7	8	9	10	11	12	13
Rx.	Rx.	Rx.	Rx.	Rx.		
3,633,200	1,829,000	1,747,200	1,673,000	6,956,600		
...	1,308,500	1,260,000	1,310,000	...		
...	...	...	100,000	100,000	19	New project.
854,400	200,000	...	...	1,054,400	20	
...	...	...	...	...	21	New project.
7,649,900	780,000	} 500,000	500,000	9,803,600	} 22	
353,700	20,000		23			
1,230,500	200,000	212,000	...	1,642,500	24	
20,000	180,000	200,000	373,500	773,500	25	
...	...	200,000	152,000	352,000	26	
...	17,500	...	...	17,500	27	
...	100,000	100,000	220,000	420,000	28	} New projects.
...	70,000	80,000	100,000	250,000	29	
10,108,500	1,567,500	1,292,000	1,445,500	14,413,500	...	
10,108,500	2,876,000	2,552,000	2,755,500	14,413,500	...	
13,741,700	4,705,000	4,299,200	4,428,500	21,370,100	...	

Native State Section, 58 miles in length and costing Rx. 766,200 put outside the Programme as involving no liability.

## FINANCIAL STATEMENT OF THE

## Statement of Forecast of Capital Expenditure

No.	Railway.	Length.	Approximate cost according to latest information or estimate.	Expenditure to 31st March 1898.	Revised Estimate, 1898-99.
1	2	3	4	5	6
		Miles.	Rx.	Rx.	Rx.
<b>II.—AGAINST THE CAPITAL ACCOUNTS OF THE 3 OLD GUARANTEED RAILWAY COMPANIES.</b>					
<i>Open Lines.</i>					
30	Great Indian Peninsula . . . . .	...	...	...	73,600
31	Madras . . . . .	...	...	...	20,100
32	Bombay, Baroda and Central India . . . . .	...	...	...	459,100
	Total Open Lines . . . . .	...	...	...	(a)552,800
<i>Lines under Construction.</i>					
33	Amalner-Jalgaon Branch, G. I. P. R. . . . .	34	385,100	...	} 228,200
34	Chalisgaon-Dhulia Branch, G. I. P. R. . . . .	37	359,700	...	
35	Dhulia-Amalner Branch, Great Indian Peninsula . . . . .	20	200,000	...	...
36	Calicut-Cannanore Branch, Madras Railway . . . . .	59	737,500	6,300	70,600
37	Coonoor-Ootacamund, Nilgiri . . . . .	12	192,000	...	...
	Total Lines under Construction . . . . .	162	1,874,300	6,300	298,800
	<b>GRAND TOTAL II.—Against the Capital Accounts of the 3 old Guaranteed Railway Companies.</b>	162	1,874,300	6,300	851,600
<b>III.—AGAINST THE CAPITAL ACCOUNTS OF INDIAN RAILWAY COMPANIES OTHER THAN THE 3 OLD GUARANTEED RAILWAY COMPANIES.</b>					
<i>Open Lines.</i>					
38	Bengal Central . . . . .	...	...	...	78,100
39	Bengal-Nagpur . . . . .	...	...	...	108,300
40	Burma . . . . .	...	...	...	94,300
41	Indian Midland . . . . .	...	...	...	203,000
42	Lucknow-Bareilly . . . . .	...	...	...	15,300
43	Southern Mahratta (including Mysore) . . . . .	...	...	...	79,900
	Total Open Lines . . . . .	...	...	...	578,900
	Carried over . . . . .	...	...	...	578,900

(a) Not included in programme for 3 years 1896-97 to 1898-99.



GOVERNMENT OF INDIA FOR 1899-1900.

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on Railways to end of 1901-1902—contd.

Total probable expenditure to 31st March 1899. (Cols. 5+6.)	Budget Estimate, 1899-1900.	FORECAST FOR		Total probable expenditure up to end of 1901-1902.	No.	REMARKS.
		1900-1901.	1901-1902.			
7	8	Subject to alteration.		11	12	13
Rx.	Rx.	Rx.	Rx.	Rx.		
...	74,000'	90,000'	90,000'	...	30	
...	60,000'	60,000'	60,000'	...	31	
...	410,000'	100,000'	100,000'	...	32	
...	544,000'	250,000'	250,000'	...		
{ 228,200'	363,400'	...	...	591,600'	33	
...	—	...	...	...	34	
...	...	100,000'	100,000'	200,000'	35	New project.
76,900'	200,400'	100,000'	121,400'	498,700'	36	
...	...	100,000'	...	100,000'	37	New project.
305,100'	563,800'	300,000'	221,400'	1,390,300'		
305,100'	1,107,800'	550,000'	471,400'	1,390,300'		
...	40,000'	40,000'	40,000'	...	38	
...	100,000'	300,000'	300,000'	...	39	
...	12,100'	120,000'	120,000'	...	40	
...	165,000'	50,000'	50,000'	...	41	
...	6,900'	30,000'	30,000'	...	42	
...	60,000'	60,000'	60,000'	...	43	
...	384,000'	600,000'	600,000'	...		
...	384,000'	600,000'	600,000'	...		

## FINANCIAL STATEMENT OF THE

## Statement of Forecast of Capital Expenditure

No.	Railway.	Length.	Approximate cost according to latest information or estimates.	Expenditure to 31st March 1898.	Revised Estimate, 1898-99.			
1	2	3	4	5	6			
		Miles.	Rx.	Rx.	Rx.			
<b>III.—AGAINST THE CAPITAL ACCOUNTS OF INDIAN RAILWAY COMPANIES OTHER THAN THE 3 OLD GUARANTEED RAILWAY COMPANIES—contd.</b>								
	Brought forward . . . . .	...	...	...	578,900			
<i>Lines under Construction.</i>								
44	Bengal-Nagpur	Sini-Midnapore-Cuttack-Calcutta	361	8,000,000	3,506,800	1,752,700		
45		Raipur-Dhamtari . . . . .	56	114,100				
46		Midnapore-Jherria Extension . . . . .	122	1,221,200			...	...
47		Khargpur-Midnapore . . . . .	8	142,500			...	...
48		Gondia-Satpura . . . . .	237	811,000			...	...
49	Burma	Mandalay-Kunlon . . . . .	225	2,250,000	880,100	299,700		
50		Meiktila-Myingyan . . . . .	58	361,400	...	185,700		
51		Sagaing-Monywa-Alon . . . . .	75	399,500	...	120,300		
52		Thonze-Henzada-Bassein Extension . . . . .	112	780,000	...	...		
	Total Lines under Construction . . . . .	1,254	14,079,700	4,386,900	2,358,400			
	GRAND TOTAL III—Against the Capital Accounts of Indian Railway Companies other than the 3 old Guaranteed Railway Companies.	1,254	14,079,700	4,386,900	2,937,300			
<b>IV.—AGAINST THE CAPITAL ACCOUNTS OF BRANCH LINE COMPANIES WHICH ARE IN RECEIPT OF A FIRM GUARANTEE.</b>								
<i>Lines under Construction.</i>								
53	Hurdwar-Dehra . . . . .	30	300,000	36,500	150,000(a)			
54	Brahmaputra-Sultanpore . . . . .	60	342,700	88,700	68,000(a)			
	GRAND TOTAL IV.—Against the Capital Accounts of Branch Line Companies.	90	642,700	125,200	218,000			

(a) Not included in programme for 3 years 1896-97 to 1898-99.

GOVERNMENT OF INDIA FOR 1899-1900.

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on Railways to end of 1901-1902—contd.

Total probable expenditure to 31st March 1899. (Cols. 5+6.)	Budget Estimate, 1899-1900.	FORECAST FOR		Total probable expenditure up to end of 1901-1902.	No.	REMARKS.
		1900-1901.	1901-1902.			
		Subject to alteration.				
7	8	9	10	11	12	13
Rx.	Rx.	Rx.	Rx.	Rx.		
—	384,000	600,000	600,000	...	...	
5,259,500	1,557,500	200,000	20,700	7,037,700	{ 44	} New projects.
...	...	600,000	650,000	1,250,000	45	
...	112,500	...	...	112,500	46	
...	...	...	100,000	100,000	47	
1,179,800	435,500	300,000	322,500	2,237,800	48	
185,700	112,400	70,000	85,900	454,000	49	
120,300	240,000	50,000	42,000	452,300	50	
...	...	...	100,000	100,000	51	
6,745,300	2,457,900	1,220,000	1,321,100	11,744,300	52	New project.
6,745,300	2,841,900	1,820,000	1,921,100	11,744,300	...	
186,500	88,000	37,500	...	312,000	53	
156,700	80,000	21,700	...	258,400	54	
343,200	168,000	59,200	...	570,400	...	

## FINANCIAL STATEMENT OF THE

## Statement of Forecast of Capital Expenditure

No.	Railway.	Length.	Approximate cost according to latest information or estimates.	Expenditure to 31st March 1898.	Revised Estimate, 1898-99.	
1	2	3	4	5	6	
	<b>ABSTRACT.</b>	<b>Miles.</b>	<b>Rx.</b>	<b>Rx.</b>	<b>Rx.</b>	
I.—From Imperial Funds.	(i) By State Agency. {	(a) Open Lines . . .	...	...	1,402,300	
		(b) Construction . . .	937	9,400,200	2,656,000	
		Total . . .	937	9,400,200	2,656,000	
	(ii) By the Agency of Main Line Companies. {	(a) Open Lines . . .	...	...	...	770,400
		(b) Construction . . .	1,391	16,004,500	8,107,000	2,001,500
		Total . . .	1,391	16,004,500	8,107,000	2,771,900
	<b>TOTAL I . . .</b>	<b>2,328</b>	<b>25,404,700</b>	<b>10,763,000</b>	<b>5,151,400</b>	
	II.—Against the Capital Accounts of the 3 old Guaranteed Railway Companies.	(a) Open Lines . . .	...	...	...	(a) 552,800
			(b) Construction . . .	162	1,874,300	6,300
		TOTAL II . . .	162	1,874,300	6,300	851,600
III.—Against the Capital Accounts of Indian Railway Companies other than the 3 old Guaranteed Railway Companies.	(a) Open Lines . . .	...	...	...	578,900	
		(b) Construction . . .	1,254	14,079,700	4,386,900	2,358,400
	TOTAL III . . .	1,254	14,079,700	4,386,900	2,937,300	
IV.—Against the Capital Accounts of Branch Line Companies which are in receipt of a firm Government guarantee.	(a) Open Lines . . .	...	...	...	...	
		(b) Construction . . .	90	642,700	125,200	(a) 218,000
	TOTAL IV . . .	90	642,700	125,200	218,000	
TOTAL, I TO IV	{	(a) Open Lines . . .	...	...	3,304,400	
		(b) Construction . . .	3,834	42,001,400	15,281,400	5,853,900
<b>GRAND TOTAL . . .</b>		<b>3,834</b>	<b>42,001,400</b>	<b>15,281,400</b>	<b>9,158,300</b>	

(a) Not included in programme for 3 years 1896-97 to 1898-99.

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on Railways to end of 1901-1902—concl'd.

Total expenditure to 31st March 1899. (Cols. 5 + 6.)	Budget Estimate, 1899-1900.	FORECAST FOR		Total probable expenditure up to end of 1901-1902.	No.	REMARKS.
		1900-1901.	1901-1902.			
		Subject to alteration.				
7	8	9	10	11	12	13
Rx.	Rx.	Rx.	Rx.	Rx.		
...	625,800	650,000	650,000	...	...	
3,633,200	1,203,200	1,097,200	1,023,000	6,956,600	...	
3,633,200	1,829,000	1,747,200	1,673,000	6,956,600	...	
...	1,308,500	1,260,000	1,310,000	...	...	
10,108,500	1,567,500	1,292,000	1,445,500	14,413,500	...	
10,108,500	2,876,000	2,552,000	2,755,500	14,413,500	...	
13,741,700	4,705,000	4,299,200	4,428,500	21,370,100	...	
...	544,000	250,000	250,000	...	...	
305,100	563,800	300,000	221,400	1,390,300	...	
305,100	1,107,800	550,000	471,400	1,390,300	...	
...	384,000	600,000	600,000	...	...	
6,745,300	2,457,900	1,220,000	1,321,100	11,744,300	...	
6,745,300	2,841,900	1,820,000	1,921,100	11,744,300	...	
...	...	...	...	...	...	
343,200	168,000	59,200	...	570,400	...	
343,200	168,000	59,200	...	570,400	...	
...	2,862,300	2,760,000	2,810,000	...	...	
21,135,300	5,960,400	3,968,400	4,011,000	35,075,100	...	
21,135,300	8,822,700	6,728,400	6,821,000	35,075,100	...	

STATEMENT B. IN APPENDIX III.

Statement showing Railways recommended since 1895-96 for early construction outside the programme by the agency of—

- (i) Branch Line Companies,
  - (ii) Native States,
  - (iii) Railway Companies to which free land and minor concessions are given,
- which have actually been commenced or arranged for, omitting those shown in last year's Appendix B as completed.

Railway.	Length.	Estimated or approximate cost.	REMARKS.
	Miles.	Rx.	
<b>(I) BY BRANCH LINE COMPANIES.</b>			
<i>(a) Lines shown as under construction in 1897-98.</i>			
Segowlie-Ruksaul . . . . .	18	99,800	Completed and opened to traffic.
Open . . . . .	18	99,800	
South Behar . . . . .	79	1,129,407	Under construction by the agency of the East Indian Railway Company. More than $\frac{3}{4}$ ths finished.
Tapti Valley (Surat-Nandurbar-Amalner) . . . . .	156	1,400,139	Under construction by the agency of the Bombay, Baroda and Central India Railway Company. More than $\frac{3}{4}$ ths finished. First section to Vyara opened to traffic.
*Hurdwar-Dehra . . . . .	32	300,000	Under construction by the State for the Branch Line Company. Tunnels completed and nearly half of line finished.
*Brahmaputra-Sultanpur . . . . .	60	342,700	Under construction by the agency of the Eastern Bengal Railway. Nearly half finished.
Mymensingh-Jamalpur . . . . .	54	205,500	Ditto More than $\frac{3}{4}$ ths finished. First section to Jamalpur opened to traffic.
Jamalpur-Jagganathganj . . . . .			
Under Construction . . . . .	381	3,377,746	
<i>(b) Recommended lines shown as under consideration or negotiation in 1897-98.</i>			
Narwana-Kaithal Branch . . . . .	23	100,000	Completed and opened to traffic.
Open . . . . .	23	100,000	
Chandipur-Taki . . . . .	39	172,000	Concession granted pending arrangements for financing the project and preparation of necessary survey and estimate of cost.
Amritsar-Tarn Taran-Sarhali . . . . .	25	150,000	Concession granted. Commencement of work not yet authorised pending subscription of capital and submission of the detailed project.
	64	322,000	
<i>(c) New projects since put forward.</i>			
Nil.			
<b>TOTAL (I)</b> . . . . .	486	3,899,546	
<b>(II) BY NATIVE STATES.</b>			
<i>(a) Lines shown as under construction in 1897-98.</i>			
Wadhwan-Dhrangadhra . . . . .	21	66,200	Completed and opened to traffic.
Cooch Behar Town Extension . . . . .	3	15,000	
Open . . . . .	24	81,200	Opened to traffic.

\* Under new arrangements these two lines will be included in programme from next year.

## FINANCIAL STATEMENT OF THE

## STATEMENT B—concl'd.

Railway.	Length.	Estimated or approximate cost.	REMARKS.
<i>(a) Lines shown as under construction in 1897-98—contd.</i>			
Birur-Shimoga Branch . . . . .	38	185,000	Under construction by the Mysore Durbar. Nearly $\frac{2}{3}$ ths finished.
Hyderabad-Godavari Valley . . . . .	390	2,988,200	Under construction by the Nizam's Guaranteed State Railways Company. More than half finished.
Guna-Bara Extension . . . . .	74	602,500	Under construction by the Durbars concerned. About $\frac{1}{4}$ ths finished.
Shadipali-Balotra (Jodhpore Section) . . . . .	135	427,700	Under construction by the Jodhpore Durbar. About half finished.
Jeypore-Chambal (Jeypore-Sawai-Madhampur) . . . . .	73	313,200	Under construction by the Jeypore Durbar. About half finished.
Cooch Behar-Alipore . . . . .	11	25,000	More than half finished.
Bikaner-Suratgarh . . . . .	114	247,330	Fifty miles opened for traffic, 64 under construction.
Pardi-Nandod . . . . .	18	60,690	Under construction for the Rajpipla Durbar-Pardi-Umalla Section, 5 miles, opened to traffic. About $\frac{1}{3}$ rd finished.
Under Construction	853	4,819,620	
<i>(b) Recommended lines shown as under consideration or negotiation in 1897-98.</i>			
Ludhiana-Dhuri-Jakhal . . . . .	81	416,600	Construction sanctioned, but commencement as a railway project not yet authorised pending settlement of agreement with the Durbars concerned.
Gwalior-Bhind-Chambalghat . . . . .	46*	86,300	Half finished. * Excluding 6.54 miles of the existing line, which will require slight alterations.
	127	502,900	
<i>(c) New projects put forward since 1897-98 and commenced or arranged for.</i>			
Tinnevelly-Quilon (Native State Section) . . . . .	58	766,200	Accepted for construction without any Government guarantee.
TOTAL (II)	1,062	6,229,920	
<b>(III) BY RAILWAY COMPANIES TO WHICH FREE LAND AND MINOR CONCESSIONS ARE GIVEN.</b>			
<i>(a) Lines shown as under construction or actually arranged for in 1897-98.</i>			
Bengal and North-Western Railway Extension (Benares-Turtipur and Branches) . . . . .	210	1,318,100	Under construction. More than half finished.
Barsi Road-Pandharpur Extension . . . . .	33	133,925	Concession granted to the Barsi Light Railway Company. Work not yet commenced.
Nilgiri (Mettupalaiyam-Coonoor) . . . . .	17	355,000	Completed, but damaged by heavy rain as it was about to be opened to traffic.
	260	1,807,025	
<i>(b) Recommended line shown as under consideration or negotiation in 1897-98.</i>			
Kalka-Simla . . . . .	68	700,000	Contract executed and capital partly subscribed, but commencement of work not yet authorised, pending submission of, and sanction to, the detailed project.
Bengal Dooars Extensions . . . . .	126	611,100	Contract executed, estimates sanctioned and work commenced.
	194	1,311,100	
<i>(c) New projects put forward since 1897-98 and commenced or arranged for.</i> Nil.			
TOTAL (III)	454	3,118,125	
GRAND TOTAL (I) TO (III)	2,002	13,247,591	

## STATEMENT C IN APPENDIX III.

Statement showing Railways recommended since 1895-96 for construction outside the programme by the agency of—

- (i) Branch Line Companies,  
 (ii) Native States,  
 (iii) Railway Companies to which free land and minor concessions are given, but not yet actually commenced or arranged for.

Railway.	Length.	Estimated or approximate cost.	REMARKS.
	Miles.	Rx.	
<b>(I) BY BRANCH LINE COMPANIES.</b>			
<i>(a) Lines included in the list of 1897-98 as under consideration.</i>			
Bhagalpur-Bausi-Baidyanath . . . . .	90	739,700	Concession being arranged.
Ahmadpur-Baidyanath . . . . .	62	551,700	Negotiations in progress.
Gogri (Mansi)-Baptiahi . . . . .	85	500,700	Concession being arranged.
Kurnool Road Branch . . . . .	36	120,000	Under consideration.
Jullundur-Hoshiarpur . . . . .	25	150,000	Ditto ditto.
Ahmedabad-Dholka (Sabarmati-Dholka) . . . . .	34	130,800	Ditto ditto.
Nadiad-Kapadvanj . . . . .	28	87,400	Ditto ditto.
Nilgiri Extension (Coonoor-Ootacamund) . . . . .	12	192,000	Ditto ditto.
Mutupet-Avadyarkoil . . . . .	45	150,000	Construction by the Tanjore District Board agreed to.
Shibnibash (Kissengunge)-Kotchandpur-Magura . . . . .	51	130,000	Under consideration.
<i>(b) New projects since put forward or recommended.</i>			
Ammayānayakanur-Kuruvanath . . . . .	75	500,000	Negotiations in progress.
Sylhet District tramways . . . . .	43	120,000	Under consideration.
Cachar District tramways . . . . .	60	147,500	Ditto ditto.
Bezvada-Masulipatam . . . . .	44	530,000	Ditto ditto.
<b>TOTAL (I)</b> . . . . .	<b>690</b>	<b>4,049,800</b>	
<b>(II) BY NATIVE STATES.</b>			
<i>(a) Lines included in the list of 1897-98 as under consideration.</i>			
Arsikere-Hassan . . . . .	27	192,500	Under consideration by the Mysore Durbar.
Bara-Kotah (2 feet) . . . . .	43	95,000	Under consideration by the Kotah Durbar.
Mysore-Fraserpet . . . . .	52	250,000	Under consideration by the Mysore Durbar.
<i>(b) New projects since put forward or recommended.</i>			
Shoranur-Cochin . . . . .	64	917,700	Under consideration by the Travancore Durbar.
<b>TOTAL (II)</b> . . . . .	<b>186</b>	<b>1,455,200</b>	



FINANCIAL STATEMENT OF THE  
STATEMENT C—concl'd.

Railway.	Length.	Estimated or approximate cost.	REMARKS.
	Miles.	Rs.	
<b>(II) BY RAILWAY COMPANIES TO WHICH FREE LAND AND MINOR CONCESSIONS ARE GIVEN.</b>			
<i>(a) Lines included in the list of 1897-98 as under consideration.</i>			
Bengal Dooars Extension (Bagrakote to Daling coal-fields).	5	34,000	Contract executed subject to the condition that the Company agrees to construct such line.
Vizianagram-Bimlipatam . . . . .	15	93,900	Negotiations in progress.
Laksam-Noakhali-Ichakhali . . . . .	38	228,000	Negotiations in progress. Alternative for Feni-Noakhali line.
<i>(b) New projects since put forward or recommended.</i>			
Gorakhpur-Bagaha . . . . .	65	334,000	Under consideration.
Ballia-Ghaziipur . . . . .	34	156,400	Ditto ditto.
Jaunpur-Aunrihar . . . . .	34	129,200	Ditto ditto.
<b>TOTAL (II)</b> .	191	975,500	
<b>GRAND TOTAL (I) TO (III)</b> .	1,067	6,480,500	

STATEMENT D IN APPENDIX III.

Memorandum on the construction of railways.

1. At the commencement of 1898-99, *i.e.*, on the 1st April 1898, the total length of railways open for traffic was 21,198·08 miles, made up as follows:—

	Miles.	Miles.		Miles.	Miles.
(i) East Indian . . . . .	1,705·08	3,791·74	<i>Standard gauge—</i>	(i) State lines worked by companies . . . . .	3,791·74
(i) Bengal Central (a) . . . . .	125·01				
(i) Bengal-Nágpur . . . . .	860·88				
(i) Indian Midland . . . . .	727·39				
(i) Bhopal-Itarsi ( <i>British section</i> ) . . . . .	(b) 13·11				
(i) Godhra-Rutlam-Nágdá . . . . .	(c) 140·91				
(i) Wardha Coal . . . . .	(d) 44·88				
(i) Dhond-Manmád . . . . .	(d) 145·44				
(i) Bezwada extension—East Coast State . . . . .	(e) 20·58				
(i) Madras-Ennúr section—Bezwada-Madras . . . . .	(f) 8·45				
(ii) North Western . . . . .	(g) 2,817·03	4,491·40	(ii) State lines worked by the State . . . . .	4,491·40	
(ii) Hyderabad-Shadípalli . . . . .	(h) 58·91				
(ii) Oudh and Rohilkhand . . . . .	812·37				
(ii) Eastern Bengal . . . . .	(o) 255·79				
(ii) Calcutta Port Commissioners' East Coast . . . . .	8·53				
(iii) Great Indian Peninsula . . . . .	1,288·00	2,588·13	(iii) Guaranteed companies . . . . .	2,588·13	
(iii) Bombay, Baroda and Central India . . . . .	460·90				
(iii) Madras . . . . .	839·23				
(iv) Delhi-Umballa-Kalka . . . . .	(j) 162·24	584·27	(iv) Assisted companies . . . . .	584·27	
(iv) Tarkesur . . . . .	(j) 22·23				
(iv) Southern Punjab (Delhi-Samásata) . . . . .	(k) 399·80				
(v) Kámgaon . . . . .	(d) 7·55	632·87	(v) Lines owned by native states and worked by companies . . . . .	632·87	
(v) Amraoti . . . . .	(d) 5·44				
(v) Bina-Goonsa . . . . .	(b) 71·74				
(v) Bhopal-Ujjain . . . . .	(b) 113·52				
(v) Bhopal-Itarsi ( <i>Native state section</i> ) . . . . .	(b) 44·28				
(v) The Nizam's Guaranteed state . . . . .	(k) 332·32				
(v) Nágdá-Ujjain . . . . .	(c) 34·67				
(v) The Gaekwar's Petléd . . . . .	(c) 13·35				
(vi) Kolar Gold-fields . . . . .	(f) 10·00	123·86	(vi) Lines owned by native states and worked by State railway agency . . . . .	123·86	
(vi) Rajpura-Bhátinda . . . . .	(k) 107·94				
(vi) Jammu and Kashmir ( <i>Native state section</i> ) . . . . .	(h) 15·93				12,212·27
(vii) Bengal and North-Western—Tirhoot section . . . . .	341·80	6,630·28	<i>Metre gauge—</i>	(vii) State lines worked by companies . . . . .	6,630·28
(vii) Company's section (l) . . . . .	515·90				
(vii) Lucknow-Bareilly section—Rohilkhand and Kumaon . . . . .	231·17				
(vii) Rajputana-Malwa . . . . .	(c) 1,673·93				
(vii) Palampur-Deesa . . . . .	(c) 17·28				
(vii) Southern Mahratta . . . . .	1,042·04				
(vii) Guntakal-Mysore frontier . . . . .	(m) 119·50				
(vii) Mysore section—Southern Mahratta . . . . .	296·00				
(vii) South Indian . . . . .	1,041·69				
(vii) Máyavaram-Mutupet . . . . .	(n) 63·99				
(vii) Assam-Bengal . . . . .	(w) 360·63				
(vii) Burma . . . . .	636·45				
(viii) Eastern Bengal—Northern and Behar sections ( <i>including the Kamia-Dharilla, 2' 6" gauge, branch</i> ) . . . . .	478·47	643·99	(viii) State lines worked by the State . . . . .	643·99	
(viii) Dacca section . . . . .	85·92				
(viii) Cawnpore-Burhwal ( <i>Metre gauge link</i> ) . . . . .	(o) 79·60				
(ix) Deoghur . . . . .	4·79	237·20	(ix) Assisted companies . . . . .	237·20	
(ix) Rohilkhand and Kumaon ( <i>Company's section</i> ) . . . . .	53·92				
(ix) Bengal Dooars . . . . .	36·40				
(ix) Dibru-Sadiya . . . . .	77·60				
(ix) Ledo and Tikak-Margherita Colliery . . . . .	10·00				
(x) Ahmednabad-Parantij . . . . .	(c) 54·69	188·30	(x) Lines owned by native states and worked by companies . . . . .	188·30	
(x) The Gaekwar's Mehsána . . . . .	(c) 92·63				
(x) Kolhápúr . . . . .	(m) 29·07				
(xi) Yessantpur-Mysore frontier . . . . .	(m) 61·35	858·36	(xi) Lines owned and worked by native states . . . . .	858·36	
(xi) Mysore-Nanjaugú . . . . .	(m) 15·28				
(xi) Jodhpore-Bickaneer . . . . .	364·00				
(xi) Oodeypore-Chitor . . . . .	60·39				
(xi) Bhávnagar-Gondal-Junágad-Forbandar . . . . .	(p) 333·46				
(xii) Jetalsar-Rájkot . . . . .	(q) 46·23	73·25	(xii) Foreign lines . . . . .	73·25	
(xii) Jámnagar (r) . . . . .	(q) 54·25				
(xii) West of India Portuguese . . . . .	51·00				
(xii) Pondicherry . . . . .	(n) 7·80	8,631·88	(xiii) State lines worked by the State . . . . .	8,631·88	
(xii) Karaikkal-Peralam . . . . .	(n) 14·45				
(xiii) Cherra-Companyganj (2' 6") . . . . .	8·00	36·25	(xiv) Assisted companies . . . . .	36·25	
(xiii) Jorbát (2' 6") . . . . .	28·25				
(xiv) Darjeeling-Himalayan (2' 0") . . . . .	51·00	103·87	(xv) Lines owned by native states and worked by companies . . . . .	103·87	
(xiv) Barsi Light (2' 6") . . . . .	21·75				
(xiv) Tarakeshwar-Magra (2' 6") . . . . .	(s) 31·12				
(xv) The Gaekwar's Dahhol (2' 6") . . . . .	(c) 78·80	97·83	(xvi) Lines owned by native states and worked by State railway agency . . . . .	97·83	
(xv) Rajpipla (2' 6") . . . . .	(c) 19·03				
(xvi) Cooch Behar (2' 6") . . . . .	(d) 22·13	22·12	(xvii) Lines owned and worked by native states . . . . .	22·12	
(xvii) Morvi (2' 6") . . . . .	(d) 22·13				
					354·43
			<b>TOTAL</b> . . . . .		<b>(u) 21,198·08</b>

(a) Although for convenience classed amongst State railways, this line is the property of the Bengal Central Railway Company.  
 (b) Worked by the Indian Midland Railway Company.  
 (c) Worked by the Bombay, Baroda and Central India Railway Company.  
 (d) Worked by the Great Indian Peninsula Railway Company.  
 (e) Although forming an integral part of the East Coast State railway, this line is shown separately as it is worked by the Nizam's Guaranteed State Railways Company.  
 (f) Worked by the Madras Railway Company.  
 (g) Including the Kotri-Rohri and Muskhaf-Bolan railways and 6·12 miles of military line not used for public traffic.  
 (h) Worked by the North Western State railway.  
 (i) Excluding the Bezwada extension, *vide* foot-note (e).  
 (j) Worked by the East Indian Railway Company.  
 (k) Including 2·19 miles, Trimulgherry troop siding, constructed but not used for ordinary public traffic.  
 (l) Although for convenience classed amongst State railways, this line is the property of the Bengal and North-Western Railway Company.  
 (m) Worked by the Southern Mahratta Railway Company.  
 (n) Worked by the South Indian Railway Company.  
 (o) Excluding 3·86 miles of the Lucknow-Bareilly railway between Daliganj and Aishbagh.  
 (p) Including 4·60 miles of Bhávnagar Dock estates and Junágad quarry lines.  
 (q) Worked by the Bhávnagar-Gondal-Junágad-Forbandar railway.  
 (r) Including 3·99 miles of Bedi-Bandar Dock estate sidings.  
 (s) Constituted a railway from the 19th May 1898. Previously omitted.  
 (t) Worked by the Eastern Bengal State railway.  
 (u) Including the mileage of the Cherra-Companyganj railway, which is treated as a steam tramway for administrative purposes only. This line was damaged by floods and was open up to 30th April 1893 only. It was reopened for goods traffic from 23rd December 1898.  
 (v) Including 2·30 miles from Belgachhi to the Ganges constructed but not worked. This length was open for traffic from the 1st to the 8th October 1897.  
 (w) Includes the Gauhati-Jamuna Mukh section, 7·73 miles, temporarily closed to traffic from 13th June 1897 on account of damages done by earthquake.

2. And the mileage under construction or sanctioned for construction on the same date was 4,295.66 miles (e), as follows:—

	Miles.	Miles.
<b>Standard gauge—</b>		
(i) State lines worked by companies	708.41	
(ii) State lines worked by the State	672.33	
(iii) Guaranteed companies	134.71	
(iv) Assisted companies	293.20	
(v) Lines owned by native states and worked by companies	76.00	
(vi) Lines owned by native states and worked by State railway agency	80.32	
		<b>1,965.02</b>

<b>Metre gauge—</b>		
(vii) State lines worked by companies	1,023.81	
(viii) State lines worked by the State	76.13	
(ix) Assisted companies	270.08	
(x) Lines owned by native states and worked by companies	428.29	
(xi) Lines owned and worked by native states	285.60	
		<b>2,083.91</b>
<b>Special gauges—</b>		
(xii) State lines worked by companies	56.67	
(xiii) State lines worked by the State	20.08	
(xiv) Assisted companies	33.00	
(xv) Lines owned by native states and worked by companies	48.80	
(xvi) Lines owned by native states and worked by State railway agency	15.22	
(xvii) Lines owned and worked by native states	72.96	
		<b>246.73</b>
<b>TOTAL</b>	<b>(e) 4,295.66</b>	

There was thus a grand total of railways completed and in hand, on the 1st April 1898, of miles 25,493.74 (f)

	Miles.	Miles.	Miles.
East Indian—			
Moghal Sarai to Gya	128.26		
Hathras Road to Hathras City	5.61		
Shikohabad to Farukhabad	(a) 66.00	280.37	
Baran to Daltonganj, including colliery branch	(a) 82.50		708.41
Bengal-Nagpur—			
Sini via Midnapore to Howrah	170.00		
Midnapore to Barang (Cuttaek)	190.00	360.00	
Indian Midland—			
Damo to Katni			68.04
North Western—			
Lyallpur to Khanawal	105.00		
Kotri to Hyderabad (Sind)	5.30		
Campbellpore Cantonment to Basal (New Pind-Sultani)	25.00	190.30	
Langar (b) to Mari	55.00		
Oudh and Rohilkhand—			
Rae Bareilly to Benares	138.69		
Ghaziabad to Moradabad	87.00	225.69	
Eastern Bengal—			
Panchooria to Faridpur	14.59		
Panchooria to the Ganges	5.60	20.09	
East Coast—			
Temporary Puri station to permanent Puri station	1.89		
Godavari bridge at Rajamundry and approaches	4.55	6.44	
Bezawada-Madras (Ennur-Bezawada section)—			
Ennur to Gudur	74.60		
Nellore (c) to Tadepalli	155.28	229.88	
Great Indian Peninsula—			
Amalner to Jalgaon	34.05		
Chalisgaon to Dhulia	37.31	71.36	
Madras—			
Calcutt to Cannanore	59.00		
Arcot to Ranipet	4.35	63.35	
Southern Punjab (Delhi-Samdsata)—			
Delhi Brewery to Delhi	0.79		
Narwana to Kaithal	25.00	25.79	
South Behar (Luckeesera-Gya)—			
Luckeesera to Gya			79.00
Hardwar-Dehra—			
Hardwar to Dehra			32.01
Tapti Valley—			
Surat to Amalner			156.40
Bina-Goonna—			
Goonna to Bars			76.00
Ladhiana-Dhuri-Jakhal—			
Ladhiana via Dhuri to Jakhal			(a) 80.32
Bengal and North-Western—			
Tirhoot section—			
Hajepore to Begamserai	44.25		
Garhara to Katihar	116.75	161.00	
Company's section—			
Balrampur to Tulsipur	20.00		
Ganges-Gogra Doab lines—			
Turtipur to Benares	83.20		
Mau to Shahganj	60.00	263.52	
Mau via Ballia to Revelganj	71.32		
Aunrihar to Ghazipur	29.00		
Assam-Bengal—			
Badarpar to Makum	325.32		
Badarpar to Silchar	18.62	381.57	
Lumding to Jamuna Mukh	37.63		
Burma—			
Sedaw to the right bank of the Salween river			217.72
Eastern Bengal—			
Teesta bridge at Kaunia and approaches			4.87
Hyderabad (Sind)-Jodhpur frontier—			
Hyderabad (Sind) to the Jodhpur frontier	(d) 71.26		76.13
Bengal Dooars—			
Malbazar to Hantupara	48.00		
Dam Dim to Bagrakote	6.76	121.76	
Deomoni Hat to Lalmonir Hat	69.00		
Brahmaputra-Sultanpur—			
Sultanpur via Bogra to Kaliganj			59.70
Mymensingh-Jamalpur-Jagannathganj—			
Mymensingh via Jamalpur to Jagannathganj			53.81
Segowlie-Baksaul—			
Segowlie to Baksaul			18.00
Nalgiri—			
Mettupalayam to Coonoor			16.81
Mysore-Nanjangud—			
Nanjangud station to a point nearer the town of Nanjangud			0.50
Birur-Shimoga—			
Birur to Shimoga			37.98
Hyderabad-Godavari Valley—			
Secunderabad to Manmad			389.81
Jodhpore-Bikaner—			
Jodhpore section—			
Balotra to the Jodhpore frontier			134.81
Bikaner section—			
Bikaner to Lankansar			50.57
Oodeypore-Chitor—			
Debari to Oodeypore			6.44
Jeypore-Sawai-Madhupur—			
Sanganer to Sawai-Madhupur			72.78
Dhrangadra—			
Wadhwan to Dhrangadra			21.00
Raipur-Dhamtari branch (Bengal-Nagpur) (2' 0")—			(a) 45.00
Raipur to Dhamtari			(a) 11.87
Abhanpur to Rajim			
Eastern Bengal, Cooch Behar-Santrabari extension (British section) (2' 6")—			
Alipore to Jhainti			20.0
Barsi Light (2' 6")—			
Barsi Road to Pandharpur			(a) 33.0
Rewah (2' 6")—			
Rewah to Sutna			(a) 91.00
Rajpipla (2' 6")—			
Raj Pardi to Naudod			17.80
Cooch Behar (2' 6")—			
Right bank of the Torsa river to the town of Cooch Behar			3.72
Cooch Behar to Alipore			11.60
Gwalior-Sipri (2' 0")—			
Gwalior to Sipri			7

(a) Commencement of work not yet authorized.  
 (b) The length between Basal (New Pind-Sultani) and Langar, 16 miles, is a part of the open mileage of the Khusalgarh branch.  
 (c) Excluding the existing South Indian, metre gauge, railway between Gudur and Nellore, 24.24 miles, subsequently taken over and converted to the standard gauge.  
 (d) The mileage given is exclusive of 55.03 miles of the existing Hyderabad-Shadipally standard gauge railway to be converted to the metre gauge.  
 (e) Excluding the Bhatinda-Ferozepore conversion (59.85 miles).  
 (f) Includes the mileage of the Cherra-Companyganj railway, which is treated as a steam tramway for administrative purposes only.

3. During 1898-99, i.e., from 1st April 1898 to 31st March 1899, 540.62 miles of new railway were authorized as follows:

	Miles.	Miles.	Miles.
(i) { Agra-Delhi chord— Agra to Delhi . . . . . (a) 131.16 Bengal-Nagpur— Kharagpur to Midnapore . . . . . (b) 8.00			129.16
(ii) { South Indian— Necapatam to Nagore . . . . . (b) 4.67 Burma Meiktila to Myingyan . . . . . 57.70 Kazalin to Alon . . . . . 74.60		132.20	136.87
(iii) { Jodhpore Bickaneer (Bickaneer section)— Bickaneer-Bhatinda Extension— Lunkaransar to Suratgarh . . . . . (b) 63.00 Gigasar to Palana . . . . . 9.60			72.50
(iv) { Tezpur-Balipara (2' 6")— Tezpur ghât to Balipara . . . . . (f) 20.10 Howrah-Amta (2' 0") Telkalgât (Howrah) to Amta . . . . . (g) 23.75 Bargachi to Jaratbalabpur (branch) . . . . . } Howrah-Sheakhalla (2' 0")— Kadamtolla to Sheakhalla . . . . . (g) 19.25 Chanditolla to Jonai (branch) . . . . . } Bânach-Krishnagar (2' 6")— Right bank of the Churni river near Rânaghat to the left bank of the Jalangi river at Krishnagar . . . . . (j) 20.20 Kalka-Simla (2' 0")— Kalka to Simla . . . . . (a) 68.00			156.30
(v) { Gwalior-Chambal ghât (2' 0")— Gwalior to Bind . . . . . (c) 45.79			45.79
(vi) { East Indian— Hâthras Road to Hâthras City . . . . . 5.81 Bengal-Nâgpur— Sini to Kolaghat . . . . . 134.63 Kharagpur to Barang (Cuttack) . . . . . 190.00 } Indian Midland— Damoh to Katni . . . . . 68.04		324.63	398.28
(vii) { North Western— Lyallpur to Toba Tek Singh . . . . . 49.00 Oudh and Rohilkhand— Rae Bareilly to Benares . . . . . 138.69 Eastern Bengal— Panchooria to the Ganges . . . . . 5.50 Panchooria to Faridpur . . . . . 14.69 } East Coast, including Bezwada-Madras— Temporary Puri station to permanent Puri station . . . . . 1.84 Ennûr to Gudur . . . . . 76.00 Gudur to Nellore . . . . . 24.24 Nellore to Tadepalli . . . . . 154.12 } (viii) Madras— Walsajah Road to Ranipet . . . . . 4.35		20.09	463.98
(ix) { Southern Punjab (Delhi-Samâsata)— Narwana to Kaithal . . . . . (d) 23.00 Tâpî Valley Kankra Khari to Vyara . . . . . 35.25			58.25
(x) { Bengal and North-Western— Company's section— Balrâmpur to Tulsipur . . . . . (d) 18.50 Gogra bridge at Bahramghât and approaches . . . . . 3.27 Ganges Gogra Doab lines— Turtipur to Azamgarh . . . . . 51.35 Mau to Benares . . . . . 68.85 Mau via Ballia to Bevelganj . . . . . 71.32 Aunrihar to Ghâzipur . . . . . 29.00 } South Indian— Nellore to Gudur . . . . . (e) 24.24 Assam-Bengal— Jamuna Mukh to Lanka . . . . . (k) 19.00 Badarpur to Silchar . . . . . 18.62		232.29	245.67
(xi) { Brahmaputra-Sultanpur— Sultanpur to Bogra . . . . . 23.50 Mymensingh-Jamalpur-Jacannathganj— Mymensingh to Singhâni . . . . . 33.00 Segowli-Raksaul . . . . . 18.00 Nilgiri Mettupâlaiyam to Coonoor . . . . . (d) 16.90			81.40
(xii) { Jodhpore-Bickaneer— Bickaneer section— Bickaneer to Khari . . . . . 41.67 Dhrângadrâ— Wadhwan to Dhrângadrâ . . . . . (d) 20.83			62.50
(xiii) Mysore-Nanjangûd— Nanjangûd town to a point nearer the town of Nanjangûd . . . . . 0.50			0.50
(xiv) { Tezpur-Balipara (2' 6")— Tezpur ghât to Balipara . . . . . (f) 20.10 Howrah-Amta (2' 0") Telkalgât (Howrah) to Amta . . . . . (g) 23.75 Bargachi to Jaratbalabpur (branch) . . . . . } Howrah-Sheakhalla (2' 0")— Kadamtolla to Sheakhalla . . . . . (g) 19.25 Chanditolla to Jonai (branch) . . . . . }			68.10
(xv) { Rajpipla (2' 6")— Raj Pardi to Umalla . . . . . 5.00 Cooch Behar (2' 6")— Right bank of the Torsar river to the town of Cooch Behar (d) 3.30 Cooch Behar to Alipore . . . . . 11.60 } (xvii) Gwalior-Sipri (2' 0")— Gwalior to Mohana . . . . . (d) 38.77		14.80	126.67

	Miles.	Miles.
<b>Standard gauge—</b>		
(i) State lines worked by companies . . . . .	129.16	129.16
<b>Metre gauge—</b>		
(ii) State lines worked by companies . . . . .	136.87	
(iii) Lines owned and worked by native states . . . . .	72.50	209.37
<b>Special gauges—</b>		
(iv) Assisted companies . . . . .	156.30	
(v) Lines owned and worked by native states . . . . .	45.79	202.09
<b>TOTAL . . . . .</b>		<b>540.62</b>

And 1,451.60 miles were opened to public traffic as follows:

	Miles.	Miles.
<b>Standard gauge—</b>		
(vi) State lines worked by companies . . . . .	398.28	
(vii) State lines worked by the state . . . . .	463.98	
(viii) Guaranteed companies . . . . .	4.35	
(ix) Assisted companies . . . . .	58.25	924.86
<b>Metre gauge—</b>		
(x) State lines worked by companies . . . . .	245.67	
(xi) Assisted companies . . . . .	91.40	
(xii) Lines owned and worked by native state . . . . .	62.50	
(xiii) Lines owned by native states and worked by companies . . . . .	0.50	400.07
<b>Special gauges—</b>		
(xiv) Assisted companies . . . . .	68.10	
(xv) Lines owned by native states and worked by companies . . . . .	5.00	
(xvi) Lines owned by native states and worked by State railway agency . . . . .	14.80	
(xvii) Lines owned and worked by native states . . . . .	38.77	126.67
<b>TOTAL . . . . .</b>		<b>(1) 1,451.60</b>

Commencement of work not yet authorized.  
 (f) Provisionally sanctioned.  
 (g) The mileage given is exclusive of 6.54 miles of the existing light railway.  
 (h) Correction of mileage.  
 (i) Converted to standard gauge and added to the mileage of the Bezwada-Madras railway.  
 (j) Constituted a railway from the 3rd May 1899.  
 (k) Constituted railways from the 7th October 1898.  
 (l) Excluding the Bhatinda-Ferozepore conversion (59.35 miles), which is likely to be opened in April 1899.  
 (m) Excluding Segowli-Raksaul railway, which is shown separately.  
 (n) Constituted a railway from the 23rd February 1899.  
 (o) The Gauhati-Jamuna Mukh section ( vide foot-note w on page 119) has also been reopened.

FINANCIAL STATEMENT OF THE

4. The total length of open line at the commencement of 1899-1900, *i.e.*, on the 1st April 1899, will, therefore, be 22,650.96 miles, comprising :

Standard gauge—

	Miles.	Miles.
(i) State lines worked by companies	4,190.02	
(ii) State lines worked by the State	4,954.77	
(iii) Guaranteed companies	2,592.47	
(iv) Assisted companies	642.51	
(v) Lines owned by native states and worked by companies	632.87	
(vi) Lines owned by native states and worked by State railway agency	123.86	
		13,136.50

Metre gauge—

(vii) State lines worked by companies	6,877.86
(viii) State lines worked by the State	643.99
(ix) Assisted companies	328.60
(x) Lines owned by native states and worked by companies	188.80
(xi) Lines owned and worked by native states	920.86
(xii) Foreign lines	73.25
	9,033.36

Special gauges—

(xiii) State lines worked by the State	36.25
(xiv) Assisted companies	171.97
(xv) Lines owned by native states and worked by companies	102.83
(xvi) Lines owned by native states and worked by State railway agency	36.92
(xvii) Lines owned and worked by native states	133.13
	481.10
<b>TOTAL</b>	<b>22,650.96</b>

	Miles.	Miles.
(i) East Indian	1,710.70	
Bengal Central (a)	126.01	
Bengal-Nágpur	1,185.51	
Indian Midland	795.43	
Bhopal-Itárai (British section)	(b) 13.11	4,190.02
Godhra-Rutlam-Nágdá	(c) 140.81	
Wardha Coal	(d) 44.83	
Dhond-Manmád	(d) 145.44	
Bezwada extension (East Coast State)	(e) 20.58	
Madras-Ennúr section (Bezwada-Madras)	(f) 8.45	
(ii) North Western	(g) 2,868.02	
Hyderabad-Shadipalli	(h) 53.91	
Oudh and Rohilkhand	851.00	4,954.77
Eastern Bengal	275.88	
Calcutta Port Commissioners'	8.53	
East Coast, including Bezwada-Madras	(i) 794.37*	
(iii) Great Indian Peninsula	1,288.00	
Bombay, Baroda and Central India	460.90	2,592.47
Madras	843.67*	
(iv) Delhi-Umballa-Kalka	(j) 162.23*	
Tarkessur	(j) 23.23	
Southern Punjab (Délhi-Sámásáta)	(h) 422.80	642.51
Tápti Valley	(c) 35.25	
(v) Khámgaon	(d) 7.55	
Amráoti	(d) 5.44	
Bina-Gooná	(b) 71.74	
Bhopal-Ujjain	(b) 113.52	
Bhopal-Itárai (Native State section)	(b) 44.28	632.87
The Nizam's Guaranteed State	(k) 332.32	
Nágdá-Ujjain	(c) 34.87	
The Gaekwar's Peilád	(c) 13.35	
Kolar Gold-fields	(f) 10.00	
(vi) Bájppura-Bhátinda	(h) 107.94	
Jammu and Kashmir (Native State section)	(h) 15.92	123.86
(vii) Bengal and North-Western—		
Tirhoot section	341.80	
Company's section (l)	745.49*	
Lucknow-Bareilly section (Rohilkund and Kumaon)	231.17	
Rájputana-Malwa	(c) 1,673.94*	6,877.86
Pálanpur-Deesa	(c) 17.28	
Southern Mahratta	1,042.04	
Guntakal-Mysore frontier	(m) 119.50	
Mysore section (Southern Mahratta)	298.00	
South Indian	1,021.95*	
Máyavaram-Mutupet	(n) 53.99	
Assam-Bengal	398.25	
Burma	936.45	
(viii) Eastern Bengal—		
Northern and Behar sections (including the Káunia-Dharila, 3' 6" gauge, branch)	478.47	
Dacca section	85.92	643.09
Cawnpore-Burhwal (Metre-gauge link)	(t) 79.80	
(ix) Deoghur	4.79	
Rohilkund and Kumaon (Company's section)	53.92	
Bengal Dooars	36.40	
Dibru-Sadiya	77.50	
Ledo and Tikak-Margherita Colliery	(o) 10.00	328.60
Ahmedabad-Parántij	(c) 54.59	
Brahmaputra-Sultanpur	(s) 23.50	
Mýmensingh-Jamalpur-Jagannathganj	(a) 93.00	
Segowlie-Báksaul	(u) 18.00	
Núgiri	(f) 16.90	
(x) The Gaekwar's Mehsána	(c) 92.63	
Kolhápur	(m) 29.07	188.80
Yesvantpur-Mysore frontier	(m) 51.35	
Mysore-Nanjangúd	(m) 15.75	
(xi) Jodhpore-Bikaner	405.67	
Oodeypore-Chitor	60.39	
Bhávnaagar-Gondal-Junágad-Porbandar	(p) 333.46	920.86
Jetalsar-Bájkot	(q) 46.23	
Jámnagar	(q) 54.28	
Dhrángadrá	(q) 20.83	
(xii) West of India Portuguese	51.00	
Pondicherry	(n) 7.80	
Karáikkal-Perálam	(n) 14.45	
(xiii) Cherra-Companyganj (2' 6")	(r) 8.00	36.25
Jorhát (2' 0")	28.25	
(xiv) Darjeeling-Himalayan (2' 0")	51.00	
Bárei Light (2' 6")	21.75	
Tárákeshwar-Mágra (2' 6")	31.12	171.97
Tezpur-Báilpara (2' 6")	20.10	
Howrah-Amta (2' 0")	23.75	
Howrah-Sheakhalla (2' 0")	19.25	
(xv) The Gaekwar's Dabhol (2' 6")	(c) 78.80	102.83
Rájpipla (2' 6")	(e) 24.03	
(xvi) Cooch Behar (2' 6")	(s) 36.92	
(xvii) Morvi (2' 6")	94.36	133.13
Gwalior-Sipri (2' 0")	38.77	

(a) Although for convenience classed amongst State railways, this line is the property of the Bengal Central Railway Company.  
 (b) Worked by the Indian Midland Railway Company.  
 (c) Worked by the Bombay, Baroda and Central India Railway Company.  
 (d) Worked by the Great Indian Peninsula Railway Company.  
 (e) Although forming an integral part of the East Coast State railway, this line is shown separately as it is worked by the Nizam's Guaranteed State Railways Company.  
 (f) Worked by the Madras Railway Company.  
 (g) Including 6.12 miles of military line not used for public traffic, the Mushkaf-Bolán railway and the Kotri-Rohri chord line.  
 (h) Worked by the North Western State railway.  
 (i) Excluding the Bezwada extension, *vide* foot-note (e).  
 (j) Worked by the East Indian Railway Company.  
 (k) Including 2.19 miles, Trimulgherry troop siding, constructed but not used for ordinary public traffic.

(l) Although for convenience classed amongst State railways, this line is the property of the Bengal and North-Western Railway Company.  
 (m) Worked by the Southern Mahratta Railway Company.  
 (n) Worked by the South Indian Railway Company.  
 (o) Worked by the Assam Railways and Trading Company.  
 (p) Including 4.50 miles of Bhávnaagar Dock estates and Junágad quarry lines.  
 (q) Worked by the Bhávnaagar-Gondal-Junágad-Porbandar railway.  
 (r) Treated as a steam tramway for administrative purposes only. Temporarily closed to traffic from 1st May 1899 on account of damages done by floods. Reopened for goods traffic on 23rd December 1898.  
 (s) Worked by the Eastern Bengal State railway.  
 (t) Excluding 3.08 miles of the Lucknow-Bareilly railway between Daliganj and Aishbárh.  
 (u) Worked by the Bengal and North-Western Railway Company.

Correction of mileage.	
† Made up as follows:—	
Open at the commencement of 1898-99	21,198.08
Add—Opened during 1898-99	1,451.60
	22,649.68
Deduct—Decrease due to minor correction of mileage	3.32
	22,646.36
Add—Tanjore-Pulliarpatti quarry extension of the South Indian railway, previously omitted	4.60
	22,650.96

5. And the mileage under construction or sanctioned for construction on the 31st March 1899 will be 3,430.15 miles, made up as follows:

Standard gauge—

(i) State lines worked by companies	. 439.29	Miles. Miles.
(ii) State lines worked by the State	. 239.60	
(iii) Guaranteed companies	. 135.05	
(iv) Assisted companies	. 233.14	
(v) Lines owned by native states and worked by companies	. 74.12	
(vi) Lines owned by native states and worked by State railway agency	. 80.32	
	<u>1,201.52</u>	

Metre gauge—

(vii) State lines worked by companies	. 927.93
(viii) State lines worked by the State	. 76.13
(ix) Assisted companies	. 178.77
(x) Lines owned by native states and worked by companies	. 427.79
(xi) Lines owned and worked by native states	. 295.43
	<u>1,906.05</u>

Special gauges—

(xii) State lines worked by companies	. 56.67
(xiii) State lines worked by the State	. 20.08
(xiv) Assisted companies	. 121.20
(xv) Lines owned by native states and worked by companies	. 43.80
(xvi) Lines owned and worked by native states	. 80.83
	<u>392.58</u>

TOTAL . 3,430.15

Making a grand total of railways completed and in hand at the commencement of 1899-1900 of miles 26,081.11\*

And showing, after allowing for corrections of mileage, an advance on the previous year of miles . 586.09

	Miles.	Miles.	Miles.
East Indian—			
Mughal Sarai to Gya		128.26	
Shikohabad to Farukhabad		(a) 88.00	
Baran to Daltonganj, including colliery branch		(a) 83.50	439.29
Agra-Delhi chord—			
Agra to Delhi		(a) 121.16	
Bengal-Nagpur—			
Kolschat to Howrah		35.37	
Khargpur to Midnapore		(c) 8.00	
North Western—			
Campbellpore Cantonment to Basal (New Pind-Sultani)		(b) 88.75	148.08
Langar to Mari		56.00	
Toha Tek Singh to Khanewal		5.80	
Kotri to Hyderabad (Sind)			239.80
Ondh and Rohilkhand—			
Ghaziabad to Moradabad		87.00	
East Coast—			
Godavari bridge at Rajamundry and approaches		4.58	
Great Indian Peninsula—			
Amalner to Jaigaon		34.05	
Chaliegao to Dhulia		(b) 38.00	135.05
Madras—			
Calicut to Cannanore		(b) 65.00	
Southern Punjab (Delhi-Samastata)—			
Delhi Brewery to Delhi		0.79	
South Behar (Luckeesera-Gya)—			
Luckeesera to Gya		79.00	283.14
Hardwar-Dehra—			
Hardwar to Dehra		32.01	
Tapti Valley—			
Vyara to Amalner		121.34	
(v) Bios-Goonas—			
Goonas to Bara		(b) 74.12	
(vi) Ludhiana-Dhuri-Jakhal—			
Ludhiana via Dhuri to Jakhal		(a) 80.32	
Bengal and North-Western—			
Tirhoot section—			
Hajeeapore to Begamsera		44.25	
Garhara to Katihar		116.76	181.00
Company's section—			
Ganges-Gogra Doab lines—			
Azamgarh to Shahganj		33.00	
South Indian—			
Negapatam to Nagore		(c) 4.87	
(vii) Assam-Bengal—			
Jadarpur to Lumding		113.14	
Lanka to Lakwar		171.54	(b) 337.08
Lakwar to Makum		53.38	
Burma—			
Sedaw to the right bank of the Salween river		(b) 280.00	
Mektila to Mvingyan		67.70	393.20
Sagaing to Alon with a river siding to Myimma		74.60	
(viii) Eastern Bengal—			
Teesta bridge at Kaunia and approaches		4.87	
Hyderabad (Sind)-Jodhpore frontier—			
Hyderabad to Jodhpore frontier		(d) 71.28	76.13
Bengal Doonars—			
Malbazar to Haotupara		46.00	
Dam Dim to Bagrakote		6.76	121.76
Deomoni Hat to Lalmonir Hat		69.00	
(ix) Brahmputra-Sultanpur—			
Bogra to Kaliganj			36.20
Mymensingh-Jamalpur-Jagannathganj—			
Singhiani to Jagannathganj			20.81
(x) Birur-Shimoga—			
Birur to Shimoga		37.98	
Hyderabad-Godavari Valley—			
Secunderabad to Manmad		389.81	437.79
Jodhpore-Bickaneer—			
Jodhpore section—			
Balotra to the Jodhpore frontier		134.91	
Bickaneer section—			
Khari to Lankansar		8.90	216.21
Lankansar to Suratgarh		(c) 63.00	
Gizsar to Palana		9.60	
(xi) Oodeypore-Chitor—			
Debari to Oodeypore			6.44
Jeypore-Sewal-Madhapur—			
Sanganer to Sewal-Madhapur		72.78	286.48
(xii) Raipur-Dhamtari branch (Bengal-Nagpur) (2' 0")—			
Raipur to Dhamtari		45.00	
Abhanpur to Bajim		11.87	56.87
(xiii) Eastern Bengal—			
Cooch Behar-Santabrari extension (British section) (2' 6")—			
Alipore to Jhainti			20.08
(xiv) Ranaghat-Krishnagar (2' 6")			20.20
Barai Light (2' 6")			
Barai Road to Pandharpur		(e) 53.00	121.28
Kalka-Nimla (2' 0")			
Kalka to Simla		(e) 68.00	
(xv) Rajpipla (2' 6")			
Umalla to Nanded			13.60
Bewah (2' 6")			
Bewah to Sutva		(e) 31.00	43.80
(xvi) Gwalior-Sipri (2' 0")			
Mohana to Sipri			35.04
Gwalior-Chambalghat—			
Gwalior to Bhind		(e) 45.79	80.83

(a) Commencement of work not yet authorized.

(b) Correction of mileage.

(c) Provisionally sanctioned.

(d) Excluding 65.08 miles of the Hyderabad-Shadipalli standard gauge railway to be converted to the metre gauge.

(e) Excluding 6.54 miles of existing light railway.

\* Made up as follows:—

	Miles.
Completed and in hand at the beginning of 1898-99	25,493.74
Sanctioned during 1898-99	540.62
	<u>26,034.36</u>
<b>Deduct—</b>	
Decrease due to realignment of the Assam-Bengal Railway	6.89
Net decrease due to minor correction of mileage	4.66
	<u>11.55</u>
<b>Add—</b>	
Gogra bridge and approaches at Bahramghat, previously omitted	3.27
Increase due to new alignment of the Mari-Attock Railway	6.76
Increase due to new alignment of the Calicut-Cannanore Railway	6.00
Increase due to new alignment of the Mandalay-Kunlon Railway	42.28
	<u>55.08</u>
	<u>26,081.11</u>

6. It is expected that the following lengths of unfinished line will be opened for public traffic in 1899-1900 :

	Miles.	Miles.
<i>Standard gauge—</i>		
(i) State lines worked by companies . . . . .	169.63	
(ii) State lines worked by the State . . . . .	142.75	
(iii) Guaranteed companies . . . . .	36.00	
(iv) Assisted companies . . . . .	233.14	
(v) Lines owned by native states and worked by companies . . . . .	74.12	
		655.64

<i>Metre gauge—</i>		
(vi) State lines worked by companies . . . . .	171.67	
(vii) Assisted companies . . . . .	57.01	
(viii) Lines owned by native states and worked by companies . . . . .	347.98	
(ix) Lines owned and worked by native states . . . . .	147.87	
		724.53

<i>Special gauges—</i>		
(x) State lines worked by companies . . . . .	56.67	
(xi) State lines worked by the State . . . . .	20.08	
(xii) Assisted companies . . . . .	20.20	
(xiii) Lines owned by native states and worked by companies . . . . .	12.80	
(xiv) Lines owned and worked by native states . . . . .	80.83	
		190.58

TOTAL . 1,570.75

Leaving the undermentioned lines for completion in 1900-1901 or later :

	Miles.	Miles.
<i>Standard gauge—</i>		
(xv) State lines worked by companies . . . . .	269.66	
(xvi) State lines worked by the State . . . . .	96.85	
(xvii) Guaranteed companies . . . . .	99.05	
(xviii) Lines owned by native states and worked by State railway agency . . . . .	80.32	
		545.88

<i>Metre gauge—</i>		
(xix) State lines worked by companies . . . . .	756.26	
(xx) State lines worked by the State . . . . .	76.13	
(xxi) Assisted companies . . . . .	121.76	
(xxii) Lines owned by native states and worked by companies . . . . .	79.81	
(xxiii) Lines owned and worked by native states . . . . .	147.56	
		1,181.52

<i>Special gauges—</i>		
(xxiv) Assisted companies . . . . .	101.00	
(xxv) Lines owned by native states and worked by companies . . . . .	31.00	
		132.00
TOTAL . . . . .		1,859.40

	Miles.	Miles.	Miles.
(i) East Indian—			
Moghal Sarai to Gya . . . . .		126.26	
Bengal-Nagpur—			
Kolaghat to Howrah . . . . .	35.37		
Khargpur to Midnapore . . . . .	(a) 3.00	43.37	169.63
North Western—			
Cambellpore Cantonment to Basal (New Pind Sultanai) . . . . .		88.75	
Langar to Miri . . . . .			142.75
Toba Tek Singh to Khanewal . . . . .		56.00	
(ii) Great Indian Peninsula—			
Chaligaon to Dhulia . . . . .			36.00
Southern Punjab (Delhi Samasata)—			
Delhi Brewery to Deuli . . . . .		0.79	
South Behar (Luckeesarai-Gya)—			
Luckeesarai to Gya . . . . .		79.00	
(iii) Hardwar-Dehra—			
Hardwar to Dehra . . . . .		32.01	
Tapti Valley—			
Vyara to Amalner . . . . .		121.34	
(iv) Bina-Goonna—			
Goonna to Bara . . . . .			74.12

(v) Bengal and North-Western—			
Tirhoot section—			
Hajepore to Begamsarai . . . . .	44.25	89.00	
Garhara to Moheshkunt . . . . .	44.75		
South Indian—			
Negapatam to Nagore . . . . .	(a) 4.78		171.67
Assam-Bengal—			
Lumding to Makum . . . . .		18.00	
Burma—			
Sedaw to Namraw . . . . .		60.00	
Brahmaputra-Sultanpur—			
Bogra to Kaliganj . . . . .		36.20	
Mymensingh-Jamalpur-Jagannathganj—			
Singhiani to Jagannathganj . . . . .		20.81	57.01
Birman-Shimoga—			
Biran to Shimoga . . . . .		37.99	
(vi) Hyderabad-Godavari Valley—			
Manmad to Runjane . . . . .	120.00	310.00	347.98
Secunderabad to Limbgaon . . . . .	160.00		
Oodeypore-Chitor—			
Debari to Oodeypore . . . . .		6.44	
Jodhpore-Bikaner—			
Jodhpore section—			
Balotra to Barmer . . . . .	69.75		
Bikaner section—			
Khari to Lankaransar . . . . .	9.80	68.65	147.87
Jeypore-Sewal-Madhapur—			
Sanganer to Sewal-Madhapur . . . . .		72.79	

(x) Raipur-Dhamtari branch (Bengal-Nagpur railway) (2' 0")—			
Raipur to Dhamtari . . . . .		45.00	
Abhanpur to Bajim . . . . .		11.67	56.67
(xi) Eastern Bengal—(tooch Behar-Santrabari Extension (British section) (2' 6"))—			
Alipur to Jhainti . . . . .			20.08
(xii) Ranaghat-Rishnanagar (2' 6") . . . . .			20.20
(xiii) Rajpipla (2' 6")—			
Umalia to Nandod . . . . .			12.80
(xiv) Gwalior-Sipri (2' 6")—			
Gwalior-Sipri . . . . .		35.04	
Gwalior-Chambalghat (2' 0")—			
Gwalior to Bhind . . . . .		45.79	80.83

(xv) East Indian—			
Shikohabad to Farukhabad . . . . .	(b) 66.00		
Baran to Daltonganj, including colliery branch . . . . .	(b) 82.50		269.66
Agra-Delhi chord—			
Agra to Delhi . . . . .	(b) 131.16		
(xvi) North Western—			
Kotri to Hyderabad . . . . .		5.30	
Oudh and Rohilkhand—			
Ghaziabad to Moradabad . . . . .		87.00	96.85
East Coast—			
Godavari bridge at Rajahmundry and approaches . . . . .		4.55	
(xvii) Great Indian Peninsula—			
Amalner to Jalgaon . . . . .		34.05	
Madras—			
Calicut to Cannanore . . . . .		65.00	99.05
(xviii) Ludhiana-Dhuri-Jakhal—			
Ludhiana <i>via</i> Dhuri to Jakhal . . . . .			(b) 80.32

(xix) Bengal and North-Western—			
Tirhoot section—			
Moheshkunt to Katihar . . . . .		72.00	
Company's section—			
Azamgarh to Shahganj . . . . .		33.00	
Assam-Bengal—			
Hadarpur to Lumding . . . . .	113.14	319.06	756.26
Lumding to Makum . . . . .	205.93		
Burma—			
Namraw to the right bank of the Salween river . . . . .	200.00		
Meiktila to Myingyan . . . . .	57.70	333.20	
Sogaing to Alon with a river siding to Myimma . . . . .	74.50		
(xx) Hyderabad (Sind)-Jodhpore frontier—			
Hyderabad to Jodhpore frontier . . . . .		71.26	
(xxi) Eastern Bengal—			
Teesta bridge at Kannia and approaches . . . . .		4.87	76.13
(xxii) Bengal Doonars—			
Malbazar to Hantopara . . . . .		46.00	
Dam Dim to Bagrakote . . . . .		6.76	
Deomoni Hat to Lalmonir Hat . . . . .		69.00	121.76
(xxiii) Hyderabad-Godavari Valley—			
Runjane to Limbgaon . . . . .			79.81
(xxiv) Jodhpore-Bikaner—			
Jodhpore section—			
Barmer to Jodhpore frontier . . . . .		75.06	
Bikaner section—			
Lankaransar to Suratgarh . . . . .	(a) 63.00		147.56
Gigasar to Palana . . . . .		9.50	

(xxv) Barsi Light (2' 6")—			
Barsi Road to Pandharpur . . . . .	(b) 33.00		
(xxvi) Kalka-Simla (2' 0")—			
Kalka to Simla . . . . .	(b) 63.00		101.00
(xxvii) Rewah (2' 6")—			
Rewah to Sutra . . . . .			(b) 31.00

(a) Provisionally sanctioned.  
(b) Commencement of work not yet authorized.

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APPENDIX IV.

Commercial and Financial Statistics.

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## APPENDIX IV.

## COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

	1890-91.	1891-92.	1892-93.
Recorded Revenue compared with the recorded expenditure, excluding Capital Expenditure on Public Works not charged against Revenue—			
Surplus . . . . .	Rx. 3,688,171	467,535	...
Deficit . . . . .	Rx. ...	...	833,412
Capital Expenditure on Public Works not charged against Revenue*	Rx. 3,965,632	3,500,000	3,986,290
Ditto charge involved in Redemption of Liabilities . . . . .	£ 4,692,557	...	...
Net Public Debt incurred . . . . .	6,293,714	3,033,293	—376,405
Net Public Debt incurred, including Capital transactions with Guaranteed Railways and other Companies . . . . .	3,639,498	1,891,901	315,875
Value of commodities exported, excluding Gold and Silver . . . . .	Rx. 100,227,000	108,173,000	106,595,000
Ditto imported, ditto ditto . . . . .	Rx. 71,975,000	69,432,000	66,265,000
Excess of Exports over Imports, excluding Gold and Silver . . . . .	Rx. 28,252,000	38,741,000	40,330,000
Net Imports of Gold . . . . .	Rx. 5,636,000	2,414,000	—2,813,000
Ditto of Silver . . . . .	Rx. 14,175,000	9,022,000	12,864,000
<b>TOTAL NET IMPORTS OF GOLD AND SILVER . . . . .</b>	<b>Rx. 19,811,000</b>	<b>11,436,000</b>	<b>10,051,000</b>
Excess of Exports over Imports, including Gold and Silver . . . . .	Rx. 8,441,000	27,305,000	30,279,000
Grand Total value of Imports and Exports of all kinds . . . . .	Rx. 196,260,900	195,615,000	196,829,000
Secretary of State's Bill Sold (Rupees) . . . . .	£ 21,18,69,300	23,08,28,115	26,47,84,151
Sterling Equivalent received . . . . .	£ 15,969,034	16,093,854	16,532,215
Silver coined at the Indian Mints . . . . .	Rx. 13,193,473	5,553,970	12,611,528
Maximum price in pence of an oz. troy. standard Silver in London . . . . .	54½ (Sept.)	46½ (July)	41½ (June)
Minimum ditto ditto . . . . .	43½ (April)	39 (Mar)	37½ (Mar.)
Average Exchange upon Secretary of State's Bills sold per rupee . . . . .	1s. 6.089d.	1s. 4.733d.	1s. 2.985d.
Fixed rate of Exchange for the Adjustment of Transactions between the Indian and Imperial Treasuries . . . . .	1s. 5d.	1s. 6½d.	1s. 4½d.
Maximum rate of discount on Loans on demand at the Bank of Bengal, Calcutta . . . . .	12 (April)	5 (Jan.—Mar.)	6 (Jan.)
Minimum rate of discount on Loans on demand at the Bank of Bengal, Calcutta . . . . .	3 (Aug. to Feb.)	2 (Aug. & Sept.)	3 (May to Dec.)
Maximum rate of discount at the Bank of England . . . . .	6 (Nov.)	5 (May & June)	3 (Apr., Oct., Nov., Dec. & Jan.)
Minimum ditto ditto . . . . .	3 (Apr., May, June, Feb. & Mar.)	2½ (July, Aug. & Sept.)	2 (May to Oct.)
Maximum Government balances at the three Presidency Banks . . . . .	Rx. 4,083,800 (June)	4,743,700 (June)	4,123,600 (May)
Minimum ditto ditto . . . . .	Rx. 2,937,300 (Oct.)	2,871,600 (Oct.)	2,751,900 (Nov.)
Maximum price in Calcutta of Government 4 per cent Rupee Securities . . . . .	106—6 (Jan.)	108—4 (June)	109—2 (May)
Minimum ditto ditto . . . . .	99—7 (Apr.)	104—10 (Feb.)	103—7 (Sept.)
Maximum price in Calcutta of Government 3½ per cent Rupee Securities (Guaranteed) . . . . .	...	...	...
Minimum ditto ditto . . . . .	...	...	...
Maximum price in Calcutta of 3 per cent Rupee Securities . . . . .	...	...	...
Minimum ditto ditto . . . . .	...	...	...
Maximum amount outstanding on London Register of Rupee Securities enfaced for Interest Drafts . . . . .	Rx. 26,724,500 (Mar.)	27,921,500 (Feb.)	27,256,600 (Apr.)
Minimum ditto ditto . . . . .	Rx. 21,498,900 (Apr.)	26,531,900 (Aug.)	25,927,100 (Mar.)
Maximum price in London of 4 per cent (Rupee) Securities in Gold . . . . .	90½ (Aug.)	78½ (July)	70½ (June)
Minimum ditto ditto . . . . .	70½ (Apr.)	66½ (Mar.)	62½ (Aug.)
Maximum price in London of 3½ per cent (Rupee) Securities in Gold . . . . .	...	...	...
Minimum ditto ditto . . . . .	...	...	...
Maximum price in London of India 3½ per cent Stock . . . . .	110 (Feb.)	108½ (Apr.)	110 (Mar.)
Minimum ditto ditto . . . . .	104½ (Nov.)	103½ (June)	105 (Aug.)
Maximum price in London of India 3 per cent Stock . . . . .	100½ (Apr.)	97½ (Apr.)	100½ (Mar.)
Minimum ditto ditto . . . . .	94½ (Nov.)	93 (June)	95 (Aug.)
Maximum price in London of India 2½ per cent Stock . . . . .	...	...	...
Minimum ditto ditto . . . . .	...	...	...
Maximum Government Paper Currency outstanding . . . . .	Rx. 27,660,300 (Jan.)	27,040,700 (July)	29,065,000 (Aug.)
Minimum ditto ditto . . . . .	Rx. 17,419,600 (Apr.)	22,624,200 (Jan.)	23,958,100 (Apr.)
Number of Savings Banks . . . . .	6,642	6,642	6,594
Number of depositors in Savings Bank . . . . .	475,329	528,752	588,477
Amount deposited in Savings Bank . . . . .	Rx. 8,062,241	8,886,372	9,774,656
Average of each deposit . . . . .	Rx. 17	17	17
Net addition to deposits . . . . .	Rx. 530,373	824,131	888,283

\* Excludes Capital charge involved in redemption of  
† In calculating this rate, a re-remittance to India

APPENDIX IV—continued.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE I.—MISCELLANEOUS.

1893-94.	1894-95.	1895-96.	1896-97.	1897-98.	1898-99, Revised Estimate.	1899-1900, Budget.
...	693,110	1,533,998	...	...	4,059,400	3,932,600
1,546,998	...	...	1,705,022	5,359,211	...	...
3,621,252	4,446,231	4,087,194	4,984,422	4,328,541	3,570,300	4,315,000
4,043,311	4,822,662	-586,412	5,407,235	6,077,779	2,867,600	-190,000
3,331,845	4,172,650	-772,349	6,102,527	4,670,942	1,396,700	-1,447,000
106,503,000	108,914,000	114,335,000	103,984,000	97,633,000	...	...
77,021,000	73,529,000	72,937,000	76,104,000	73,660,000	...	...
29,482,000	35,385,000	41,398,000	27,880,000	23,973,000	...	...
641,000	-4,974,000	2,526,000	2,291,000	4,909,060	...	...
13,720,000	6,329,000	6,532,000	5,856,000	8,473,000	...	...
14,361,000	1,355,000	9,108,000	8,147,000	13,382,000	...	...
15,121,000	34,030,000	32,290,000	19,733,000	10,591,000	...	...
206,086,000	200,250,000	204,899,000	198,110,000	198,972,000	...	...
15,72,36,631	30,96,98,798	31,08,54,373	25,78,70,106	14,81,28,010	28,500,000	25,904,700
9,530,235	16,905,102	17,664,492	15,526,547	9,506,077	19,000,000	17,000,000
4,902,499	94,594	292,713	568,665	985,691	...	...
38½ (June)	30½ (Aug.)	31½ (Feb.)	31½ (June)	28½ (Apl.)	28½ (Sept.)	...
27 (Mar.)	27½ (Dec. & Jan.)	29½ (Apl.)	28½ (Mar.)	23½ (Aug.)	25½ (Apl.)	...
1s. 2-547d.	1s. 1-1005d.	1s. 1-6381d.	1s. 2-4505d.	† 1s. 3-3539d.	1s. 4d.	1s. 3-75d.
1s. 2½d.	1s. 3½d. 1st quarter. For the remaining quarters, 1s. 1½d.	1s. 1½d.	1s. 1½d.	1s. 2½d.	1s. 3½d.	1s. 4d.
10 (Feb.)	9 (Apl.)	7 (Feb.)	10 (Dec. 23 to Mar. 31.)	12 (Feb. 24 to Mar. 31.)	12 (1 to 27 Apl.)	...
4 (June 29 to Nov. 15 & Nov. 30 to Jan. 10.)	3 (Sept. 6th to Jan. 16th.)	3 (July 25 to Nov. 13.)	3 (July 2 to Sept. 2.)	5 (July 15 to Sept. 8 & 25 Nov. to 15 Dec.)	4 (July 28 to Sept. 7)	...
5 (Aug. & Sept.)	2	2	4	3 (Oct. to Mar.)	4 (Apl. & Oct. to Jan.)	...
2 (Feb. & Mar.)	2	2	2	2 (May to Sept.)	2½ (July to Sept.)	...
3,685,400 (June)	4,292,000 (Jan.)	4,161,900 (May)	3,914,200 (Aug.)	3,279,600 (Mar.)	3,432,300 (Aug.)	...
3,016,400 (Nov.)	3,165,700 (Nov.)	3,001,500 (Nov.)	2,021,900 (Nov.)	2,025,300 (Sept.)	2,767,400 (Nov.)	...
108-12 (June)	105-2 (June)	...	...	...	...	...
99-4 (Feb.)	102-3 (May)	...	...	...	...	...
...	105-7 (Mar.)	109-8 (Oct.)	110-15 (May)	104-1 (May 21)	101-11 (Feb. 22)	...
...	102-9 (Jan.)	104-15 (Jan.)	98-11 (Feb.)	94-4 (Jan. 7)	92-10 (Apl. 22)	...
...	...	...	105 (Aug.)	97-4 (May & June).	95-0 (Mar. 8)	...
...	...	...	97 (Jan. to Mar.)	90-0 (Jan. to Mar.)	86 (Nov. 16 to Jan. 17.)	...
25,978,300 (July)	23,634,600 (Apl.)	25,354,300 (Nov.)	26,647,200 (Nov.)	23,478,000 (Apl.)	...	...
24,127,500 (Mar.)	13,732,900 (Dec.)	24,050,200 (Apl.)	23,925,700 (Mar.)	21,390,500 (Mar.)	...	...
71 (June)	59½ (Aug.)	...	...	...	...	...
56½ (Feb.)	53½ (May)	...	...	...	...	...
...	58½ (Mar.)	65½ (Feb.)	65½ (Aug.)	64½ (Jan.)	67½ (Mar.)	...
...	53½ (Jan.)	57½ (Apl. and May)	60 (Oct.)	60½ (Dec.)	61½ (Oct. & Nov.)	...
110½ (Apl.)	116 (Feb.)	120½ (Feb.)	122½ (Apl.)	119½ (Aug.)	117½ (Jan.)	...
106½ (Sept.)	108½ (June)	114½ (Apl.)	114½ (Sept.)	114½ (Mar.)	111 (Oct.)	...
100½ (Apl.)	105 (Jan.)	111½ (Feb.)	115½ (May)	112½ (May)	109 (May)	...
97 (Sept.)	98½ (June)	103½ (May)	106 (Oct.)	105 (Mar.)	103½ (Oct.)	...
...	...	...	103 (June)	99½ (Apl.)	93½ (June)	...
...	...	...	95½ (Sept.)	92 (Mar.)	84½ (Oct.)	...
30,515,900 (Jan.)	32,355,400 (Nov.)	32,428,600 (July)	29,589,900 (July)	24,764,000 (Mar.)	26,958,100 (Mar.)	...
24,216,000 (Apl.)	29,500,000 (Jan.)	25,940,700 (Mar.)	23,578,500 (Feb.)	22,861,600 (May)	23,131,200 (May)	...
6,544	6,564	6,520	6,596	6,484	...	...
644,658	683,209	716,554	742,215	755,426	...	...
10,322,541	10,535,017	11,121,252	10,886,792	10,556,734	...	...
16	15	15	15	14	...	...
547,885	212,476	586,235	-234,460	-330,059	...	...

Liabilities.  
of Rs. 1,000,000 by means of Bank drafts is taken into account.



## APPENDIX IV—continued.

TABLE III.—Actual Capital expenditure on State Railways in 1897-98, and estimated expenditure on such works in 1898-99 and 1899-1900, and to end of 1899-1900.

RAILWAYS.	To end of 1896-97.	Accounts, 1897-98.	Revised Estimate, 1898-99.	Budget Estimate, 1899-1900.	To end of 1899-1900.	Sanctioned outlay.	Balance remaining unspent.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
<b>OPEN LINES.</b>							
East Indian . . . . .	17,181,971	1,289,419	1,450,000	1,500,000	21,421,390	21,421,390	...
Rajputana-Malwa System . . . . .	15,043,146	-95,510	1,600	90,000	15,039,236	15,039,236	...
Palanpur-Deesa . . . . .	23,325	2	...	...	23,327	23,327	...
Bhopal . . . . .	234,589	2,124	5,400	10,000	252,113	252,113	...
Wardha Coal . . . . .	499,633	...	...	...	499,633	499,633	...
Warora Colliery . . . . .	193,266	-7,603	-6,300	-2,100	177,263	177,263	...
Umaria Colliery . . . . .	116,593	2,533	-7,100	-100,000	12,026	12,026	...
Burma . . . . .	7,867,504	-175,714	...	...	7,691,790	7,691,790	...
Jorhat . . . . .	89,563	702	4,500	1,400	96,165	96,165	...
Cherra-Companyganj . . . . .	77,377	-465	...	...	76,912	76,912	...
Eastern Bengal . . . . .	9,265,019	399,423	150,500	327,500	10,142,442	10,142,442	...
Tirhoot . . . . .	2,586,709	25,558	157,000	40,000	2,809,267	2,809,267	...
Oudh and Rohilkhand . . . . .	11,829,379	55,115	95,700	92,900	12,073,094	12,073,094	...
Lucknow-Bareilly . . . . .	512,114	...	...	...	512,114	512,114	...
North Western . . . . .	40,213,713	-65,896	228,300	284,700	40,660,817	40,660,817	...
Guntakal-Mysore frontier . . . . .	590,130	132	-400	...	589,862	589,862	...
South Indian . . . . .	7,357,054	-30,126	-200,000	50,000	7,176,928	7,176,928	...
Dhond and Manmad . . . . .	1,138,955	1,776	5,500	16,000	1,162,231	1,162,231	...
Mayavaram-Mutupet . . . . .	246,944	2,761	-300	2,200	251,605	251,605	...
Hyderabad-Shadipalli . . . . .	182,986	794	...	...	183,780	183,780	...
Petroleum Operations . . . . .	11,919	...	...	...	11,919	11,919	...
Frontier Railway Reserve Mate- rial . . . . .	439,034	81	-2,800	...	436,315	436,315	...
Peshawar Railway Reserve Mate- rial . . . . .	36,776	...	...	...	36,776	36,776	...
Bezwada-Madras (Ennore Sec- tion) . . . . .	58,205	1,554	200	...	59,959	59,959	...
East Coast(a) . . . . .	5,773,612	59,901	60,000	40,000	5,933,513	5,933,513	...
<b>TOTAL</b> . . . . .	<b>121,569,516</b>	<b>1,466,561</b>	<b>1,941,800</b>	<b>2,352,600</b>	<b>127,330,477</b>	<b>127,330,477</b>	<b>...</b>
<b>LINES UNDER CONSTRUCTION.</b>							
Cooch Behar-Santrabari . . . . .	300	7,722	39,300	12,500	50,822	50,900	78
Brahmaputra-Sultanpur—(Rolling Stock) . . . . .	...	...	36,600	8,800	45,400	45,400	...
Mymensingh-Jamalpur—(Rolling Stock) . . . . .	...	...	40,700	9,400	50,100	50,100	...
Assam-Bengal (Construction) . . . . .	2,150,848	662,678	1,134,400	762,000	4,709,926	10,358,800	5,648,874
Ditto Chittagong Jetties . . . . .	...	...	46,000	18,000	64,000	64,000	...
Ditto (Land) . . . . .	310,067	21,585	22,000	20,000	373,652	505,000	131,348
Rae Bareilly-Benares . . . . .	318,771	443,711	54,400	...	816,882	843,400	26,518
Hurdwar-Dehra—Rolling Stock . . . . .	...	...	7,800	27,200	35,000	35,000	...
Indus Bridge . . . . .	98,813	70,676	108,400	35,000	312,889	313,000	111
Mari-Attock . . . . .	1,131,942	245,435	142,500	25,000	1,544,877	1,611,500	666,23
Nowshera-Dargai . . . . .	...	...	...	120,000	120,000	120,000	...
Bhatinda-Ferozepore (Conversion) . . . . .	...	108,241	64,700	...	172,941	178,800	5,859
Bezwada-Madras . . . . .	949,895	696,916	669,200	30,000	2,346,011	2,346,400	389
Shadipalli-Jodhpore Frontier . . . . .	1,877	799	100,300	99,000	201,976	378,900	176,924
Hajipur-Begum Serai-Katihar ex- tension . . . . .	157,568	446,868	250,000	200,000	1,054,436	1,223,100	168,664
Lyallpur-Khanewal . . . . .	6,039	124,722	90,200	75,000	295,961	296,000	39
Southern Punjab—Rolling Stock . . . . .	...	202,467	202,800	2,700	407,967	411,200	3,233
Rajbari-Fareedpur . . . . .	2,313	54,556	26,100	...	82,969	136,000	53,031
Godavari Bridge . . . . .	17,286	136,492	166,400	200,000	520,178	597,000	76,822
Rungpur-Dhubri Extension and Teesta Bridge . . . . .	...	10,847	46,100	211,500	268,447	620,700	352,253
Jullunder-Hoshiarpore . . . . .	1,689	-138	-100	...	1,451	1,500	49
Ludhiana-Ferozepore . . . . .	2,254	577	...	...	2,831	2,900	69
Agra-Delhi Chord . . . . .	3,164	3,029	...	...	6,193	907,600	901,407
Ghaziabad-Moradabad . . . . .	...	...	238,000	339,200	577,200	823,000	245,800
Madura-Paumben . . . . .	...	...	...	100,000	100,000	459,000	359,000
Tinnevely-Quilon . . . . .	...	...	...	70,000	70,000	250,000	180,000
<b>TOTAL</b> . . . . .	<b>5,152,826</b>	<b>3,237,183</b>	<b>3,476,800</b>	<b>2,365,300</b>	<b>14,232,109</b>	<b>22,629,200</b>	<b>8,397,091</b>
Carried forward . . . . .	126,722,342	4,703,744	5,418,600	4,717,900	141,562,586	149,959,677	8,397,091

(a) Includes Bezwada Extension Railway.

TABLE III.—Actual Capital expenditure on State Railways in 1897-98, and estimated expenditure on such works in 1898-99 and 1899-1900, and to end of 1899-1900—concluded.

RAILWAYS.	To end of 1896-97.	Accounts, 1897-98.	Revised Estimate, 1898-99.	Budget Estimate, 1899-1900.	To end of 1899-1900.	Sanctioned outlay.	Balance remaining unspent.
	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>
Brought over	126,722,342	4,703,744	5,418,600	4,717,900	141,562,586	149,959,677	8,397,091
<b>LINKS IN ABEYANCE OR TRANSFERRED TO COMPANIES, ETC.</b>							
Ranaghat-Bhagwangola	30,244	...	...	...	30,244	30,244	...
Southern Mahratta (Depreciation on stores, etc.)	52,707	...	...	...	52,707	52,707	...
Bellary-Kistna	1,657,841	...	...	...	1,657,841	1,657,841	...
Bilaspur-Etawah	7,514	...	...	...	7,514	7,514	...
Vizagapatam-Raipur	24,504	...	...	...	24,504	24,504	...
Nagpur-Chhattisgarh Depreciation Account	65,703	...	...	...	65,703	65,703	...
<b>TOTAL</b>	<b>1,838,513</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>1,838,513</b>	<b>1,838,513</b>	<b>...</b>
Stores	125,598	—87,263	—13,000	—73,900	—48,565	—48,565	...
Add—Reserve	...	...	—250,000	64,600	—185,400	—185,400	...
	128,666,453	4,616,481	5,155,600	4,708,600	143,167,134	151,564,225	8,397,091
Deduct—Amount provided for Capital outlay on East Indian Railway by the issue of Sterling Debentures	1,707,399	980,684	1,573,800	750,000	5,011,883	5,011,883	...
<b>TOTAL</b>	<b>126,979,054</b>	<b>3,635,797</b>	<b>3,581,800</b>	<b>3,958,600</b>	<b>138,155,251</b>	<b>146,552,342</b>	<b>8,397,091</b>
<b>Distributed as under—</b>							
<b>CAPITAL EXPENDITURE ON PUBLIC WORKS (not charged against Revenue)—</b>							
State Railways—Construction	78,009,839	3,632,005	2,882,200	3,465,000	87,989,044		
Redemption of Liabilities	33,553,451	...	...	...	33,553,451		
<b>FAMINE RELIEF AND INSURANCE—</b>							
Protective Railways	6,550,931	...	695,400	490,000	7,736,331		
<b>CONSTRUCTION OF RAILWAYS (charged against Revenue in addition to that under Famine Insurance)</b>							
	6,506,039	3,792	4,200	3,600	6,517,631		
<b>PRELIMINARY EXPENDITURE charged against Revenue and Exchange prior to 1884-85</b>							
	2,358,794	...	...	...	2,358,794		
<b>TOTAL AS ABOVE</b>	<b>126,979,054</b>	<b>3,635,797</b>	<b>3,581,800</b>	<b>3,958,600</b>	<b>138,155,251</b>	<b>146,552,342</b>	<b>8,397,091</b>

\* Represents depreciation on works and stores allowed by Government on transfer to the Company.

## APPENDIX IV—continued.

TABLE IV.—Capital Expenditure on Irrigation—Major Works, in 1897-98, and estimated expenditure on such works in 1898-99 and 1899-1900, and to the end of 1899-1900.

	Actual outlay to end of 1896-97.	Accounts, 1897-98.	Revised Estimate, 1898-99.	Budget Estimate, 1899-1900.	Total Actual and estimated outlay to end of 1899-1900.	Sanctioned estimate.	Balance of sanctioned estimate remaining to be spent.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
<b>IRRIGATION WORKS.</b>							
<b>CAPITAL EXPENDITURE NOT CHARGED AGAINST REVENUE.</b>							
<i>Bengal.</i>							
Orissa Canals . . . . .	2,565,608	6,359	6,800	6,700	2,585,467	...	
Midnapore Canal . . . . .	827,572	504	...	...	828,076	...	
Hijili Tidal Canal . . . . .	255,142	30	...	...	255,172	...	
Sone Canals . . . . .	2,598,095	—10,652	—3,300	2,800	2,586,944	...	
<i>North-Western Provinces and Oudh.</i>							
Ganges Canal . . . . .	2,810,630	8,513	7,900	7,500	2,834,543	...	
Lower Ganges Canal . . . . .	3,239,472	13,176	43,200	31,800	3,327,648	...	
Ditto Fatehpur Branch . . . . .	130,386	91,637	63,600	42,600	328,223	342,000	13,777
Agra Canal . . . . .	885,440	—308	2,100	3,700	890,932	...	
Eastern Jumna Canal . . . . .	359,176	3,391	2,000	4,400	368,967	...	
<i>Punjab.</i>							
Western Jumna Canal (including Sirsa Branch) . . . . .	1,501,945	42,697	48,600	45,000	1,638,242	...	
Bari Doab Canal . . . . .	1,733,949	10,302	10,400	32,500	1,787,151	...	
Sirhind Canal (State outlay) . . . . .	2,293,756	4,092	16,100	15,000	2,328,948	...	
Chenab Canal . . . . .	1,995,172	220,383	151,500	80,000	2,447,055	...	
Jhelum Canal . . . . .	10,566	9,220	36,200	210,000	265,986	1,202,400	936,414
<i>Madras.</i>							
Godavari Delta System . . . . .	1,099,698	7,882	10,800	6,000	1,124,380	...	
Kistna Delta System . . . . .	1,196,171	38,898	18,300	22,500	1,275,869	...	
Sangam Anicut System . . . . .	313,254	1,840	2,100	4,900	322,094	...	
Periyar Project . . . . .	813,002	16,283	14,200	7,400	850,885	...	
<i>Bombay.</i>							
Desert Canal . . . . .	123,171	518	1,400	6,200	131,289	...	
Begari " . . . . .	163,422	1,439	...	1,300	166,161	...	
Eastern Nara Works . . . . .	601,930	4,568	6,200	6,200	618,898	...	
Jamrao Canal . . . . .	245,098	131,128	142,200	133,900	652,326	696,700	44,374
Mutha Canals . . . . .	636,389	205	3,200	1,700	641,494	...	
<i>Other projects</i> . . . . .	3,351,991	103,041	125,600	194,500	3,775,122	...	
<i>Deduct—Outlay incurred from Ordinary Revenues and exchange prior to 1884-85</i> . . . . .	29,751,036	705,146	709,100	866,600	32,031,882		
	6,029,718	12,715	16,900	16,600	6,075,933	...	
<b>TOTAL</b> . . . . .	<b>23,721,318</b>	<b>692,431</b>	<b>692,200</b>	<b>850,000</b>	<b>25,955,949</b>	...	
<b>FAMINE RELIEF AND INSURANCE.</b>							
<b>PROTECTIVE IRRIGATION WORKS.</b>							
<i>North-Western Provinces and Oudh.</i>							
Betwa Canal . . . . .	406,415	1,940	400	6,800	415,555	...	
<i>Punjab.</i>							
Swat River Canal . . . . .	383,264	2,132	3,100	10,000	398,496	...	
<i>Madras.</i>							
Rushikulya Project . . . . .	411,122	14,401	6,800	3,100	435,423	436,800	1,377
<i>Bombay.</i>							
Nira Canal . . . . .	534,096	423	800	400	535,719	573,500	37,781
<i>Other projects</i> . . . . .	411,207	18,621	2,400	9,700	441,928	...	
<i>Deduct—Outlay incurred from Ordinary Revenues</i> . . . . .	2,146,104	37,517	13,500	30,000	2,227,121	...	
	285,433	...	...	...	285,433	...	
<b>TOTAL</b> . . . . .	<b>1,860,671</b>	<b>37,517</b>	<b>13,500</b>	<b>30,000</b>	<b>1,941,688</b>	...	
<b>GRAND TOTAL</b> . . . . .	<b>25,581,989</b>	<b>729,948</b>	<b>705,700</b>	<b>880,000</b>	<b>27,897,637</b>	...	

**TABLE V.—Gross traffic receipts, working expenses, and net traffic receipts of Guaranteed and State Railways for five years ending 1897-98, with Revised Estimates for 1898-99 and Budget Estimates for 1899-1900.**

	ACCOUNTS.					Revised Estimate, 1898-99.	Budget Estimate, 1899-1900.
	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.		
<b>GUARANTEED RAILWAYS.</b>							
Open mileage at beginning of year . . . . .	<i>M.</i> 2,587	<i>M.</i> 2,587	<i>M.</i> 2,587	<i>M.</i> 2,587	<i>M.</i> 2,588	<i>M.</i> 2,588	<i>M.</i> 2,592
<i>Gross Traffic Receipts.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>
Madras . . . . .	1,049,883	1,054,139	1,117,341	1,099,808	1,139,730	1,025,000	1,090,000
Bombay, Baroda and Central India	1,518,105	1,630,225	1,785,916	1,521,541	1,401,789	1,640,000	1,650,000
Great Indian Peninsula . . . . .	3,893,054	3,439,802	3,351,374	3,063,831	2,873,077	3,690,000	3,720,000
Ditto      Extensions . . . . .	...	...	...	...	...	...	5,000
<b>TOTAL</b> . . . . .	6,461,042	6,124,166	6,255,131	5,685,180	5,414,596	6,355,000	6,465,000
<i>Working Expenses.</i>							
Madras . . . . .	519,380	540,037	530,520	550,740	550,583	530,000	530,000
Bombay, Baroda and Central India	539,789	596,400	653,625	716,246	788,933	730,000	740,000
Great Indian Peninsula . . . . .	2,018,061	1,937,418	1,795,748	1,784,030	1,873,688	2,100,000	2,000,000
Ditto      Extensions . . . . .	...	...	...	...	...	...	2,500
<b>TOTAL</b> . . . . .	3,077,230	3,073,855	2,979,893	3,051,016	3,213,204	3,360,000	3,272,500
<i>Net Traffic Receipts.</i>							
Madras . . . . .	530,503	514,102	587,321	549,068	589,147	495,000	560,000
Bombay, Baroda and Central India	978,316	1,033,825	1,132,291	805,295	612,856	910,000	910,000
Great Indian Peninsula . . . . .	1,874,993	1,502,384	1,555,626	1,279,801	999,389	1,590,000	1,720,000
Ditto      Extensions . . . . .	...	...	...	...	...	...	2,500
<b>TOTAL</b> . . . . .	3,383,812	3,050,311	3,275,238	2,634,164	2,201,392	2,995,000	3,192,500

## APPENDIX IV—continued.

	ACCOUNTS.					Revised Estimate, 1898-99.	Budget Estimate, 1899-1900.
	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.		
<b>STATE RAILWAYS.</b>							
(a) Open mileage at beginning of year	M.	M.	M.	M.	M.	M.	M.
	13,461	13,086	14,146	14,721	15,378	15,583	16,696
<i>Gross Traffic Receipts.</i>	Rx	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
East Indian . . . . .	5,122,906	5,248,525	5,493,794	5,450,916	5,884,481	6,050,300	6,000,300
Rajputana-Malwa System . . . . .	2,315,015	2,513,124	2,350,825	2,010,983	1,974,470	2,360,000	2,350,000
Bhopal . . . . .	16,916	16,163	14,266	16,369	15,221	19,000	20,000
Palanpur-Deesa . . . . .	1,458	3,861	3,754	5,186	3,969	4,000	4,500
Warora Colliery . . . . .	56,147	51,955	54,597	52,065	55,226	60,000	60,000
Wardha Coal . . . . .	21,086	22,024	19,355	20,608	19,886	20,800	20,000
Bengal-Nagpur . . . . .	680,890	679,214	657,924	612,899	615,311	720,000	820,000
Umaria Colliery . . . . .	37,214	42,023	39,620	39,133	38,506	48,300	...
Burma . . . . .	619,009	595,544	655,301	739,281	869,276	865,000	900,000
Mu Valley . . . . .	28,076	32,291	40,853	64,981			
Assam-Bengal . . . . .	...	...	42,536	66,445	106,551	135,000	160,000
Jorhat . . . . .	7,093	7,357	8,076	9,180	10,723	9,600	9,600
Cherra-Companyganj . . . . .	2,298	2,488	2,565	2,698	571	700	3,500
Eastern Bengal . . . . .	1,249,481	1,438,629	1,431,568	1,500,587	1,530,213	1,410,000	1,550,000
Bengal and North-Western and Tirhoot . . . . .	524,159	567,284	567,201	565,006	625,039	670,000	740,000
Bengal Central . . . . .	78,110	84,226	93,603	93,515	118,370	101,000	110,000
Oudh and Rohilkhand . . . . .	898,055	1,105,338	974,518	818,621	882,106	1,005,000	1,020,000
Indian Midland . . . . .	432,366	527,667	454,476	485,746	568,634	575,000	600,000
Lucknow-Bareilly . . . . .	76,662	98,727	81,357	79,335	89,902	105,000	105,000
North Western . . . . .	3,031,471	3,254,187	3,485,691	2,887,907	3,482,821	3,660,000	3,650,000
South Indian . . . . .	781,522	831,320	903,488	899,281	894,402	830,000	860,000
Mysore . . . . .	159,574	146,404	160,769	158,407	189,931	125,000	150,000
Bezwada Extension . . . . .	9,292	18,648	231,152	265,982	306,218	310,000	420,000
East Coast including Bezwada-Madras . . . . .	75,055	158,933					
Bezwada-Madras (Ennore Section) . . . . .	...	...	...	6,133	6,387	4,400	6,000
Guntakal-Mysore Frontier . . . . .	29,183	38,280	44,682	48,663	63,683	37,500	50,000
Mayavaram-Mutupet . . . . .	...	21,179	24,654	25,720	25,837	24,000	26,000
Dhond and Manmad* (net) . . . . .	34,857	38,199	40,824	36,739	28,127	29,000	30,000
Southern Mahratta . . . . .	576,958	593,923	663,701	658,845	617,498	495,000	550,000
Hyderabad-Shadipalli . . . . .	14,253	14,642	17,549	18,373	21,166	22,500	22,500
<b>TOTAL</b>	<b>16,879,106</b>	<b>18,152,155</b>	<b>18,558,699</b>	<b>17,639,604</b>	<b>19,044,525</b>	<b>19,696,100</b>	<b>20,237,400</b>

\* The working of this line was transferred to the Great Indian Peninsula Railway from 1st January 1881; the Government of India receive only a percentage of the gross receipts.

(a) Includes the length of the Bengal and North-Western Railway.



## FINANCIAL STATEMENT OF THE

## APPENDIX IV—continued.

	ACCOUNTS.					Revised Estimate, 1898-99.	Budget Estimate, 1899-1900.
	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.		
<i>Working Expenses.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>
East Indian . . . . .	1,564,367	1,758,964	1,884,547	1,849,021	1,953,204	2,270,000	2,160,000
Rajputana-Malwa System . . . . .	1,080,780	1,159,520	1,161,503	1,026,902	993,044	1,190,000	1,170,000
Bhopal . . . . .	11,712	10,018	9,654	10,094	9,108	11,000	11,000
Palanpur-Deesa . . . . .	568	2,780	2,686	3,588	2,742	2,800	3,200
Warora Colliery . . . . .	56,683	48,099	40,212	34,772	39,593	43,000	43,000
Wardha Coal . . . . .	12,164	13,095	11,719	12,222	14,033	13,800	12,000
Bengal-Nagpur . . . . .	329,705	334,855	329,530	352,521	317,083	370,000	450,000
Umara Colliery . . . . .	34,277	40,041	39,293	39,692	37,723	45,400	...
Burma . . . . .	365,924	350,344	347,382	380,052	} 519,781	} 525,000	530,000
Mu Valley . . . . .	55,342	50,354	62,545	81,768			
Assam-Bengal . . . . .	...	...	32,686	67,523	89,761	140,000	125,000
Jorhat . . . . .	5,658	5,913	7,435	7,263	8,170	8,000	7,500
Cherra-Companyganj . . . . .	1,975	2,046	2,311	2,591	6,863	10,000	3,500
Eastern Bengal . . . . .	542,513	572,185	560,968	604,068	666,421	640,000	700,000
Bengal and North-Western and Tirhoot . . . . .	389,490	411,373	437,903	437,276	443,359	490,000	570,000
Bengal Central . . . . .	55,114	58,282	61,152	69,228	81,320	72,800	75,000
Oudh and Rohilkhand . . . . .	377,963	482,205	500,857	450,084	461,517	490,000	510,000
Indian Midland . . . . .	285,654	300,423	284,851	289,970	312,564	315,000	332,000
Lucknow-Bareilly . . . . .	47,921	60,199	53,638	52,459	53,498	60,000	60,000
North Western . . . . .	1,908,197	1,903,434	1,876,863	1,710,588	1,830,177	1,900,000	1,910,000
South Indian . . . . .	490,754	493,469	542,308	516,895	507,859	500,000	510,000
Mysore . . . . .	122,894	109,151	109,433	109,187	133,297	102,000	110,000
Bezwada Extension . . . . .	7,441	9,974	} 183,920	203,232	211,359	220,000	280,000
East Coast including Bezwada-Madras . . . . .	59,599	132,706					
Bezwada-Madras (Ennore Section) . . . . .	...	...	...	5,114	4,039	2,900	3,800
Guntakal-Mysore Frontier . . . . .	17,411	24,794	25,358	27,846	37,167	27,500	32,500
Mayavaram-Mutupet . . . . .	...	13,074	15,282	15,191	14,983	17,400	16,000
Dhond and Manmad* . . . . .	...	...	...	...	...	...	...
Southern Mahratta . . . . .	428,462	433,013	444,109	447,858	437,897	395,000	407,500
Hyderabad-Shadipalli . . . . .	11,407	10,720	12,691	12,548	14,640	15,000	15,000
<b>TOTAL</b>	<b>8,263,975</b>	<b>8,791,031</b>	<b>9,040,836</b>	<b>8,819,553</b>	<b>9,201,202</b>	<b>9,876,600</b>	<b>10,047,000</b>

\*The working of this line was transferred to the Great Indian Peninsula Railway from 1st January 1881.

## APPENDIX IV—continued.

	ACCOUNTS.					Revised Estimate, 1898-99.	Budget Estimate, 1899-1900.
	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.		
<i>Net Traffic Receipts.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>
East Indian . . . . .	3,558,539	3,489,561	3,609,247	3,601,895	3,931,277	3,780,300	3,840,300
Rajputana-Malwa System . . . . .	1,234,235	1,353,604	1,189,322	984,081	981,426	1,170,000	1,180,000
Bhopal . . . . .	5,204	6,145	4,612	6,275	6,113	8,000	9,000
Palanpur-Deesa . . . . .	890	1,081	1,068	1,598	1,227	1,200	1,300
Warora Colliery . . . . .	—536	3,856	14,385	17,293	15,633	17,000	17,000
Wardha Coal . . . . .	8,922	8,929	7,636	8,386	5,853	7,000	8,000
Bengal-Nagpur . . . . .	351,185	344,359	328,394	260,378	298,228	350,000	370,000
Umaria Colliery . . . . .	2,937	1,982	327	—559	783	2,500	...
Burma . . . . .	253,085	245,200	307,919	359,229	349,495	340,000	370,000
Mu Valley . . . . .	—27,266	—18,063	—21,692	—16,787			
Assam-Bengal . . . . .	...	...	9,850	—1,078	16,790	—5,000	35,000
Jorhat . . . . .	1,435	1,444	641	1,917	2,553	1,600	2,100
Cherra-Companyganj . . . . .	323	442	254	107	—6,292	—9,300	...
Eastern Bengal . . . . .	706,968	866,444	870,600	896,519	863,792	770,000	850,000
Bengal and North-Western and Tirhoot . . . . .	134,669	155,911	129,298	127,730	181,680	180,000	170,000
Bengal Central . . . . .	22,996	25,944	32,451	24,287	37,050	28,200	35,000
Oudh and Rohilkhand . . . . .	520,092	623,133	473,661	368,537	420,589	515,000	510,000
Indian Midland . . . . .	146,712	227,244	169,625	195,776	256,070	260,000	268,000
Lucknow-Bareilly . . . . .	28,741	38,528	27,719	26,876	36,404	45,000	45,000
North Western . . . . .	1,123,274	1,350,753	1,608,828	1,177,319	1,652,644	1,760,000	1,740,000
South Indian . . . . .	290,768	337,851	361,180	382,386	386,543	330,000	350,000
Mysore . . . . .	36,680	37,253	51,336	49,220	56,634	23,000	40,000
Bezwada Extension . . . . .	1,851	8,674	47,232	62,750	94,859	90,000	140,000
East Coast including Bezwada-Madras . . . . .	15,456	26,227					
Bezwada-Madras (Ennore Section) . . . . .	...	...	...	1,019	2,348	1,500	2,200
Guntakal-Mysore Frontier . . . . .	11,772	13,486	19,324	20,817	26,516	10,000	17,500
Mayavaram-Mutupet . . . . .	...	8,105	9,372	10,529	10,854	6,600	10,000
Dhond and Manmad . . . . .	34,857	38,199	40,824	36,739	28,127	29,000	30,000
Southern Mahratta . . . . .	148,496	160,910	219,592	210,987	179,601	100,000	142,500
Hyderabad-Shadipalli . . . . .	2,846	3,922	4,858	5,825	6,526	7,500	7,500
<b>TOTAL</b> . . . . .	<b>8,615,131</b>	<b>9,361,124</b>	<b>9,517,863</b>	<b>8,820,051</b>	<b>9,843,323</b>	<b>9,819,500</b>	<b>10,190,400</b>

## APPENDIX IV—continued.

TABLE VI.—Gross receipts, working expenses, and net earnings of Irrigation—Major Works, for five years ending 1897-98, with Revised Estimates for 1898-99, and Budget Estimates for 1899-1900.

	ACTUALS.					Revised Estimate, 1898-99.	Budget Estimate, 1899-1900.
	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.		
<b>DIRECT RECEIPTS—</b>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>	<i>Rx.</i>
Orissa canals . . . . .	37,657	33,307	41,722	47,422	55,476	48,000	47,000
Midnapore canal . . . . .	30,494	29,468	26,400	27,976	27,563	22,800	23,600
Hijili Tidal canal . . . . .	5,920	5,853	6,198	9,094	9,221	7,500	7,000
Sone canals . . . . .	93,191	83,776	77,212	106,469	126,697	101,700	92,500
Ganges canal . . . . .	251,757	254,969	159,519	322,054	363,554	320,400	326,300
Lower Ganges canal . . . . .	181,404	154,918	94,817	233,415	290,903	223,000	207,800
Ditto Fatehpur Branch . . . . .	...	...	...	...	...	...	6,000
Agra canal . . . . .	49,042	63,901	46,059	81,017	97,406	66,400	72,000
Eastern Jumna canal . . . . .	95,758	89,581	67,546	111,377	141,547	124,800	122,900
Betwa canal . . . . .	7,392	5,912	2,588	8,370	13,770	11,600	9,100
Western Jumna canal (including Sirsa Branch) . . . . .	105,433	149,331	131,392	263,194	254,866	294,600	272,500
Chenab canal . . . . .	36,217	48,363	104,622	167,741	204,889	249,400	280,000
Bari Doab canal . . . . .	203,901	211,375	233,466	266,449	293,007	299,700	273,300
Sirhind canal . . . . .	108,665	96,053	134,833	279,496	329,664	279,200	260,000
Swat River canal . . . . .	25,599	27,503	24,403	26,621	36,550	40,100	38,000
Godavari Delta System . . . . .	12,128	12,542	10,998	10,160	9,645	9,900	9,900
Kistna " " . . . . .	5,084	5,374	5,429	4,959	4,523	5,300	5,500
Sangam Anicut " " . . . . .	68	54	55	59	131	100	100
Periyar Project . . . . .	...	...	...	...	69	...	...
Rushikulya " " . . . . .	...	102	53	83	78	100	100
Desert canal . . . . .	1,787	1,685	4,201	1,489	3,284	4,300	4,300
Begari " " . . . . .	2,993	2,665	3,771	3,044	3,765	5,100	5,000
Eastern Nara Works . . . . .	2,090	2,302	2,510	2,573	2,654	3,400	2,900
Mutha canals . . . . .	25,128	23,582	27,704	23,539	23,417	24,000	27,400
Nira canal . . . . .	7,754	8,187	8,688	7,904	13,571	11,200	11,200
Other projects . . . . .	60,223	59,784	65,222	63,456	71,494	72,600	67,400
<b>TOTAL</b> . . . . .	<b>1,349,685</b>	<b>1,370,587</b>	<b>1,279,408</b>	<b>2,067,961</b>	<b>2,377,744</b>	<b>2,225,200</b>	<b>2,171,800</b>
<b>PORTION OF LAND REVENUE DUE TO IRRIGATION—</b>							
Ganges canal . . . . .	71,559	71,559	71,559	71,559	71,559	71,560	71,560
Lower Ganges canal . . . . .	20,959	20,959	20,959	20,959	20,959	21,000	21,000
Eastern Jumna " " . . . . .	24,980	24,980	24,980	24,980	24,980	24,940	24,940
Chenab canal . . . . .	2,282	11,972	16,878	23,273	27,920	33,700	56,000
Bari Doab canal . . . . .	19,263	18,640	17,686	19,702	21,363	20,000	21,000
Swat River " " . . . . .	...	...	...	5,846	4,242	5,200	4,500
Godavari Delta System . . . . .	217,899	226,102	234,847	256,771	291,086	290,400	309,400
Kistna " " . . . . .	186,038	186,690	205,940	202,871	230,827	230,800	231,700
Sangam Anicut " " . . . . .	16,583	17,622	18,201	18,607	17,666	20,900	22,000
Periyar Project . . . . .	...	...	...	3,377	10,658	26,100	31,400
Rushikulya " " . . . . .	1,669	2,499	3,586	5,979	5,815	6,800	6,800
Desert canal . . . . .	2,707	10,449	8,030	8,679	11,935	12,700	12,100
Begari " " . . . . .	28,440	27,826	23,586	28,642	36,279	37,600	37,700
Eastern Nara Works . . . . .	40,897	38,430	35,044	44,223	53,433	46,200	47,100
Mutha canals . . . . .	-713	-629	-779	-551	-560	...	...
Nira canal . . . . .	-381	-400	-427	-389	-669	...	...
Other projects . . . . .	114,744	119,440	141,574	137,280	137,245	141,800	145,900
<b>TOTAL</b> . . . . .	<b>746,926</b>	<b>776,139</b>	<b>821,664</b>	<b>871,808</b>	<b>964,738</b>	<b>989,700</b>	<b>1,043,100</b>

## APPENDIX IV—continued.

TABLE VI.—Gross receipts, working expenses, and net earnings of Irrigation—Major Works, for five years ending 1897-98, with Revised Estimates for 1898-99, and Budget Estimates for 1899-1900—continued.

	ACTUALS.					Revised Estimate, 1898-99.	Budget Estimate, 1899-1900.
	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.		
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
<b>TOTAL REVENUE—</b>							
Orissa canals . . . . .	37,657	33,397	41,722	47,422	55,476	48,000	47,000
Midnapore canal . . . . .	30,494	29,468	26,400	27,976	27,563	22,800	23,600
Hijili Tidal canal . . . . .	5,920	5,853	6,198	9,094	9,221	7,500	7,000
Sone canals . . . . .	93,191	83,776	77,212	106,469	126,697	101,700	92,500
Ganges canal . . . . .	323,316	326,528	231,078	393,613	435,113	391,960	397,860
Lower Ganges canal . . . . .	202,363	175,877	115,776	254,374	311,862	244,000	228,800
Ditto Fatehpur Branch . . . . .	...	...	...	...	...	...	6,000
Agra canal . . . . .	49,042	63,901	46,059	81,017	97,406	66,400	72,000
Eastern Jumna canal . . . . .	120,738	114,561	92,526	136,357	166,527	149,740	147,840
Betwa canal . . . . .	7,392	5,912	2,588	8,370	13,770	11,600	9,100
Western Jumna canal (including Sirsa Branch) . . . . .	105,433	149,331	131,392	263,194	254,866	294,600	272,500
Chenab canal . . . . .	38,499	60,335	121,500	191,014	232,809	283,103	336,000
Bari Doab canal . . . . .	223,164	230,015	251,152	286,151	314,370	319,700	294,300
Sirhind canal . . . . .	108,665	96,053	134,833	279,496	329,664	279,200	260,000
Swat River canal . . . . .	25,599	27,503	24,403	32,467	40,792	45,300	42,500
Godavari Delta System . . . . .	230,027	238,644	245,845	266,931	300,731	300,300	319,300
Kistna " " . . . . .	191,122	192,064	211,369	207,830	235,350	236,100	237,200
Sangam Anicut " " . . . . .	16,651	17,676	18,256	18,666	17,797	21,000	22,100
Periyar Project . . . . .	...	...	...	3,377	10,727	26,100	31,400
Rushikulya " " . . . . .	1,669	2,601	3,639	6,062	5,893	6,900	6,900
Desert canal . . . . .	4,494	12,134	12,231	10,168	15,219	17,000	16,400
Begari " " . . . . .	31,433	30,491	27,357	31,686	40,044	42,700	42,700
Eastern Nara Works . . . . .	42,987	40,732	37,554	46,796	56,087	49,600	50,000
Mutha canals . . . . .	24,415	22,953	26,925	22,988	22,857	24,000	27,400
Nira canal . . . . .	7,373	7,787	8,261	7,515	12,902	11,200	11,200
Other projects . . . . .	174,967	179,224	206,796	200,736	208,739	214,400	213,300
<b>TOTAL</b> . . . . .	<b>2,096,611</b>	<b>2,146,726</b>	<b>2,101,072</b>	<b>2,939,769</b>	<b>3,342,482</b>	<b>3,214,900</b>	<b>3,214,900</b>
<b>WORKING EXPENSES—</b>							
Orissa canals . . . . .	50,660	45,654	44,205	46,574	50,795	46,000	44,600
Midnapore canal . . . . .	20,123	21,630	26,616	22,393	23,069	30,000	26,900
Hijili Tidal canal . . . . .	5,422	4,548	5,888	3,849	3,844	6,000	5,300
Sone canals . . . . .	69,313	65,405	53,132	55,372	57,478	59,000	61,200
Ganges canal . . . . .	106,446	103,086	85,867	101,368	108,000	105,000	103,900
Lower Ganges canal . . . . .	80,401	78,520	71,358	83,169	87,099	86,000	94,300
Ditto Fatehpur Branch . . . . .	...	...	...	...	...	1,500	4,000
Agra canal . . . . .	25,562	25,121	18,185	22,040	22,580	25,900	24,000
Eastern Jumna canal . . . . .	32,320	31,260	26,105	31,941	32,987	34,200	33,900
Betwa canal . . . . .	9,936	8,999	8,747	9,029	10,743	9,500	8,200
Western Jumna canal (including Sirsa Branch) . . . . .	61,307	66,604	76,626	79,747	81,882	83,600	84,200
Chenab canal . . . . .	30,911	43,190	41,399	49,918	62,110	71,200	86,300
Bari Doab canal . . . . .	56,009	62,499	64,340	68,040	62,697	79,400	75,400
Sirhind canal . . . . .	58,242	55,172	60,950	67,359	63,077	69,800	75,000
Swat River canal . . . . .	8,815	8,296	9,171	6,041	10,299	10,200	9,700
Godavari Delta System . . . . .	46,490	48,759	49,558	52,096	48,988	55,000	57,400
Kistna " " . . . . .	46,750	41,621	58,067	70,510	58,549	51,100	58,600
Sangam Anicut " " . . . . .	4,133	3,572	4,795	4,037	3,058	2,900	3,400
Periyar Project . . . . .	...	...	...	4,211	8,226	11,500	9,200
Rushikulya " " . . . . .	987	1,397	2,915	3,975	3,286	4,500	5,000
Desert canal . . . . .	8,525	11,570	5,167	6,409	7,002	6,900	7,400
Begari " " . . . . .	2,686	3,452	5,216	5,756	9,640	8,000	10,200
Eastern Nara Works . . . . .	9,981	12,605	10,998	7,908	10,593	10,200	8,600
Mutha canals . . . . .	6,021	7,177	6,595	8,443	6,966	7,700	7,200
Nira canal . . . . .	5,491	4,658	4,333	5,489	5,120	5,400	5,200
Other projects . . . . .	42,426	44,904	47,068	55,506	54,031	50,500	49,000
<b>TOTAL</b> . . . . .	<b>788,957</b>	<b>799,759</b>	<b>787,301</b>	<b>871,180</b>	<b>892,119</b>	<b>931,000</b>	<b>958,100</b>

## FINANCIAL STATEMENT OF THE

APPENDIX IV—*continued.*

TABLE VI.—Gross receipts, working expenses, and net earnings of Irrigation—Major Works, for five years ending 1897-98, with Revised Estimates for 1898-99, and Budget Estimates for 1899-1900—*concluded.*

	ACTUALS.					Revised Estimate, 1898-99.	Budget Estimate, 1899-1900.
	1893-94.	1894-95.	1895-96.	1896-97.	1897-98.		
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
<b>NET REVENUE—</b>							
Orissa canals . . . . .	—13,003	—12,347	—2,483	848	4,681	2,000	2,400
Midnapore canal . . . . .	10,371	7,838	—216	5,583	4,494	—7,200	—3,300
Hijili Tidal canal . . . . .	498	1,305	310	5,245	5,377	1,500	1,700
Sone canals . . . . .	23,878	18,311	24,080	51,097	69,219	42,700	31,300
Ganges canal . . . . .	216,870	223,442	145,211	292,245	327,113	286,960	293,960
Lower Ganges canal . . . . .	121,962	97,357	44,418	171,205	224,763	158,000	134,500
Ditto Fatehpur Branch . . . . .	...	...	...	...	...	—1,500	2,000
Agra canal . . . . .	23,480	38,780	27,874	58,977	74,826	40,500	48,000
Eastern Jumna canal . . . . .	88,418	83,301	66,421	104,416	133,540	115,540	113,940
Betwa canal . . . . .	—2,544	—3,087	—6,159	—659	3,027	2,100	900
Western Jumna canal (including Sirsa Branch) . . . . .	44,126	82,727	54,766	183,447	172,984	211,000	188,300
Chenab canal . . . . .	7,588	17,145	80,101	141,096	170,699	211,900	249,700
Bari Doab canal . . . . .	167,155	167,516	186,812	218,111	251,673	240,300	218,900
Sirhind canal . . . . .	50,423	40,881	73,883	212,137	266,587	209,400	185,000
Swat River canal . . . . .	16,784	19,207	15,232	26,426	30,493	35,100	32,800
Godavari Delta System . . . . .	183,537	189,885	196,287	214,835	251,743	245,300	261,900
Kistna " " . . . . .	144,372	150,443	153,302	137,320	176,801	185,000	178,600
Sangam Anicut " " . . . . .	12,518	14,104	13,461	14,629	14,739	18,100	18,700
Periyar Project . . . . .	...	...	...	—834	2,501	14,600	22,200
Rushikulya " " . . . . .	691	1,204	724	2,087	2,607	2,400	1,900
Desert canal . . . . .	—4,031	564	7,064	3,759	8,217	10,100	9,000
Begari " " . . . . .	28,747	27,039	22,141	25,930	30,404	34,700	32,500
Eastern Nara Works . . . . .	33,006	28,127	26,556	38,888	45,494	39,400	41,400
Mutha canals . . . . .	18,394	15,776	20,330	14,545	15,891	16,300	20,200
Nira canal . . . . .	1,882	3,129	3,928	2,026	7,782	5,800	6,000
Other projects . . . . .	132,532	134,320	159,728	145,230	154,708	163,900	164,300
<b>TOTAL</b> . . . . .	<b>1,307,654</b>	<b>1,346,967</b>	<b>1,313,771</b>	<b>2,068,589</b>	<b>2,450,363</b>	<b>2,283,900</b>	<b>2,256,800</b>

APPENDIX IV—continued.

CAPITAL ACCOUNT OF GUARANTEED AND SUBSIDIZED RAILWAYS.

TABLE VII.—Abstract of Revised and Budget Estimates of Capital transactions of Guaranteed and Subsidized Railways, 1898-99 and 1899-1900, and Actuals for 1897-98.

RAILWAYS.	AMOUNT IN RUPEES. (Omitting 000 in Estimates.)				AMOUNT OF EXCHANGE. (Omitting 000 in Estimates.)				AMOUNT IN POUNDS STERLING. (Omitting 00 in Estimates.)			
	Accounts, 1897-98.	1898-99.		Budget, 1899-1900.	Accounts, 1897-98.	1898-99.		Budget, 1899-1900.	Accounts, 1897-98.	1898-99.		Budget, 1899-1900.
		Budget.	Revised.			Budget.	Revised.			Budget.	Revised.	
<b>GUARANTEED RAILWAYS.</b>												
<b>RECEIPTS.</b>												
Madras	28,05,278	28,00	30,00	25,00	2,33,773	2,33	2,50	2,08	257,150	256,7	275,0	229,2
Bombay, Baroda and Central India	55,92,104	48,00	51,00	48,00	4,66,008	4,00	4,25	4,00	512,610	440,0	467,5	440,0
Great Indian Peninsula	71,35,490	72,00	91,00	75,00	5,94,625	6,00	7,58	6,25	654,087	660,0	834,2	687,5
Do. Extensions	...	...	15	...	...	...	5	...	...	...	1,0	...
<b>TOTAL</b>	<b>1,55,32,878</b>	<b>1,48,00</b>	<b>1,72,15</b>	<b>1,48,00</b>	<b>12,94,406</b>	<b>12,33</b>	<b>14,38</b>	<b>12,33</b>	<b>1,423,847</b>	<b>1,356,7</b>	<b>1,577,7</b>	<b>1,356,7</b>
<b>ADVANCES.</b>												
Madras Extension	50,484	30,62	6,00	7,50	18,349	11,36	2,03	2,58	3,214	192,6	39,7	49,2
Madras	22,21,881	28,25	22,00	13,71	1,85,157	2,35	1,83	1,14	203,672	259,0	201,7	125,7
Bombay, Baroda and Central India	52,93,703	54,50	56,00	50,88	4,41,141	4,54	4,07	4,24	485,256	499,6	513,3	466,4
Great Indian Peninsula	40,28,920	45,00	47,00	48,48	3,35,744	3,75	3,92	4,04	369,318	412,5	430,8	444,4
Ditto Extensions	...	8,74	11,00	28,97	...	3,18	3,73	9,96	...	55,6	72,7	190,1
<b>TOTAL</b>	<b>1,15,94,938</b>	<b>1,67,11</b>	<b>1,42,00</b>	<b>1,49,54</b>	<b>9,80,391</b>	<b>25,18</b>	<b>16,18</b>	<b>21,96</b>	<b>1,061,460</b>	<b>1,419,3</b>	<b>1,258,2</b>	<b>1,275,8</b>
<b>NET RECEIPTS.</b>												
Madras Extension	-50,484	-30,62	-6,00	-7,50	-18,349	-11,36	-2,03	-2,58	-3,214	-192,6	-39,7	-49,2
Madras	5,83,397	-25	8,00	11,29	48,616	-2	67	94	53,478	-2,3	73,3	103,5
Bombay, Baroda and Central India	2,98,401	-6,50	-5,00	-2,88	24,867	-54	-42	-24	27,354	-59,6	-45,8	-26,4
Great Indian Peninsula	31,06,576	27,00	44,00	26,52	2,58,881	2,25	3,65	2,21	284,769	247,5	403,4	243,1
Ditto Extensions	...	-8,74	-10,85	-28,97	...	-3,18	-3,68	-9,96	...	-55,6	-71,7	-190,1
Lump alteration	...	23	...	...	...	28	...	...	...	-5	...	...
<b>TOTAL</b>	<b>39,37,890</b>	<b>-18,88</b>	<b>30,15</b>	<b>-1,54</b>	<b>3,14,015</b>	<b>-12,57</b>	<b>-1,80</b>	<b>-9,63</b>	<b>362,387</b>	<b>-63,1</b>	<b>319,5</b>	<b>8c,9</b>
<b>SUBSIDIZED RAILWAYS.</b>												
<b>RECEIPTS.</b>												
Gain on remittances to India.	...	...	...	...	1,74,675	1,96	1,44	64	-17,467	-19,6	-14,4	-6,4
Southern Mahratta	...	...	...	...	-13,884	...	...	...	1,388	...	...	...
Assam-Bengal	...	...	...	...	8,997	2,25	1,12	2,92	-8,900	-22,5	-11,2	-29,2
Indian Midland	...	...	...	...	-1,991	...	...	...	199	...	...	...
Do. Saugor-Katni	...	...	...	...	35,680	10	16	1	-3,568	-1,0	-1,6	-1
Bengal Central	...	...	...	...	-14,431	-31	-56	-20	1,443	3,1	5,6	2,0
Bengal-Nagpur	...	...	...	...	-99,963	-14	-29	...	9,696	1,4	2,9	...
Do. extensions	...	...	...	...	-53,642	-60	-1,08	-1,36	5,365	6,0	10,8	13,6
Burma	...	...	...	...	...	39	...	...	...	-3,9	...	...
Lump alteration	...	...	...	...	...	...	...	...	...	...	...	...
<b>TOTAL</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>1,18,441</b>	<b>3,65</b>	<b>79</b>	<b>2,01</b>	<b>-11,844</b>	<b>-36,5</b>	<b>-7,9</b>	<b>-20,1</b>
Capital received in India.	...	...	...	...	...	...	...	...	...	...	...	...
Ahmedabad-Parantij	2,30,000	...	-22	21	...	...	...	...	23,000	...	-2,2	2,1
South Behar	28,00,000	20,00	15,50	6,55	...	...	...	...	280,000	200,0	155,0	65,5
Tapti Valley	23,15,000	81,00	65,00	23,00	...	...	...	...	231,500	810,0	650,0	230,0
Mymensing-Jamalpur	4,78,000	12,00	7,00	6,00	...	...	...	...	47,800	120,0	70,0	60,0
Brahmaputra-Sultanpur	5,28,540	14,00	5,50	8,00	...	...	...	...	52,854	140,0	55,0	80,0
Hurdwar-Dehra	2,55,000	17,00	15,00	8,80	...	...	...	...	25,500	170,0	150,0	88,0
<b>TOTAL</b>	<b>66,06,540</b>	<b>1,44,00</b>	<b>1,07,78</b>	<b>52,56</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>660,654</b>	<b>1,440,0</b>	<b>1,077,8</b>	<b>525,6</b>
<b>TOTAL</b>	<b>66,06,540</b>	<b>1,44,00</b>	<b>1,07,78</b>	<b>52,56</b>	<b>1,18,441</b>	<b>3,65</b>	<b>79</b>	<b>2,01</b>	<b>648,810</b>	<b>1,403,5</b>	<b>1,069,9</b>	<b>505,5</b>
<b>WITHDRAWALS IN INDIA.</b>												
Southern Mahratta	-1,42,100	1,35	-3,67	33	-23,683	22	-61	6	-11,841	11,3	-30,6	2,7
Mysore	1,24,832	3,50	3,50	2,00	31,567	88	88	50	9,326	26,2	26,2	15,0
Assam-Bengal	39,66,333	-14,02	-12,44	-12,74	15,95,623	-5,04	-4,23	-4,85	237,071	-89,8	-82,1	-83,9
Indian Midland	-4,97,084	-8,69	-1,48	-4,30	-99,417	-1,74	-30	-87	-39,767	-69,5	-11,8	-34,9
Do. Saugor-Katni	26,97,063	14,55	13,72	16	10,62,479	5,73	5,40	6	163,458	88,2	83,2	1,0
Bengal Central	3,08,753	2,69	5,10	2,98	86,683	75	1,43	1,00	22,207	19,4	36,7	19,8
Bengal-Nagpur	25,674	1,11	2,71	5,90	1,080	46	1,12	2,30	2,459	6,5	15,9	36,0
Ditto extensions	1,12,34,003	1,23,46	1,17,29	84,43	44,04,299	44,65	40,80	28,85	682,971	788,1	704,9	555,8
Lucknow-Bareilly	77,692	25	40	-7	32,294	9	14	-2	4,540	1,6	2,6	-5
Burma	53,52,356	88,31	53,51	54,19	22,00,508	36,31	22,00	22,28	315,185	520,0	315,1	319,1
Lump alteration	...	-96	...	...	...	-11	...	...	...	-8,5	...	...
<b>TOTAL</b>	<b>2,31,47,522</b>	<b>2,11,55</b>	<b>1,78,64</b>	<b>1,32,82</b>	<b>92,91,433</b>	<b>82,20</b>	<b>66,63</b>	<b>49,81</b>	<b>1,385,609</b>	<b>1,293,5</b>	<b>1,120,1</b>	<b>830,1</b>
Ahmedabad-Parantij	2,78,332	12	6	21	...	...	...	...	27,833	1,2	6	2,1
South Behar	24,52,248	25,00	20,40	7,75	...	...	...	...	245,225	250,0	204,0	77,5
Tapti Valley	23,43,649	81,00	65,00	23,00	...	...	...	...	234,365	810,0	650,0	230,0
Mymensing-Jamalpur	5,62,623	12,00	7,00	6,00	...	...	...	...	56,262	120,0	70,0	60,0
Brahmaputra-Sultanpur	8,77,256	16,00	6,80	8,00	...	...	...	...	87,725	160,0	68,0	80,0
Hurdwar-Dehra	3,65,256	17,45	15,00	8,80	...	...	...	...	36,526	174,5	150,0	88,0
<b>TOTAL</b>	<b>68,79,364</b>	<b>1,51,57</b>	<b>1,14,26</b>	<b>53,76</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>687,936</b>	<b>1,515,7</b>	<b>1,142,6</b>	<b>537,6</b>
<b>TOTAL</b>	<b>3,00,26,886</b>	<b>3,63,12</b>	<b>2,92,90</b>	<b>1,86,58</b>	<b>92,91,433</b>	<b>82,20</b>	<b>66,63</b>	<b>49,81</b>	<b>2,073,545</b>	<b>2,809,2</b>	<b>2,262,7</b>	<b>1,367,7</b>
Net Withdrawals	2,34,20,346	2,19,12	1,85,12	1,34,02	91,72,992	78,55	65,84	47,80	1,424,735	1,405,7	1,192,8	862,2
<b>GUARANTEED AND SUBSIDIZED RAILWAYS.</b>												
Net Withdrawals	1,94,82,456	2,38,00	1,54,97	1,35,56	88,58,977	91,12	67,64	57,43	1,062,348	1,468,8	873,3	781,3

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA,  
ASSEMBLED FOR THE PURPOSE OF MAKING LAWS AND REGULATIONS UNDER THE PROVISIONS OF THE INDIAN COUNCILS ACTS, 1861 AND 1892 (24 & 25 VICT., CAP. 67, AND 55 & 56 VICT., CAP. 14).

The Council met at Government House, Calcutta, on Monday, the 27th March, 1899.

PRESENT :

- His Excellency Baron Curzon of Kedleston, P.C., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.  
His Honour Sir John Woodburn, K.C.S.I., Lieutenant-Governor of Bengal.  
The Hon'ble Sir J. Westland, K.C.S.I.  
The Hon'ble Mr. M. D. Chalmers, C.S.I.  
The Hon'ble Major-General Sir E. H. H. Collen, K.C.I.E., C.B.  
The Hon'ble Sir A. C. Trevor, K.C.S.I.  
The Hon'ble Mr. C. M. Rivaz, C.S.I.  
The Hon'ble M. R. Ry. Panappakkam Ananda Charlu, Vidia Vinodha Avargal, Rai Bahadur, C.I.E.  
The Hon'ble Sir G. H. P. Evans, K.C.I.E.  
The Hon'ble Mr. J. J. D. LaTouche, C.S.I.  
The Hon'ble Rai Bahadur Pandit Suraj Kaul, C.I.E.  
The Hon'ble Mr. Gangadhar Rao Madhav Chitnavis, C.I.E.  
The Hon'ble Mr. Allan Arthur.  
The Hon'ble Mr. P. M. Mehta, C.I.E.  
The Hon'ble Nawab Mumtaz-ud-daula Muhammad Faiyaz Ali Khan.  
The Hon'ble Mr. J. K. Spence, C.S.I.  
The Hon'ble Mr. G. Toynbee.  
The Hon'ble Mr. D. M. Smeaton, C.S.I.  
The Hon'ble Mr. J. D. Rees, C.I.E.  
The Hon'ble Maharaja Rameshwara Singh Bahadur of Darbhanga.  
The Hon'ble Nawab Bahadur Sir Khwaja Ahsanullah, K.C.I.E.

DISCUSSION OF THE FINANCIAL STATEMENT FOR 1899-1900.

The Hon'ble SIR JAMES WESTLAND said:—" My Lord, in initiating the discussion on the Financial Statement there are one or two points on which I have to make a few observations. A couple of years ago I had to make an apology here for not being able to send the Financial Statement to the Presidency of Madras in the same way as advance copies of it had been sent to Bombay and other places. I regret that there was a failure this year also, and I would make an apology for it were it not for the fact that I have received a thorough scolding from a newspaper in Madras which I think has had the effect of enabling us to cry quits. But I think it is a little ungenerous for this newspaper to hint—if it has not positively said so—that it was partly intentional on my part that I neglected to send the Statement to Madras, and that it arises simply from the fact that I have never hesitated to sacrifice the interests of the Southern Presidency to those of Northern India. I wish to explain that it is really difficult for us to get the Financial Statement ready in time to send it off three days before the day fixed for its presentation in this Council. I have formerly explained that we do not close the Financial Statement until we have an opportunity of considering the

results of February's accounts. That puts off the possible completion of it till the 12th or 13th March at the very earliest. Having done this, we have to prepare ourselves for presenting it before the Council about the 20th March, as sundry inconveniences arise if it is not ready by that date. We have therefore only the 13th to the 20th at the very outside to prepare the final copy of the Statement and to pass it through the press, and if possible send it off to Bombay and Madras. I have done my best to let these Presidencies have copies of it, but I really cannot accept responsibility for Madras being one day further from Calcutta than Bombay, and of the consequent failure in respect of the arrival of the Budget Statement in Madras while it has been duly delivered in Bombay.

"One other remark I wish to make—a remark of a general character. On this day last year I was engaged in defending myself against charges of 'complacent optimism'—I think that was the expression used with regard to the preparation of last year's estimates. Well, I of course was unable to say anything more than that the estimates had been very carefully prepared upon the usual principles, and if Hon'ble Members would only choose to wait twelve months they would see whether I was guilty of 'complacent optimism' or not. Hon'ble Members can judge for themselves whether the results show that I systematically over-estimated the revenues. As a matter of fact, and as I pointed out last Monday, the returns of revenue exceed the estimates which I made last year. I see that I am accused this year from two directions: one leading newspaper of Northern India accuses me of pessimism because under Salt and some other heads we are quite certain of receiving larger sums than I have entered in the estimates. A leading Calcutta newspaper, on the other hand, accuses me of optimism because it is not quite sure that we shall receive the opium revenue which is entered in the estimates. If I am accused on the one hand of optimism and on the other hand of pessimism, the natural conclusion I come to is that I have been adopting a very fair and just mean. There is one thing I wish to repudiate, and that is this: I have not made the estimates, in any sense whatever, with reference to my leaving office and to the management of the finances going into other hands; every single figure in the estimates is exactly what it would have been if the financial management of the empire had remained in my hands. That, I say, I wish most positively to repudiate any such intent, because I have seen it asserted that I had in view the change of office, and that I have prepared the estimates which I have laid before the Council, with a view to that change. I think Hon'ble Members should bear in mind that these estimates are not meant as guesses of the future. The figures as I now state them may, when we come to make up the accounts, show under various heads higher or lower figures than I set out. It is not intended in these estimates merely to make a guess at the future; they are not merely a pleasing arithmetical exercise brought to the Council for criticism, but they are an answer to this question—what revenue can you fairly count with security upon receiving, and what expenditure can you in accordance therewith undertake to incur? If Hon'ble Members will bear in mind that that is the question which the estimates are intended to answer, I think they will see that on the one hand it is necessary for us to make, in a country which is liable to so many changes during the year as India—it is necessary for us to make what are ordinarily called safe estimates of revenue, and on the expenditure side we fully expect, notwithstanding our estimates, to finish the financial year with considerable savings upon the Budget expenditure."

The Hon'ble THE MAHARAJA OF DARBHANGA said:—"My Lord, I have listened with interest and pleasure to the exceedingly satisfactory Budget



Statement with which the Hon'ble Member in charge of the Finance Department has presented us. It is, indeed, cheering to observe the revenues so steadily expanding. I shall not be guilty of the impertinence of congratulating the Hon'ble Member on the results of his last Budget ; but I have a few observations to offer in connection therewith which I hope will meet with the favourable consideration of the Government of India.

"I shall divide my remarks under several heads with Your Excellency's permission ; and the first point upon which I propose to touch is that of the income-tax. I am sorry, my Lord, that the Hon'ble Member has not been able to announce or to recommend any reduction of taxation. With a realized surplus of 4 crores and with a further 3 crores and 90 lakhs estimated to accrue during the coming year, I must confess that the public might have expected some such boon at his hands. I can sympathize with the Hon'ble Member in the reasons he assigns for maintaining taxation upon its present scale : although perhaps I am not so much impressed with their gravity. But there are many directions in which concessions might be made, without seriously affecting the stability of the finances. The income-tax furnishes us with an excellent illustration. This is a tax the incidence of which is particularly felt by the lower middle classes in this country. Under the present taxable minimum of five hundred rupees per annum, all persons with a monthly income of fifty rupees are assessable. As has already been pointed out more than once in this Council in the discussion upon previous Budget Statements, the parties who pay tax under this class of the schedule are petty tradesmen and clerks in Government offices or in private employ. Notwithstanding the smallness of their salary, they are expected to appear in public in respectable clothing, and there is not one of them who has not to maintain and provide for a large family. I submit that they are a class who in every way deserve relief at the hands of the Government. Their necessities are such that, considering the general rise in the prices of articles of food and clothing during the past twenty years, it is impossible for them to make two ends meet on such a paltry income. The suggestion I would respectfully make to Your Excellency would be that the taxable minimum should be raised from Rs. 500 to Rs. 1,500, or the rupee equivalent to £100 per annum. The Hon'ble Member in charge of Finance may reply—although I sincerely hope he will not, with such a large cash balance at his disposal—that the Government requires the money contributed by these classes of people, and that it cannot therefore see its way towards granting the relief prayed for on their behalf. I venture to urge, on the contrary, that the existence of so prosperous a Budget-sheet as has been unfolded to us affords an excellent opportunity for exempting these persons from the operation of the tax. I do not intend to enter into a discussion on the subject of the suitability or otherwise of a tax like the income-tax to this country, but I would represent that it causes great distress and inconvenience to individuals of the class I have named, with small incomes and pressing necessities. I am sure no greater boon could be conferred, nor one that would be received with greater gratitude, than the lightening of the burden of the income-tax upon the heavily-weighted shoulders of these poor people.

"There is another topic to which I would ask Your Lordship's sanction to allude. I am the more encouraged to do so, I confess, by the character and tenor of Your Excellency's various utterances since your assumption of your exalted office. I acknowledge with gratitude the grants-in-aid and the contributions made to provincial governments to meet earthquake, famine and plague expenditure. They have been bestowed with a liberal hand :

for they amount in all, as I observe, to a crore and thirty-two lakhs of rupees. But I would ask—why not restore the working capital of each province to its statutory balance? To do so would be to enable them once more from their current resources to prosecute those public works which are so urgently called for. I speak, my Lord, with special reference to Bengal and Assam. In either province there is much to be done in this direction. I need only mention at random the lack of good roads in the Duars and the equally lamentable want of adequate means of communication in Assam. Then again I would beg for an energetic policy on the part of the Agricultural Department. There are many questions with which they might profitably deal, and in all of which the cultivator is vitally interested. Take, for instance, the introduction of new crops. In South Russia, I am told, the sun-flower is grown in large quantities and an excellent oil distilled from it. Why should not an enquiry be instituted in this direction? Take again the serious nature of the disease that is attacking the betel-nut trees in Bengal and the sugarcane in Madras. This is another matter that merits the attention of the department. No one, I dare assume, will deny that the backbone of India lies in her agriculture. Were it not for her cultivating class, India would cut a sorry figure, from a financial point of view. I submit, my Lord, that it is the duty of the administration to assist the cultivator, and to foster and encourage his interests in every possible way. I am not asserting that much has not been done, and that much is not being done at the present moment, in this direction; and I hope I shall not be so unfortunate as to be misunderstood. I yield to no one in my appreciation of the sentiments expressed by Your Lordship in your speech on Monday last on the Sugar Duties Bill: and, unless I am much mistaken, it will prove to be the beginning of a new era in our history. But I will venture to remind Your Excellency of the public occasion upon which you gave expression to the hope that the five years of your Viceroyalty might see the completion of a quarter of a lakh of miles of the Indian railway system. Nothing, if I may say so, has given more satisfaction in India than this glimpse into the policy of internal development which Your Excellency has evidently set before you. If there is one thing more than another that the people of India need, it is increased facilities in the way of transport, for it will encourage agriculture, stimulate commerce, and help to open out the mineral and other resources of the country. And this leads me on to the offering of a few observations, which I do with all respect, on the administration of railways in India. Circumstances have brought it about that most of the large railway systems in this country are under the direct control and management of the State. I do not presume to quarrel with the arrangement. It finds its counterpart in more than one country on the Continent of Europe; and it certainly has many arguments to recommend it. One of the advantages it undoubtedly possesses, my Lord, is that it enables me to bring up the subject on the present occasion, and to call the attention of the Government of India to certain matters in connection with which it is the general feeling that some reform might be introduced.

“I would first deal with the question of third class accommodation. A large profit is derived from this source, and there is no doubt that without its receipts the Railway Administration would be seriously embarrassed. That being so, may we not reasonably ask for better carriages? Is it not possible for some improvement to be made in the fittings and general arrangements of third class carriages? I would suggest the introduction of corridor trains of third class carriages, with conveniences at either end. The idea is no new one. In America such carriages have been in use almost since the introduction of railways into the United States. In England they are becoming daily more and more popular,

There is no question of want of funds to stand in the way, for, as I have already said, there is a large profit derived from the conveyance of third class passengers. Again, the subject of suitable latrine accommodation for these passengers has been raised more than once in Your Excellency's Council. But, although attention has repeatedly been called to it, and questions asked of the Hon'ble Member in charge of the Department by my friends the Maharaja of Ajudhya and the late Prince Sir Jahan Kadr Mirza, I cannot find that any material improvement has resulted. The want of suitable latrine accommodation in the carriages themselves is further aggravated by the system under which third class passengers are locked up for long distances. There is, again, the question of conveniences for native ladies when travelling. This is a most important matter, and one of which I hope the mere mention may be sufficient to secure a much-needed improvement. I would also ask for a more frequent train-service. Until this reform is effected it will be impossible to prevent hustling and over-crowding at stations. The spectacle is a very unseemly one; but passengers are compelled to resort to it in order to secure seats. The fact is, however, that there is not accommodation for half of those who wish to avail themselves of it; and dozens of travellers are daily left behind at railway stations. In many cases they are detained for the whole day, and always for many hours, for there is not that constant succession of trains to which an English traveller is accustomed. I would call the attention of Government to the great room for improvement in this direction. Further, I would suggest that separate accommodation should be provided in all trains of all classes (whether first, second, intermediate or third) for natives and Europeans. This will be no startling innovation, for separate third class carriages are already provided for Europeans, upon most trains. The public benefit will be great. There would then be an end of the unhappy incidents which sometimes occur on railways, and which are nearly always traceable to a want of mutual understanding between the two communities, and a lack of proper appreciation of each other's peculiar habits and customs. At present, too, the intermediate carriages upon certain lines of railway are just as deficient in proper latrine accommodation as the third class carriages in all. I would plead for the adoption of a uniform system. There seems to be no reason why the East Indian Railway and the Eastern Bengal State Railway, which are both under State management, should decline to provide conveniences for their intermediate passengers. For, on the Bengal and North-Western Railway, such accommodation is provided. This again is a defect which, in my view, calls for urgent remedy.

"I now come to the question of fares. My Lord, I do not deny that the present rate per mile for third class fares is low, in comparison with those in other countries: but so are the working expenses, especially on railways in Bengal. I would urge on behalf of the community a still further reduction. As has been pointed out with all the authority of the Press, a journey of twenty miles by rail, at a cost of four annas two pies, or  $2\frac{1}{2}$  pies per mile, may appear at first sight a small charge, and from an European point of view, it undoubtedly is so. But it often amounts to fourteen per cent. of the monthly income earned by a large number of these third class travellers; and it is to them a serious consideration. I will put my case for cheaper fares, with Your Excellency's permission, in the words of Colonel Sedgwick, I take from a note, published by him in 1881, when Manager of one of the State lines, and quoted by Mr. Horace Bell in his book on *Railway Policy in India*. I venture to think his remarks are still most applicable. He says:

'If we look at what railways have done, in view of the conditions they have had to face, we shall find that they have adopted, in competition with carts and boats, comparatively

low goods rates, but that they have never thought of lowering their passenger fares sufficiently to enable an ordinary coolie to travel more cheaply by rail than he can travel on foot, though this can undoubtedly be done . . . It is not to be wondered at, therefore, that railways have altogether failed to attract the masses, and have only succeeded in getting the well-to-do classes . . . To attract the masses railways will have to lower their fares until a journey can be done as cheaply on the railway as on foot. To do this the fare must not exceed  $1\frac{1}{2}$  annas for twenty miles, or say one pie a mile, and perhaps in the poorer districts it may have to be reduced to three-quarters of a pie.'

"I will only add that, in issuing the pamphlet in which these excellent observations of Colonel Sedgwick occur, the Government not only pointed out that third class fares had been reduced to  $2\frac{1}{2}$  pies a mile on the East Indian Railway, but they added that the effects of the reduction would be watched 'with care and interest,' with the view of proceeding further in the direction of a further reduction of fares. This was seventeen years ago, and my submission to Your Lordship is that the time has now come for the putting into action of the words of sympathy then expressed.

'Up to 1890,' says Mr. Horace Bell, 'the minimum fare aimed at by the Government was  $1\frac{1}{2}$  pies per mile, but this was not acted on, the lowest fare on State lines being 2 pies per mile. In June 1891, however, this minimum was further reduced to  $1\frac{1}{2}$  pie a mile. . . . As yet only one line, the Madras Railway, has had the sense to adopt this fare, and with results that are so far very encouraging; while another, the Bengal and North-Western Railway, closely follows with a station-to-station rate, which is equivalent to about  $1\frac{1}{2}$  pies a mile, and with entirely satisfactory effect. What is needed is that the Government should have the courage of its opinions, and show the lead by giving this low rate a full and fair trial on some large State line. There is good reason for the hope that this course will be shortly taken: but, until this is done, it will continue to be held, by those well qualified to hold the opinion, that we have not yet reached, and that by a long way, the limits of our passenger traffic on India railways, and to this it will be impossible to offer any adequate refutation. At the same time it is conceded that a rate of  $1\frac{1}{2}$  pie per mile is not properly applicable over the whole Empire, but is only suited for adoption over areas in which the population is at once dense and poor, and where low wages, and the general struggle for existence, renders them unable to contemplate journeys by rail on more onerous terms. The statistics of the railways which serve such districts point to the certainty that with large numbers, low speeds, and properly-fitted vehicles, passengers of the lowest class could be carried at a fare of one pie per mile, and leave a profit of from 20 to 30 per cent.; but the cost of carriage is a quantity varying with the volume of traffic, and it may be found that an even lower rate is possible. If, however, we can profitably carry at one pie per mile—a rate which implies that a man can travel 24 miles for the lowest daily wage now paid in India—we may rest satisfied that we have placed railway travel within the means of the poorest classes, and may be content to wait for the results.'

"There is nothing, my Lord, that I could wish to add to these remarks of Colonel Sedgwick and Mr. Bell, which express my own views in far better language than is at my command. But if I were to say a word, it would be this: why should it be an essential of Indian railway management that no reform can be undertaken, unless it will result in a profit? In other countries, so far as my knowledge serves me, such considerations are subordinated to the main question of the convenience of the public. Facilitate the means of transport, encourage the population to move about freely; and, although the result may not be a net gain to the railway administration, the advantage, I submit, is bound to be felt in other directions and in the other component parts of the machinery of the State. I assume that the greater traffic will more than compensate for the loss per unit occasioned by the reduction in fares.

"And, while I am on the subject of railways, there is one more topic to which I ask permission to advert. Are the Government of India, I venture to enquire, really satisfied that the solitary railway system, as represented by the East Indian Railway, adequately serves the requirements of the large population that lines its route, either in the matter of passenger or of goods traffic? As a member of the Bengal Chamber of Commerce, I will only

say here that I thoroughly agree with the views of the Chamber on the point. But, if any proof were required of the soundness of their contentions, it is to be found in the slow transit of goods from the North-Western Provinces at the present time. I cannot help observing, my Lord, that, while the Railway Department have not grudged the increased rate of railway mileage which they have given of late years to the North-Western Provinces, Bengal itself has not been equally well-treated in this respect. It has been amply demonstrated during the late famine that increased facilities for transport are urgently necessary; and a glance at the map will suffice to convince the most incredulous. For there is a tremendous blank from Lakhiserai to Bilaspur. I am in favour of the filling up of this gap on more than one ground. The construction of a line running through Chota Nagpur, such as the merchants of Calcutta have so long advocated, would not only serve the interests of trade, but would enable large numbers of Hindus to visit the sacred shrines of Benares, Gaya and Pooree, without the vexations, inconveniences and dangers inseparable from a pilgrimage by road. And I would also point out that it would prevent large hordes of people passing through the great centres of population in their present leisurely fashion, a most serious matter in these days of plague. Intimately bound up with this question and equalling it in gravity and urgency, is the necessity that exists for the construction of light narrow gauge feeder lines of railway in rural districts. I venture to express a hope that Your Lordship will be able to see your way towards giving every encouragement to the development of such projects, not only in Assam, where they are imperatively demanded for the opening up of communications, but also in Bengal itself. We have already a few of these lines, thanks to private enterprise and energy: but we sadly require more. I submit it is most important to adopt every precaution against the spread of famine, and nothing is more calculated to defeat this object than the absence of adequate means of transport.

"My Lord, the consideration of the question of providing increased facilities of transport, and of the prevention of famine thereby, brings me to another topic with which I propose to concern myself. As a zamindar, the question of the colonization of the waste-lands of Assam has the deepest interest for me. The subject was broached by my friend Sir Patrick Playfair during the Budget discussion in this Council in 1897. Sir Patrick then observed:

'Closely connected with the prevention of famine lies the question of the movement of the people and their distribution for employment...In this connection I would call attention to the advantages that might be gained by the movement of the people to the province of Assam and to the benefit that the Government of India would confer in bringing this about.....There is an enormous tract of land quite distinct from that suitable for tea, which is well adapted to the cultivation of cereals, jute, and other crops...It is remarkably free from drought, and should now be pouring supplies of grain into Bengal, like the neighbouring province of Burma. Feeling assured that Assam cannot be peopled without special effort, I should like to enquire if the Government of India will not undertake this as a protective measure against famine, as well as for the good of the province.'

"My Lord, in answer to Sir Patrick Playfair and to my late brother, who warmly supported what had fallen from the mercantile Member, His Honour the Lieutenant-Governor of Bengal, who was then in charge of the Home Department of Your Excellency's Government, undertook that the observations that had been made should be communicated to the Chief Commissioner of Assam. His Honour added that there was nobody who, from his energy and experience in these matters, was more likely to work out a practical scheme for the emigration of the people than Mr. Cotton, the present Chief Commissioner. No better proof of the truth of Sir John Woodburn's eulogiums could be found than the masterly note upon the subject that has since been compiled by Mr. Cotton. That note has been before the public since the 6th of February, together with the letters of the Revenue and Agricultural Department; and, in common with

many others—for the topic has aroused widespread interest in Calcutta—I have perused the correspondence with attention. I observe, my Lord, that permission has been given to the Chief Commissioner to make grants to private capitalists over an experimental area, subject to the modified conditions sanctioned by the Government of India. I would not have dwelt upon this subject at all, but, as a zamindar and a capitalist, my interest in the question is somewhat of a personal nature. Your Excellency will, I trust, forgive me if I say that the conditions imposed by the Government of India are not such as to attract any zamindar or private capitalist. The addition of clearance conditions, and the reduction of the period of the lease to 33 years, are especially felt to be insuperable objections. If Your Excellency will permit me to offer a humble and respectful expression of opinion, it would be to urge that as few conditions as possible should be attached to the first grants of land made under Mr. Cotton's scheme. I am aware, my Lord, that I am hazarding a bold suggestion; but I do so on the following grounds. The problem is here the opening out of virgin tracts of country. The difficulty is to induce pioneers to come forward and perform their task. Now, the success of one or two of these experimental grants will be certain to lead to a number of applications. The Government would then be perfectly justified in imposing any conditions they thought fit: for the success of the scheme would be assured. But, as the proverb goes, it is the first step that requires inducement and encouragement. I would offer the early pioneers a free-hold grant. This is exactly the method that was adopted to introduce the cultivation of tea into Assam. Moreover, these pioneers will not succeed in the beginning in attracting any tenants to settle on their grants on any other terms, and there seems no reason why they should be placed on worse terms than their own tenants. The time for clearance conditions, and other conditions favourable to the interests of Government, will follow, as I have said, in due course. I will not deal further with this subject, my Lord, except to say that I am confident when once the ice is broken—and it will not be broken unless some such concession is accorded as I have ventured to indicate—further private capital will seek investment in the Province.

“My Lord, there is one more subject to which I desire to address myself before I conclude. It has relation to the profit derived from the administration of justice. Now, this is an item which I do not discover in the Budget Statement. The only attempt, as far as I can ascertain, to arrive at an estimate of the net cost of civil justice was in 1890: and it is published in the Gazette of India for January 11th of that year. This I understand to be the return to which Sir Henry Prinsep referred in 1897 and in 1898 from his place in Your Excellency's Council. But we have had nothing furnished to us in the shape of a yearly statement or even a quinquennial statement since 1890. I would suggest that it would be greatly to the public convenience if the Financial Department would publish a quinquennial return of the receipts and expenditure under this head. Meanwhile, I avail myself of the only sources at my disposal. I will deal only with Bengal. In Bengal, I find a steady annual surplus of a lakh of rupees given in the report on the administration of criminal justice for the year 1897 as the net profit during the last four years under the head of receipts and charges on account of the service of processes in the Criminal Courts. In the corresponding report for 1897 on the administration of civil justice in Bengal, we are informed that, inclusive of the High Court and the Presidency Small Cause Courts, the receipts of the Civil Courts for the year under review amounted to Rs. 1,05,13,724, and the charges to Rs. 54,75,588, including the amount realized on account of duty on probates, etc. There was, therefore, a profit to Government from civil litigation of Rs. 50,38,136, and, exclusive of this important item of Rs. 5,30,548, the surplus amounted to Rs. 45,07,588, or more by

Rs. 1,15,666 than the surplus of 1896. My Lord, these are very satisfactory figures. But, as Sir Henry Prinsep pointed out in 1897, the people of Bengal derive very little benefit from the very large tax which they pay.

'This is a matter,' continued the learned Judge, 'upon which we Judges of the High Court feel strongly, and we have always felt that, whereas the revenue in this Department was really supplied by Bengal, it was swallowed up by other Presidences, and they had considerable difficulty in obtaining what they considered to be necessary for Bengal. It was, however, represented to us that it was an Imperial question, and that it was the aggregate that was to be looked to as representing the revenue and the expenditure.'

"Now, my Lord, without disputing the correctness of the contention of the Government of India or discussing it, I would respectfully ask that some portion of this surplus from the administration of justice may be expended on the High Court itself where the rates of salary and the pension rules pressingly call for attention. And I would beg in addition for the improvement of the prospects of the civil judicial officers in Bengal. It is well known that the duties discharged by Munsifs and Subordinate Judges are onerous and responsible; and it is equally well known that they discharge them with honesty and efficiency. But, if they do not complain, it is not because they have no grievances. I would represent that the question of house-accommodation for Munsifs calls for the urgent attention of the authorities. In many places the subordinate judicial officers of Government are compelled by the lack of suitable house-accommodation to live in a manner which is not only injurious to their health and prejudicial to their capacity for work, but which, I submit, is not in consonance with the official positions they have the honour to hold. Again, their salary is low in proportion to the mass of work they have to perform: and it is notorious that they are as overworked as they are under-paid. To improve the condition and the prospects of those most deserving servants of the State is a task that appeals to me with peculiar appropriateness in connection with the large balance derived from the administration of justice. The ministerial establishments are, moreover, very inadequate and greatly require strengthening both as regards pay and status. I would express the hope that some portion of that surplus may be devoted to the purposes I have indicated.

"My Lord, I have now come to the conclusion of the observations I felt it to be my duty to address to Your Excellency's Government. I have purposely dealt with matters of domestic and internal policy. These are matters which I am aware from the perusal of Your Excellency's utterances that you have deeply at heart. The people of the country have every expectation that Your Excellency's term of office will be identified with large and statesmanlike measures of internal development and expansion. The consideration of the domestic needs of India is urgently demanded. I do not exaggerate when I say that the promotion by Government of such a policy will be hailed with every manifestation of approval and of support. It is because I know that the public mind is much concerned at present with these topics, that I have tried, to the best of my ability, to represent their views, and to indicate some of the directions in which encouragement might be afforded and reform introduced; and I hope and trust my efforts may meet with favour and attention at the hands of the Government of India."

The Hon'ble MR. REES said:—"My Hon'ble friend Sir Griffith Evans lately had occasion in this Council Chamber to refer to the Presidency to which I have the honour to belong, and with his pleasant humour, he called it the blessed Arcadia. It is not a Member from Madras who will deny that such arcadian features as are common to prosperous and well-governed agricultural countries are exhibited in the Southern Presidency, and if my Hon'ble friend considers such characteristics are especially conspicuous in the South I shall not quarrel with him, though we have too many lawyers and too much litigation

for the parallel to be complete. But I disclaim any responsibility for the faith that is in my Hon'ble friend Mr. Smeaton, who appears to think that Madras is a land so overflowing with milk and honey that any class of its inhabitants privileged, like the Christians of the Coast, in that behalf, should take almost a pleasure in the payment of an additional impost. I have said nothing by way of concurrence in such a creed.

" Admissions, however, partake of the nature of indiscretions, and it would be difficult for me, after what I have said, to enter on any adverse criticism of the Budget. I cheerfully, therefore, leave all that to my Hon'ble friend Mr. Ananda Charlu, who possesses, if I may say so in his presence, the rare gift of being able to treat controversial subjects in an equally forcible and genial manner. I am, however, glad to see that the Hon'ble Finance Minister, with his latest official breath, also makes some admissions regarding our Presidency that are pleasant reading to my Hon'ble friend and myself. It shows 'a very progressive revenue, rapidly increasing up to the famine year, which only temporarily interrupted the advance.' With Bengal, 'it shows the largest increase under assessed taxes due to progressive revision and general improvement in the administration.' Again, 'the revenue in Madras is improving in the manner characteristic of the Province.' To quote more might appear vain-glorious, and enough has been said to show that Sir James Westland shares that appreciation which in his heart every Finance Minister must have of the well-paying Presidency of Madras. In consideration, however, of the strain upon its resources resulting from plague and famine, and by way of free grant, upwards of 15 lakhs in all are contributed by Imperial to Provincial in 1898-99, and a grant of upwards of 6 lakhs is made for next year's direct famine and plague expenditure. Whether or not we are arcadian, we are certainly practical, and no part of the Budget interests Madras more than the Railway chapter.

" Now that the East Coast Railway is completed, and the Bezwada-Madras line is open, a suitable provision of twenty lakhs is made for the Godavari bridge, after the completion of which the railroad will be continuous from Cuttack to Madras.

" Of the large grant of Rs. 1,77,00,000 provided for the Bengal-Nagpur Railway, the lion's share will be expended on completing direct connection between Cuttack and Calcutta. When this is accomplished the question of the agency or agencies to be employed for working the whole length or sections, as the case may be, of the line, and the question of rates, will have to be decided, and the legitimate claims of Madras commerce will require careful consideration. In addition to the many and large interests already concerned, it is probable that in future fine salt, fit to compete with that of Cheshire, will be manufactured in large quantities on the Coromandel Coast.

" Ten lakhs are provided for Madura-Paumben, and seven lakhs for the Tinnevely, or British portion of the Tinnevely-Travancore Railway. The Durbar has accepted the proposals of the Government of India, preliminary work is in progress on the British section, and will, no doubt, be commenced on the Durbar's section in the financial year which begins next week.

" The Shoranore-Cochin Railway is entered in Appendix C, and the estimate at ninety lakhs. It has, however, moved up and its circumstances have altered, for the commencement of work has actually been sanctioned on the first thirty miles, and, as the line is to be constructed on the metre gauge, the cost will probably not largely exceed fifty lakhs. His Highness the Raja is prepared to find the funds and nothing is likely therefore to delay action.

" Not much longer will the rich and interesting States of Travancore and Cochin be cut off from the rest of India, and their present enlightened Rulers



will long be remembered for the encouragement they have given to great works of all kinds likely to increase the prosperity of their people.

"The Ammayanaikanur-Guruvanuth Tramway is not so long as its name would imply. Though short (75 miles), it is, however, by no means unimportant, as it will open out two important planting districts and a large tract of plain country. That the Government of India should have approved this line is satisfactory, and, as its construction by a private company is contemplated, there is nothing apparently to prevent its speedy completion if private enterprise proves, as there is every probability of its proving, equal to the occasion.

"For the Calicut-Cannanore extension twenty lakhs are provided. Orders have, it is understood, issued to commence work, and the line will be constructed as a light broad gauge line capable of conversion, if required, into metre gauge.

"All these railways, with the localities to be served with which I am well acquainted, will prove of the utmost advantage to the people, the Government, and to important interests concerned, and by expediting their construction the Government of India will contribute in no small degree to strengthening that conviction of the identity of its aims and interests with those of Local Governments, which should always obtain. When in addition the Nilgiri Railway is opened to traffic, and extended to Ootacamund, an extension already approved, and when the various protective light lines recommended by the Madras Government have been constructed, the people of the Presidency will be fairly well provided with railways, though there are others which would no doubt pay, and should, if possible, be constructed. The present Governor of Madras is the first who has travelled by rail from Calcutta to his capital, and I hope, and the inhabitants of Southern India hope, Your Excellency will be the first Viceroy to take the train to Travancore over the hills at the end of the Peninsula, to return by rail from Cochin to British India, and possibly even to travel on by the metre gauge all the way to Bombay.

"Among the more important decreases in revenue noticed in the Revised Estimates, Madras is responsible for one due to the fall in the sales of land benefited by the Peryar Irrigation Scheme. The Government of Madras has been, and is, busily engaged in investigating this matter, and it is earnestly hoped that the scheme will ultimately prove as remunerative as was expected. Careful revenue estimates were made before it was commenced, and it is altogether too early yet to say that they will not be realized. All that caution and circumspection in the extension of irrigation which the Hon'ble Sir Arthur Trevor and His Honour the Lieutenant-Governor declared to be so necessary on the occasion of the Budget debate of 1897 were exercised before this great work was undertaken.

"The completion of the Bangalore water-works is a matter for congratulation, not only to Bangalore and the Mysore State, but to all Southern India, which is interested in the well-being of that favoured city.

"To Madras proper it is most satisfactory that the Budget estimate of land-revenue charges includes an increase of Rs. 3,87,000, for the too long postponed improvement of the position of taluq and village establishments, a very important measure, and the extension of survey and settlement.

"Your Excellency has already stated how important you deem it that European capital should be attracted to this country. I venture to say that if the Government of India can see its way to allowing extradition, or making some arrangement of the like nature, between the Madras Government and the neighbouring Protected States, in regard to breach of contract, a useful step in that direction will have been taken. Since I endeavoured in vain to bring this about when the Extradition Act was under amendment in 1896, the planters have

been proved by the publication of the report of the South India Planters' Enquiry Committee to be, as down South we all knew them to be, just and generous employers of labour, and they really suffer undeserved, and in some localities not inconsiderable, loss under the existing law. Whether or not the far greater loss they suffer from the appreciation of silver is merely temporary, this loss at least is constant and preventible. The planters are confident that they, like other producers, will receive the sympathetic attention of Your Excellency's Government.

"In like manner any simplification of rules, delegation of authority, and relaxation of restrictions imposed in regard to mining applications, and any action tending to lessen the disheartening delays, which are under the present system unavoidable, would greatly assist Local Governments in encouraging the introduction of foreign capital.

"The remarks made last year by my Hon'ble friend and predecessor Mr. Nicholson, an eminent authority, regarding the development of rural banks, derive additional weight from those made just now on the same subject in the House of Lords by Lord James of Hereford, when introducing the Money Lenders Bill. The Duke of Argyll has also given the movement his support, and in this country, far more than in England, is the adoption of some system similar to the German loan banks, for developing co-operative rural credit, worthy of the attention of Government.

"Finally, I would add my congratulations to those of my Hon'ble friend the Maharaja. I have heard the Finance Minister described as an incurable optimist, but it does not now appear that he has in the past taken too favourable a view of India's finances, and in view of the Budget now presented for the last year of the century, critics of this class must stand confounded."

The Hon'ble MR. SMEATON said:—"My Lord, I am not going to take any excursion into the regions of Imperial finance. My remarks shall be brief and prosaic. But I cannot avoid noticing two salient and encouraging features of the Hon'ble Financial Member's lucid statement. The first is the steady relief being given to the Indian revenues from the burden of debt. The interest now charged against Indian revenues is not very much more than one-half of the amount charged twenty years ago, and this very satisfactory improvement is due to the progressive earnings of the railways and irrigation works which have been constructed from borrowed funds. The remarkable recovery of earnings made by these railways in the year just closing shows how the burden of debt continues to be lightened. The next feature is the satisfactory expansion of the salt-tax and the concurrent cheapening of salt to the people of India. The duty is now lower (except in Burma) than it was twenty years ago: the extension of railways has brought down prices to a figure which could hardly have been anticipated; the pressure of the salt-tax is now much lightened. I think, my Lord, that these two features of the situation disclosed in the Financial Statement are most encouraging. The Hon'ble Sir James Westland has announced that, notwithstanding the substantial surplus of the year now closing, Your Excellency's Government does not propose to make any remission of taxation at present. This announcement will probably prove unpalatable, but I cannot help thinking that the decision of Your Excellency's Government is sound and right, not only, although largely, because, as the Finance Minister says, it is necessary to maintain a strong financial position in view of pending currency reform, but also because, I think, it would hardly be safe for a prudent Government to relinquish any important sources of revenue on the faith of a surplus of one single year. The instructive analyses of comparative surpluses of two periods given by the Finance Minister in paragraphs 69 and 70 of the Statement, coupled with the anticipated surplus of

1899-1900 (even at the modest rate of exchange adopted at  $15\frac{3}{4}d.$ ), indicate a hope that perhaps within a measurable period of time Your Excellency's Government may be able to consider favourably the question of abolition or reduction of certain forms of direct taxation.

"It has been a pleasure to me to notice that the Finance Minister has, in Sections II and III of the Statement, given as many as nine good conduct marks to Burma—more, in fact, than he has bestowed on any other province; and I hope that in consideration of this good behaviour of the province—certified by one so hard to please as Sir James Westland—Your Excellency will permit me to make a few observations in the interest of the trade of Burma.

"The majority of the Burmese are agriculturists, but every man and woman is a trader, and a keen trader, notwithstanding that (as the Financial Member will now probably admit) he does not love and won't use currency notes. Agriculture in the province is satisfactory, cultivators' profits are good, sometimes handsome: the Government advances are taken with alacrity and have, I am glad to say, already caused a sensible reduction in the rates of interest charged by money-lenders. The programme of assessment of land in Upper Burma has been, partly at least, satisfactorily settled at last. Railway and road extensions are progressing fairly, but hardly perhaps so well as might be wished for. There are many remote land-locked tracts which need to be opened out: and one very costly line—the Mandalay-Kunlon—is not likely to be either commercially or financially a success at least for a long time to come. I am glad to learn that sufficient funds have at last been provided for an adequate construction programme during the coming year. The Provincial Contract with the Supreme Government is liberal, and I hope it may continue so. Now, my Lord, to come to the matter in regard to which I solicit a concession. It is not the rice export-duty that I suggest should be remitted—for the very good reason that it is paid, at present at least, by the consumer—that is to say, the foreign consumer: and I cannot conceive of any more legitimate asset than the tribute paid by foreign consumers of products of our own provinces. The Burma cultivator occupies a strong position and practically commands his own price within the usual limitations imposed by custom and trade: his rice has, I believe a special 'ticket' in the markets of the world; he is very independent, and long may he remain so. It is not he, therefore, who pays the duty; he makes the foreign consumer pay it. Germany is a large consumer: thousands of tons of Burma rice are imported into her ports—Bremen, Hamburg and others: and this rice emerges from these places in the form, I believe, of Lager beer, and I am told, good old Scotch whisky made in Germany. It seems to me that the Government of India may well congratulate itself on recovering the duty on the rice from these foreign distillers and other consumers. Of course the tables may be turned and serious competition may arise with the rice of Japan, Siam or French Cochin China, in which case the duty may be shifted on to the shoulders of the Burma producers. When this change takes place it will be justifiable to abolish the duty so as to place the Burmese producer on equal terms with his rivals. But that time is not yet. It is not, then, the rice export-duty in regard to which I have to ask indulgence. It is in regard to the management of the large rice trade. Difficulty is sometimes experienced in Rangoon in financing the enormous rice trade aggregating 10 to 12 crores of rupees. The Government balances in the beginning of the export season amount to about  $2\frac{1}{2}$  crores of rupees. These large funds are made over, by arrangement, to the local Presidency Bank—the Bank of Bengal—at a fixed rate of exchange; and I may say, parenthetically, that so far as I know this arrangement is confined to Rangoon. The Comptroller General refuses to sell transfers of funds on Rangoon to the commercial

public, who are thus compelled to make their remittances through the Bank of Bengal at enhanced rates. The Comptroller General does sell transfers on Bombay, Madras, and even Karachi: and it seems a little hard that the Rangoon commercial public cannot have the same advantages and facilities as Bombay, Madras and Karachi—so long, that is to say, as funds are available in Rangoon. The result of the present (I think I may call it without impropriety a monopoly) arrangement and of the measures naturally taken by the Bank of Bengal to make profitable disposal of the Government balances is to create sometimes an artificial stringency in the local money market to the detriment of trade. I would venture to suggest that either a share of the Secretary of State's Council Bills be issued for sale in Rangoon during the busy season when funds are available to meet them, or that the Government balances be thrown open to the commercial public in Rangoon just as they are in Bombay, Madras and Karachi, by sale of transfers. During the latter part of the year, when bankers, chetties and others are remitting their surpluses back to India, the Comptroller General sells transfers on Calcutta and Madras. The mercantile public naturally ask why, when the Comptroller General reverses the operation, they should alone be debarred from getting transfers on Rangoon when funds are available. The result of either of the alternatives which I have suggested would be greater ease and certainty in financing the large rice trade at the most critical season. As I have already said, trade in Burma is universal, and the prosperity of the province is very much bound up with trade. Facilities and conveniences given at the ports will re-act favourably on trade in the interior. Burma occupies a unique position, geographical and political—the bridge between the near East and the far East, and the outpost of the British Empire abutting on the Chinese and Siamese frontiers and on the frontier of a French dependency. In certain eventualities Burma may be of great help and use to the British Government, and if she is to be in a position to be of use and of help she must be as prosperous and as strong as possible. There is no better way of achieving this end than by fostering the trade of the province; and I therefore hope that the suggestions which I have ventured to make will receive the favourable consideration of Your Excellency's Government."

The Hon'ble MR. SPENCE said:—"I did not intend to interpose in this debate, but on behalf of the unfortunate Presidency which I have the honour to represent I should like to make a very few remarks. Anybody who has read the Financial Statement will see that the Presidency of Bombay is in a most parlous condition as regards its finance. We start the year without any balance at all, and we are practically left on the charity of the Government of India. There may be difference of opinion as to the bountifulness of the charity which has been doled out to us, but on the whole perhaps there is no reason to complain. When you have no money to spend and everything has to be cut down as far as possible, no improvements can be carried out, and all useful works are likely to deteriorate. I trust that before the Finance Minister leaves the country he will pass on to his successor a good word on our behalf that we shall be treated in the future as generously, or perhaps more so, than we have been in the past."

The Hon'ble NAWAB FAIYAZ ALI KHAN said:—"My Lord, it is naturally gratifying, both to the Government and to the people, to find that the calamities of war and famine, plague and earthquake, which, so to speak, had all conspired together to embarrass the finances of the Government during the two years preceding the year now coming to its close, have happily all taken wing, leaving behind the plague alone; and I must sincerely congratulate the Hon'ble

the Finance Minister that, along with a deficit of Rx. 5,360,000 at the close of 1897-98, he has been enabled to declare a realized surplus of Rx. 4,060,000 only one year afterwards and to estimate a further anticipated surplus of Rx. 3,930,000 in the Budget for 1899-1900, which two items added together more than cover the heavy deficit incurred during the preceding year.

"My Lord, the most encouraging feature of the Financial Statement, the preparation of which is a task of very great difficulty, is that, the financial position of India being good, it will not be necessary for the Government to raise a loan to meet its necessary expenses.

"With so many cheering signs of returning prosperity now before our eyes, it is most discouraging, however, my Lord, to find that the dire epidemic is not only still continuing to make fearful ravages in the Bombay and the Madras Presidencies, but, to our dismay, has also made its appearance in this metropolis of India.

"With peace on the North-West Frontiers and the consequent little provision in the Budget for warlike operations, it would have been unmixed good had the Government had on this occasion the satisfaction of declaring that no provision was to be made for plague operations, as there existed no such thing in the country. Unfortunately, however, my Lord, such is not the case. But I feel sure, and this feeling is, I believe, shared by everyone present here to-day, that no one more sincerely regrets than Your Excellency, that with plague still doing havoc in the country it should have been found necessary to provide the large sum of sixty-one lakhs of rupees to prevent its spread.

"In this connection, my Lord, I may be permitted to state that, as far as I have been able to judge, the measures adopted by the Government to prevent the spread of plague to the uninfected parts are the only effective measures that could be adopted with any chance of success.

"My Lord, I feel that I should not conclude this theme here without expressing my gratitude to the Government of India and to our Lieutenant-Governor, Sir Antony MacDonnell, for organising vigorous measures to prevent this dire calamity. I find that more than one and-a-half crore of rupees will have been spent on these operations from the date of the arrival of the plague in India to the end of the next year; and I feel no doubt that the people of the North-Western Provinces and Oudh, who have so far remained almost safe, feel sincerely grateful to the Government not only for the large sum which the Government is spending on this head, but also for the modifications in the rules so wisely made to suit the state and condition of their society. That the people are gradually realizing the importance and value of these preventive and remedial measures and have begun to appreciate the benevolent intentions which induced the Government to adopt them, is sufficiently clear from the non-occurrence of the disastrous riots which unfortunately took place in some parts of the country during the early days of the outbreak.

"I pass on now to famine. That, my Lord, as observed by the Hon'ble Sir James Westland, 'is now little more than a memory, its effects being obliterated by the return of prosperous seasons.' But the Hon'ble the Finance Minister draws one lesson from the fact of the wonderful recovery of the country from the effects of the late famine, a lesson by which I have no doubt the Government have profited :

'I cannot however, pass on from this subject,' says the Hon'ble Sir James Westland, 'without deriving from it one lesson which it seems to me to afford, namely, that the margin between prosperity and adversity in India must be a very narrow one; for if we have learned that one bountiful harvest suffices to restore the country after a widespread and severe famine, we have learned also that the failure of the seasonal rains in a single month of the year is sufficient to set back a full tide of prosperity, and that this is a possibility which in the administration of India, and in its financial administration especially, we dare not leave out of account.'

"Now, my Lord, in my humble opinion, there are only two means of securing India from the effects of famine, namely, (1) extension of railways, and thus improving the means of import and export, and (2) extension of canals, and thus adding to the facilities of irrigating land which for want of rains might remain uncultivated.

"My Lord, opinions differ as to which of these two things is more useful and serves better purpose in time of need. But I am not inclined to enter into any elaborate discussion as to the merits of the arguments advanced by both sides in support of their respective theories. Speaking entirely for myself, I am free to say that, in my opinion, both are equally useful and both can add materially to the prosperity of this country.

"As regards railways, I note that on the 31st March, 1899, the total length of open lines of railway will be 22,650 miles; and there is no halt to the march of progress, Rs. 8,820,000 having been provided for the next year.

"The Famine Commission estimated in 1880 that in order to efficiently secure India from the effects of famine there should be 20,000 miles of railways instead of 10,000 which existed at that time. We have now more than 20,000 miles open; and the advantage of the railways has been fully proved in the recent famine. They enabled the Government to save many lives which would otherwise have been lost; and in no part of India was the mortality excessive.

"My Lord, the revenue account of railways and irrigation works is to me a most interesting part of the Budget. The net earnings of these productive works have risen within the last twenty years from Rs. 5 millions to Rs. 14 millions; and, apart from the influence of these works on the prosperity of the country and the incalculable benefit they have conferred on its external and internal trade, they have reduced the burden of debt in spite of large sums borrowed for construction.

"In the North-Western Provinces, the construction of the Fatehpur branch of the Lower Ganges Canal is now practically complete; and important gaps of railway communication have been or are being filled up. The Ganges-Gogra Doab system carried out under the auspices of the Bengal and North-Western Railway Company will open out the districts of Azamgarh, Ballia and Ghazipur; and we shall have also the Rae-Bareilly-Benares line, the Moradabad-Ghaziabad Railway, the railway from Hardwar to Dehra and from Shikohabad to Fatehgarh—all important and useful lines.

"My Lord, before passing on to the consideration of the question of the remission of taxes, I may be allowed to express here the feelings of gratitude of the people of the North-Western Provinces and Oudh to our Lieutenant-Governor, Sir Antony MacDonnell, for the complete and successful organisation of his measures of relief during the late famine. Personally His Honour was indefatigable, and his own earnestness in the cause of the suffering and the high ideal of duty set by his own example infused a new spirit in others who worked under him. The success in combating the famine in the North-Western Provinces was due to his own organization, aided no doubt by the large sum of money which the Government of India placed at his disposal. And the people cannot easily forget his sympathy with them at such a hard time.

"My Lord, having made my observations in regard to the points that occurred to me, it should now have been my pleasant duty, in view of a fairly large surplus realized and another surplus likely to accrue in the coming year to urge respectfully, on behalf of the people whom I have the honour to represent, upon Your Excellency's Government the desirability of remitting some of the taxes, particularly the special rate of 2 per cent. on the revenue levied on

account of famine insurance from the owners of land subject to periodical assessment. But I have refrained from urging any such request upon Your Lordship for the simple reason that it has already been decided—and I think wisely—not to propose to remit any taxes at the present time.

“The country, my Lord, it is true, has recovered from the effects of the late famine wonderfully well, but it is only just recovering and has not recovered completely; for who does not know that the threatened failure, partial though it may be, of the crops in some districts in the Central Provinces, may result in scarcity, if not in actual famine; and the Government may have to undertake measures of relief on an extensive scale.

“With measures of currency reform still expected, with plague still continuing to expand and develop, and with threatened scarcity—if not actual famine—still staring us in the face in some of the districts in the Central Provinces, it is obviously desirable to maintain as strong a financial position as possible; but I hope that when the anticipated surplus is realized, when plague and famine disappear altogether, and when the stability of the exchange value of the rupee has been secured, the Government will find themselves—I hope at no distant time—in a position to remit some of the taxes which press hardest on commercial and landed interests. Indeed, I have no doubt whatever in my mind that nobody would be more earnest than Your Excellency in acknowledging the desirability of proposing these remissions when the time of solid prosperity arrives.

“To sum up, any proposals of this kind should, I think, be entirely left to the Government; for we must know that they would not continue a pice of any of the undesirable and unnecessary taxes as soon as their financial position is placed on a firm and stable basis.

“My Lord, before I conclude, I beg Your Excellency's permission to say a few words which will refer to you personally.

“Your Excellency's assumption of the exalted office of Her Majesty's Representative in India under exceptionally favourable circumstances, is a happy augury of the welfare and progress which this portion of Her Majesty's Eastern dominions is likely to achieve during the five years of Your Excellency's *regime*. Your Excellency's personal experience of Indian thought and politics, and your thorough knowledge not only of the constitution of Eastern society but also of Eastern prejudices, will, we feel sure, help Your Lordship in the administration of this country; and guided as you will no doubt always be by your keen sympathy for the people of this land—that sympathy of which we have had ample proof during the short period that has elapsed since Your Excellency took over the charge of the arduous duties of the Viceroy of India—we feel confident that India will continue the march of progress and will continue to enjoy the blessings of peace, prosperity and contentment.”

The Hon'ble MR. MEHTA said:—“A surplus, my Lord, like charity, covers a multitude of sins, especially when coming on the top of years of great anxiety, distress and deficit. Any attempt to moralize on the uncertain and deceptive character of the present smiling appearance of Indian finance—like unto Dead Sea apples, goodly to look at but not quite sound at the core—would be drowned in the general chorus of congratulations. But to do my Hon'ble friend justice, he has himself sounded the right note of warning, lest we forget, and pointed out that while the present prosperous Statement sets out a very favourable condition of finance, some of the favourable elements are temporary only, and the extremely rapid recovery of the financial position is in itself a warning that the possibility of sudden reversal of the tide of prosperity (which the failure of a single month of seasonal rainfall has proved sufficient to effect) can never be left out of account in the

financial administration of India. These are words of wise warning from one with whom it is possible to differ on many points, but whose ability and intimate knowledge and experience of Indian finance are beyond question. It is possible to emphasize this warning still further. If a *diabolus advocatus* were asked to pick holes in the character of this surplus, as it is said he is called upon to appear and pick holes in the character of a saint before his canonization, a verdict altogether in its favour might not be quite easily won. Of the improvements on the estimates for the year now expiring, amounting to Rx. 3,870,000, gain in exchange accounts for Rx. 1,070,200. Now, though I know that the idea that this gain is only a very indirect form of taxation is scouted as utterly unfounded and untenable, still it is very difficult to believe that it is a golden shower from the skies and that it does not ultimately come in some way from the pockets of the people, perhaps of the agricultural classes, or, at least, that they are not better off by that amount as they otherwise might have been. Another important item of increase is that of the collection of land-revenue. It is a remarkable fact that suspensions of land-revenue owing to famine have been realized very nearly to the full extent in the very next year after it ceased, with the advent of the first good season. This phenomenon has been read as testifying to the astonishing recuperative power of the agricultural population. But signs have not been wanting to show that a portion of this phenomenon at least is probably occasioned by the rigidity with which revenue assessments are collected under a rigid land-revenue code which has completely done away with the interference of the Civil Courts even to the small extent to which it formerly existed. I know that my Hon'ble friend asserts that this rigidity, which was incautiously admitted by Sir Theodore Hope in this Council, was only a condition of things which existed eighteen years ago, and that the Government of India had since applied effectual remedies. I should like to know what those effectual remedies are, so far as the Bombay Presidency is concerned. Speaking in 1891—which is not eighteen years ago—the Commission appointed to enquire into the working of the Dekkhan Agriculturists' Relief Act reported that 'there could be no question that the rigidity of the revenue assessment system is one of the main causes which lead the raiyats of the Dekkhan into fresh debt.'

"When the amendment of the Dekkhan Agriculturists' Relief Act was undertaken in this Council in 1894-95, it was found that the Bombay Government, or rather the Revenue-officers, resented this part of the report as the ignorant meddlesomeness of strangers from other Provinces who were incompetent to appreciate the beauties of the Bombay revenue system. Though it is open to Revenue-officers to grant remissions and suspensions, and though the Government of Lord Ripon impressed upon the Local Government the propriety of active well-judged moderation in this behalf, the rigidity and inelasticity of the Bombay system continue unmodified. I do not think it right to abuse the latitude which the President of the Council allows on the occasion of the discussion of the Budget by enlarging further upon an incidental topic. I have referred to it for the purpose of showing that, under these circumstances, it is not a matter of unalloyed congratulation that suspensions of land assessment have been so largely recovered within the very next year of the cessation of famine and scarcity, and have contributed to swell the surplus of the running year.

"Large as this surplus is, it is a matter of surprise that the Financial Member has not adverted to a circumstance in which it would probably have been much larger. It was so far back as May, 1895, that the Royal Commission on Indian Expenditure was appointed. It finished the work of taking evidence in July, 1897; and there has been a sanguine feeling throughout the country that a strong case for an adjustment of burdens favourable to the Indian Exchequer



had been established. But, after weary waiting for close upon two years, the end seems to be as far off as ever, and nobody can say when the consideration of the report will be taken in hand. It is impossible not to deplore this extraordinary delay, fraught as it is with possibilities of mischief in stimulating imaginary suspicions and suggestions as to its real cause.

“The surplus would have again been larger if the action of the Government of India had not lost to the country a contribution from the British Exchequer on account of the late war on the Frontier. Such contribution was due to India, not as a matter of charity, but as a matter of just and equitable right in the distribution, to put it at the lowest, of joint Imperial burdens, exactly as they had been recognized on previous occasions. The financial independence of India does not require that it should not claim and receive its share of partnership burdens from the predominant partner, just as that partner, for example, claims and receives every farthing, and perhaps more, of the cost of the army while doing duty in India.

“It is too late, however, to cry over spilt milk; and, in dealing with the surplus such as it is, the proposal to devote a small portion of it to the necessities of the famished Provincial Exchequers cannot but meet with unanimous approval. But, my Lord, I trust I will not be charged with the meanness with which Oliver Twist was always asking for more, if I urge that the Presidency from which I come is not treated with that full justice which it deserves. I do not for a moment grudge the thick slice which Bengal has managed to obtain of the pudding, though I admit we are somewhat jealous of its opportunities to whisper in the ears of His Excellency the Viceroy in Council and his Finance Minister from one side and the other. I am sure I wish it joy of all that it has known to extract from the clutches of the jealous guardian of the Imperial Exchequer. But it cannot be denied that the Bombay Presidency has been far more sorely and grievously tried by plague and famine combined than the Presidency of Bengal. But while Bengal gets the same grant of 15 lakhs of rupees as Bombay, it is in addition to the assistance undertaken to be given towards the European General Hospital at Calcutta, which, I believe, means a further grant of 10 lakhs of rupees, and also in addition to a further sum of 2 lakhs as mentioned in paragraphs 51 and 60 of the Budget. It therefore comes to this, that the more stricken and more distant province gets only 15 lakhs, while her more fortunate sister secures 27 lakhs. My Lord, the Bombay Presidency deserves better and more liberal treatment than this. I will very briefly and rapidly state a few facts which will show that this is not an unjustifiable claim. As the Council are aware, the system of Provincial contracts was instituted by the Government of Lord Mayo in 1870. The arrangement then made was a very tentative one and limited in its scope; but it achieved such a measure of success that in 1877 the present system of quinquennial contracts was designed and the limits of the arrangement were considerably enlarged. It so happened, however, that the commencement of the second Provincial contract (1877-1882) was conterminous with the great famine of 1877, which exhausted the resources of the Provincial Government at the very outset so completely as to compel the Government of India not only to bear the greater part of the burden of relief, but even to find money for the Provincial Government to go on with—a situation very similar to the one which the Province has had recently to pass through. I beg the attention of the Council to the way in which it was thought right, under such circumstances, to deal with the Presidency when the time came in 1882 to make a fresh contract. Though by that time the Provincial Exchequer had recovered itself to a considerable extent, the Imperial Government thought that it was a proper and fitting occasion to grant it more than usually favourable terms. This liberal policy had its own reward. At the close of the third contract

in 1887, the Presidency had built up a surplus balance of 32 lakhs of rupees beyond the irreducible minimum of 20 lakhs for working balance which it was required to maintain. This was a little too tempting for the Imperial Government, and when the fourth contract was revised in 1887-88, the shears were pretty closely applied, and it cut from the Provincial assignment a sum of 22 lakhs a year—a sum which, as the Hon'ble Mr. James pointed out the other day in the Local Council, represented one-third of the entire grant resumed from the whole country altogether. The result was that Bombay contributed 110 lakhs during the five years of that contract. This was followed in 1890-91 by the levy of a special benevolence of  $17\frac{1}{2}$  lakhs. When the contract was next revised in 1892, Bombay had to yield 13 lakhs a year out of 47 lakhs resumed from all the Provinces, or nearly one-third of all India's contributions, that is to say, 65 lakhs during the period of the fifth contract. As it is the most loyal and patriotic who are most expected to bleed for their country, I think it will be admitted that Bombay was made to bleed pretty freely to maintain its high reputation for those admirable qualities. The least that it could have expected under these circumstances was that, when it was overtaken by dire distress and misfortune, it should have something better than what Job got from his comforters. The close of the fifth contract found Bombay plunged in an unprecedented combination of calamities. Famine and plague joined their forces. No wonder that its treasury was soon depleted. The sixth or current contract has been now settled on the same terms as the last, though the Government of India delayed its settlement till the second year in the hope that they might be able to screw out, as on previous occasions, a further annual contribution of at least 10 lakhs. It is true that the bulk of the famine expenditure has come from the Imperial treasury, as it was bound to do on the exhaustion of the Provincial resources. But, even so, the new contract leaves the Presidency in a situation of great gravity. I will not trust myself to describe this situation, but will rely only on official sources. In presenting the Financial Statement last August, the Hon'ble the Revenue Member said :—

'For the first time since the famine of 1877, the year opens with a balance of *nil*. Negotiations have been in progress with the Imperial Government regarding the final assessment of plague and famine charges; and the present position is that the Imperial Government have undertaken the whole cost of the famine operations and have granted this Government special contributions of Rs. 9,91,000 in 1897-98 and Rs. 7,00,000 in the current year in recognition of plague expenditure; they have, however, refused to place at the credit of this Government any sum for the reconstitution of the Provincial balance, and have directed that, with the assistance of such recoveries as are due from local funds on account of famine charges borne by general revenues, this Government must build up its balance to the prescribed minimum of 20 lakhs by savings from current income—a laborious and thankless task not easy of accomplishment.

'The process of exacting recoveries from local funds is likely to be slow, and in the current year the sum expected to be derived from such recoveries amounts to Rs. 79,000 only. It has been necessary to enforce economy upon all departments with what cannot fail to be regarded as ruthless severity, and in particular to reduce the grant for Civil Works to a point which forbids the entertainment of new projects and barely suffices for the prosecution of works in hand. It is obvious that the Budget herewith presented to the Legislative Council can only be an object of melancholy contemplation.

'The Local Government is financially, to use a nautical phrase, on its beam ends. Its own resources are exhausted and it has to subsist for the present on the charity of the Government of India. The outlook is unpromising, and it is to be feared that for years to come attempts to improve the administration, to provide the additional staff and establishment so urgently needed in more departments than one, and to promote the progress—material, educational and other—of this Presidency will be most seriously crippled, if not rendered impossible, by the lack of the requisite funds.'

"In the debate that took place on this Financial Statement, the Hon'ble Mr. James, then temporary Member of Council, gave a humorous instance of the straits to which Government were reduced.

'I am not sure,' he said, 'that my Hon'ble friend the Legal Remembrancer would not hold that we have really laid ourselves open to the criminal misappropriation clauses of the Indian Penal Code. It is a fact that a subscription of Rs. 17,000, which Government promised to double, has been credited in our revenues and swallowed up, and if we were asked to produce it, much less the corresponding grants promised, we could not do so, at any rate at the present moment.'

"But it is more serious to contemplate that the Civil Works grants were reduced from by no means the high average of 36 lakhs to less than 27 lakhs (actuals) in 1897-98 and to 29 lakhs in the budget for 1898-99, but which was to be further reduced. The above forecast was made in August of last year, when there was some lingering hope that we had seen the last of plague. But unfortunately we have been visited with another outbreak as, if not more, severe than the last. In view of the whole situation, I do not think it can be said that, in the negotiations for the new contract, the Bombay Government were asking anything excessive when they asked the Government of India to increase their assignment by 13 lakhs a year, that is to say, 65 lakhs for the period of the contract. But the Government of India were inexorable, and they thought they had done quite enough when they reluctantly refrained from shearing off the 10 lakhs a year they had set their hearts on. Now, while the Government of India were supposed to be in dire straits themselves, it was possible to extenuate their hard-heartedness to the Provincial sheep, though it made their refusal of a contribution from the British Exchequer less excusable. But with a surplus of 4 crores and 76 lakhs for the closing year and an estimated surplus of close upon 4 crores for the Budget year, I submit that the Presidency is entitled to be placed in a normal position throughout the whole of the contract period. Instead of that, what we find is that, as stated in paragraph 57 of the Budget, even after receiving a further grant-in-aid of about  $22\frac{3}{4}$  lakhs, the Province will be left, on 1st April, 1899, with an opening balance of *nil*. The only further relief that is given is a grant of 15 lakhs in the accounts of the year 1898-99, that is to say, out of a surplus of close on  $4\frac{3}{4}$  crores, and the same amount (less the excess expenditure already provided for in the Provincial estimates), an uncertain sum, in the Estimates of 1899-1900, out of a surplus of close upon four crores which is likely to be much more as the rate of exchange has been taken a farthing less than might be reasonably anticipated. I have pointed out above how this relief is considerably less than that granted to Bengal under less afflicting circumstances. But, independently of such a consideration, I venture to submit respectfully that wisdom and justice and liberality all require that the overflowing Imperial Exchequer should set up the Province on its legs again, firstly, by taking up all direct plague expenditure; secondly, by making grants sufficient to restore to their normal health the departments that have been starved so long and have grown so lean; and, thirdly, to start the Province with the minimum working balance of 20 lakhs. To treat plague expenditure as anything but Imperial would be both a hardship and an injustice. It has been regulated by Imperial considerations, has been incurred under Imperial directions, and has been disbursed under Imperial agency. In the case of the smaller municipalities living from hand to mouth, their income is absolutely inadequate to meet the burden, and they can discharge it, even gradually, only by sacrificing all sanitary progress for years to come. Even in the case of a city like Bombay, supposed to be wealthy, the large surplus balance it had carefully built up is swallowed up; it has had to undertake the liability of paying 5 lakhs a year in addition to large revenues from many valuable properties for the improved reconstruction of the city, and it is now levying the maximum rates which it is entitled by law to levy. I may add that Bombay is the only

city in all India which is compelled to pay three-fourths of the cost of the city police, amounting to over 5 lakhs of rupees, which was first imposed on it on the understanding that a uniform system would be introduced over the whole country, under which every town would pay for its own police, but which was continued even when the introduction of a uniform system was abandoned. Neither Calcutta nor Madras bears a similar burden. The only just course under such circumstances is to treat the calamity as a visitation of Providence, for which no part of the country should be made to suffer by itself, and to regard all plague expenditure as a joint liability on the general revenues. With regard to the restoration of Civil grants to their just requirements and the provision of a minimum working balance, it has to be remembered that the mischief done in the last two years has to be repaired. To take one instance only, the expenditure on Civil Works had to be curtailed to 26 lakhs, when, as I have pointed out above, it should have been something like 36 lakhs. Such curtailment does not only mean multiplication of future liability, but it also involves the necessity of making good the deterioration caused by delay. It seems to me that, when the Bombay Government asked for an increased annual assignment of 13 lakhs, they were asking for nothing more than what was essential for the welfare and progress of the administration under their charge. If it was not possible to accede to their demand in a time of trouble and deficit, surely now that there is a large surplus it is but fair that the Presidency should be now placed in a position in which it would have been if the necessary increase had been allowed in the settlement of the current contract. Nothing is more ultimately paying to the Imperial Exchequer than investments in the growing welfare and progress of the different Provinces. I may assure my Hon'ble friend that no congratulations on the prosperity Budget which he has presented to the Council will be more fervent or sincere than those of a Province grateful for being called upon to share that prosperity and for being furnished with the means of recovering its lost health and vigour after having suffered so long and so grievously as the Bombay Presidency has done."

The Hon'ble MR. ALLAN ARTHUR said:—"My Lord, I would congratulate Your Excellency's Government and the Hon'ble Sir James Westland on the prosperous condition of the finances of India, as disclosed by the Budget. That he can hand over to his successor the portfolio of the finances of India in what may be termed a 'record' condition after the peculiarly troublous times of the last few years must be a matter of intense satisfaction to the Hon'ble Member, whose constant readiness and uniform courtesy in listening and agreeing to all reasonable demands, brought forward in the interests of commerce, I should like to take this opportunity of acknowledging on behalf of the mercantile community of Bengal.

"My Lord, when an individual becomes possessed of a large sum of money either by his own exertions, by the prosperity of his business or otherwise, the fact is generally brought home to him by the receipt of subscription books and requests to give off his wealth to others. In like manner the Government of India will probably have laid before them, sooner or later, schemes of various kinds having for their object the dissipation of part of the splendid surplus which the Budget reveals. The mercantile community of India are unanimous in pressing for a reform which has been too long delayed, and which might possibly trench to a small extent on the surplus. I am not going to ask the Hon'ble Member to abolish the income-tax. I do not forget that, when I suggested to him a few weeks ago that it was a hardship that holders of Indian securities in England should be charged with double income-tax, I received from him less satisfaction than I have had on many other questions, and I fear to touch on the subject again. But I agree with much that has fallen on this subject from the Hon'ble

the Maharaja of Darbhanga, and would hope that during the next few years it will be found possible to remit this unpopular and unfair tax—unpopular, because it is entirely unsuited to the conditions of the country and of the people; and unfair, on account of the inequality of its incidence. The point I wish to press on Your Lordship's attention is a grievance of long duration. In these days of fierce competition, the prices of all commodities have very materially declined. Values of nearly all articles of consumption are very low, railway rates have been reduced, ocean freights are half of what they once were, letters are carried between Great Britain and India for a penny, and the profits of the merchant have very much decreased. Progress and competition are responsible to a great extent for these reductions. The one charge that remains constant and has been so for nearly quarter of a century is the cost of Indo-European telegrams. The Cable Companies are the enemies of progress in this matter. They block the way, and I think it is a reproach to them that foreign telegrams should remain almost as expensive luxuries as Champagne and Havana cigars. The cost of telegraphing between Europe and India is Rs. 3 or 4s. per word. The charge is so exorbitant that, notwithstanding the increased trade now doing and the increase in the number of telegraphic negotiations necessary to do that trade, traffic does not increase to any appreciable degree. The cause of this is not far to seek. In order to avoid being swamped altogether by telegraphic charges, the merchant at immense expense to himself has to go on improving his codes, which are becoming more nearly perfect and more ingenious every year, resulting in fewer words being used to express a great deal more than they formerly did. Private individuals, instead of telegraphing in ordinary words, have to take the trouble of preparing small private codes for the purpose of telegraphing to their friends abroad. Your Lordship will have observed how badly India is served by Press messages, how the high telegraph charges are strangling Press enterprise, with the result that this great Empire is most meagrely informed of what is going on in other countries of the world. Given a substantial reduction in the cost of telegrams, the necessity for perfecting codes will become less urgent and the traffic in mercantile cables will increase, private telegrams will become more frequent, and Press telegrams fuller and more intelligible. To induce an increase in the traffic a small reduction will be useless. The reduction in the first instance must be substantial, at least 50 per cent. This would make the cost of telegraphing Rs. 1-8 homewards and 2 shillings outwards per word. It is estimated that a reduction of 6*d.* per word would involve a loss of revenue to the Cable Companies of £50,000 per annum, and it follows that a reduction of 2*s.* would mean a loss of revenue of £200,000. The Cable Companies, not being sufficiently enterprising to lower the rate themselves, would no doubt be willing to make the reduction provided they were given a guarantee that they will not be losers thereby. The Bombay Chamber of Commerce have pointed out that the principle of State aid to communication between parts of the Empire has received definite sanction from the institution of an Imperial penny postage. In the interests of this Empire and of the merchants who have helped to build it, it is surely not unreasonable to expect the Home Government to join the Government of India in giving the necessary guarantee to the Cable Companies. But let us suppose that the Home Government refuse and that the full £200,000 may have to be paid away under the guarantee, the question arises, can the public reasonably ask the Government of India to undertake the guarantee? I observe that the Hon'ble Member budgets for a net profit in the Telegraph Department of Rx. 2,71,200, which surplus at present goes to swell the general revenues of the country, and which would no doubt be reduced to some extent by a reduction in foreign telegram rates. The amount, however, is very nearly the amount of the guarantee required, and it can be very well argued that this net

profit might for the present be set aside to carry out this much-needed reform. Again, a saving can be reckoned in the cost of foreign telegrams on Government account, which must be a heavy item, while the small balance required to make up the full guarantee might very well come out of the general revenues of the country, as I maintain that the traders of India, not only European but also Native, will benefit directly and indirectly from the introduction of cheap telegraphy. I do not think the most timid of men would suggest that a reduction in telegraph rates by 50 per cent. would not lead to a great increase in traffic, and it should be borne in mind that while there may be a little to pay in the first instance there is every probability that in a very few years the guarantee will become merely a paper guarantee.

"The Government have a precedent for giving such a guarantee in the action taken by the Australian colonies in 1891, when the Australian-English tariff was reduced from 9s. 4d. to 4s., subsequently raised to 4s. 9d., the Colonial Governments guaranteeing the Cable Companies against loss. It would be interesting to have a return showing the increase in traffic between Australia and England consequent upon the reduction in rates.

"Some of the Indian Chambers go so far as to advocate an all-British cable between Great Britain and India, with a charge of one shilling or even six pence per word; but such a proposal, though eminently desirable, would take time to accomplish, while the suggestion I advocate could be carried out by a stroke of the pen.

"I have to apologise to the Council for the length of my remarks on this subject, but my excuse is that I hold in my hand telegrams from every Chamber of Commerce in India pressing the Bengal Chamber to urge the importance of this question on the notice of Your Excellency. I have further to say that so far back as 1893 the Government of India declared that 'the reduction of the tariff to India is a measure of Imperial importance.' That was six years ago and nothing has since been done. The merchants of India now ask respectfully that this measure of Imperial importance be carried out, and I can assure Your Excellency that, in any action Your Excellency's Government may take to accomplish this desired reform, you will have the unanimous and ardent support of the entire mercantile community of India.

"My Lord, I take this opportunity of referring to the question of the insufficiency of rolling stock on Indian railways, not only in the interests of producers but also in the interests of the State. That the supply of rolling stock on Indian railways generally is wholly inadequate for the requirements of the rapidly increasing trade of the country admits of no discussion whatever. The coal trade of Bengal has suffered incalculable loss by the inadequacy of traffic facilities which has been the subject of constant representations from the Bengal Chamber of Commerce. It is not my intention to go into this point in detail, but I think it is sufficient to point out that the question should be made the subject of most searching enquiry, and an immediate remedy applied; otherwise the interests of individual producers, of the railways themselves, and of the country generally will be jeopardised.

"My Lord, I am not sure if it is permissible for a Member of Your Excellency's Council to make any remarks on the Exchange question, while the question is as it were *subjudice*; but I take it that the object of the publication of the Blue Book was to invite criticism, and I think, if I may be allowed to make a few remarks, they will be found to contain no impropriety. The announcement that the Hon'ble Member, departing from the usual custom of taking the average rate of the previous year, had taken the rupee at 1s. 3 $\frac{3}{4}$ d. for the coming financial year had an unsettling effect on people's minds, and the result was a feeling of weakness in exchange. This, however, was caused very much by sentiment and has proved only temporary. There is no

indication at the present time that the balance of indebtedness is going against India, and under the Barbour scheme the rupee cannot fail to creep up to gold point or nearly gold point, unless the balance of indebtedness goes permanently against India. While the Barbour scheme has been slowly but surely attaining the object which its author claimed that it would, the trade of India has been hampered by periods of excessive monetary stringency. The cause of this is to be found in the fact that, while the scheme provides for a maximum rate of exchange, there is no provision to ensure that the rupee will not decline to an indefinite point.

“All who are interested in fixity of sterling exchange will be pleased to see from the Financial Statement that the Secretary of State has not only succeeded in selling £3 millions more Council bills and transfers than anticipated in the Budget Estimate, but these bills and transfers have been placed at an exchange of 1s. 4d., the rate aimed at in the legislation of June, 1893. In addition to placing these Council bills, aggregating £19,000,000, the Government of India have succeeded in obtaining about £1½ millions of gold in exchange for rupees at a corresponding rate, and including that secured last year the gold in the Paper Currency Reserve must now amount to nearly £2,000,000. It is also satisfactory to observe that this improvement in exchange is attributable solely to a favourable balance of indebtedness, not to additional State borrowing in sterling; for, if I read the figures aright, the addition to India's sterling debt this year is £412,800 only (see paragraph 35). At the same time I would venture to point out that it would be a fatal mistake to think that the favourable balance of indebtedness now experienced is bound to continue and that the present prosperous condition of the export trade and curtailed import trade are factors on which to rely for fixity of exchange in the future. We are told in the Financial Statement (paragraph 1) that the rise in exchange in the early part of the year was due to unusually large exports of rice, wheat and seeds. The exports of wheat in particular were exceptionally large owing to exceptional circumstances: and by way of explanation of the present improvement in the balance of indebtedness I may say that it is only natural after a widespread famine and at a time of plague that exports should greatly exceed imports. Impoverished producers must sell produce before they can buy clothing and other imports, and at a time of plague the holders of both exports and imports are inclined to keep their stocks at a minimum. Hitherto the balance of indebtedness has been as a rule favourable to India, helped occasionally by heavy borrowing in sterling: but it is probable that this favourable balance has been maintained to some extent by the constant decline in sterling exchange: and it would be highly imprudent in attempting to fix exchange to rely for fixity upon this uncertain factor. If we are to have confidence in exchange, we must have in operation that influence which fixes exchange and adjusts the balance of indebtedness in all great commercial countries, *vis.*, immediate and permanent convertibility of the currency into gold, the international standard of value. I think it is now generally admitted that, in order to fix exchange and secure a gold standard, conversion need only be applied to that portion of the currency which can be spared for export, or rather to that portion that is tendered for remittance at the fixed minimum rate of exchange: and I hold that the figures I submitted to this Council last year prove that a Government with heavy sterling liabilities as compared with the extent of their currency will find it less expensive to undertake convertibility in this restricted form than to allow exchange to drop. If this be the case,—and I hold that it is,—it is to be hoped that the contemplated reform of the currency will include measures for ensuring immediate and permanent convertibility in some form or other: and, in order that these measures may inspire complete confidence not only here but in Europe, it is desirable that convertibility be guaranteed by the Home Govern-

ment. Confidence exerts a powerful influence both over exchange and demand for conversion, and the mere verbal guarantee of the British Government would be of great assistance to the Government of India. This guarantee might be given with perfect freedom from risk; because it has been proved that the Government of India will find it more profitable to undertake convertibility at 1s. 4d. than to allow sterling exchange to drop below that rate, so that all the Home Government are called on to do is to guarantee that India will adopt the course most profitable to her. It seems to me, then, that in the decision that will shortly have to be made the Government will have to choose between convertibility with profit and certainty on the one hand, and inconvertibility with loss and want of confidence on the other.

“ My Lord, I have just one other remark to make. On the 12th February last in answer to a deputation Your Lordship stated that ‘British capital is a *sine qua non* to the national advancement’ and that it would be sound policy to attract such capital to the dependency. Further, Lord George Hamilton from his place in the House of Commons has repeatedly dwelt on the benefits that would accrue to India from an influx of British capital. If British capital is to be attracted to rupee investments, it seems to me the first step is to grant facilities so that investors can get shares transferred in England, and I would suggest that it is desirable to arrange that Indian companies with rupee capital should be able to have share registers in England, in much the same way as sterling companies, such as the Exchange Banks under the English Companies Act, have what I believe are called Colonial registers, to enable transfers in their shares to be effected in India.”

The Hon'ble MR. GANGADHAR RAO MADHAV CHITNAVIS said :—“ My Lord, I desire to make a few brief observations on the Budget which was submitted for our consideration last week. In the first place I am glad to be able to offer my felicitations to Your Excellency's Government and the Hon'ble the Finance Member for the very hopeful and encouraging report he has put before us. The year under review must, in comparison with its immediate predecessors, be said to have been a propitious one. Yet I am not quite sure that it has brought us anything of positive good. But, situated as we are, a diminution of evil is itself no small mercy. The Hon'ble the Finance Member has very clearly shown that the surplus of the current and coming years will have more than covered the aggregate deficit of the two famine years 1896-97 and 1897-98, that is to say, over seven crores of rupees. Yet the Government do not see their way to reduce taxation. It is not for me to challenge the wisdom of this policy, but in view of the facts that prospects are what they are represented to be and the coffers of the State are being replenished every day, small taxes like the pandhri-tax in the Central Provinces might be done away with altogether without any sensible diminution of revenue. I submit this only as a humble suggestion, because I know that this pandhri-tax is felt by the people of my province as an inequitable and oppressive one, owing to the facts that no such tax exists in any other part of the country, and that the income assessable to the said tax is as low as Rs. 250 per annum. I have recently had occasion to draw Your Excellency's attention to high assessments in certain parts of my province, where malguzars are required to contribute as much as 70 or 75 per cent., sometimes so much as 80 or 85, of their receipts towards revenue and cesses. My Lord, these high cesses are pressing heavily upon malguzars in my province, and Your Excellency will have earned their lasting gratitude if, under Your Lordship's order after consultation with the Chief Commissioner, the cesses, together with revenue, were fixed by law at 60 per cent. of the collections, or, in other words, the Government revenue were limited to 50 per cent. of the collections, as it is in the North-West Provinces.



“ My Lord, it is evident from a mere cursory glance at the Budget that the Central Provinces have been very slow to recover from the depression of the famine. Under the circumstances we cannot but feel grateful to Your Excellency's Government for the proposal of making a grant of five lakhs of rupees to the province from Imperial Revenue. I am aware, my Lord, that Imperial finances have of late years been subjected to great stress. Yet I think that, in view of the extreme calamity in the province, the grant might have been somewhat larger. It would not be out of place here if I draw Your Excellency's attention to the fact that there has been a recurrence of famine in some districts of the Jubbulpur Division, and the rabi crops, in other districts, have more or less failed. I trust Your Excellency's Government has already been informed of the fact by the Chief Commissioner of the province, and that due provision will be made to combat the evil. I earnestly hope that in this emergency the Imperial Government will, to the best of its power, help the Provincial Government to meet their administrative necessities. This claim of my province, I may add, does not arise from the very small balance it now possesses, but from special misfortunes pressing on it.

“ The Hon'ble the Finance Minister has referred to the increase in the unit of weight for inland postage from one tola to one and half tola, and I congratulate the Government upon the reform. At the same time I beg to invite the attention of the Government to the necessity that there is for further reform in this direction. The masses would benefit far more greatly if the maximum weight for half anna postage were raised to one tola. When heavy letters can be sent all over the world for an anna postage, it is only reasonable that the maximum of weight for half an anna postage should be raised within the country in the near future when Government finds it convenient. The reform might prove prejudicial to the postal revenue for a time, but it is sure to bring in larger incomes in future than the Government derives at present from the Postal Department.

“ I also beg leave to point out that the reduction of the rates of fees for inland telegrams has been delayed a considerable time. Sir James Mackay moved the Government of Lord Lansdowne so long ago as 1892 for the reform, but the Government was far too embarrassed at the time to attempt it. In view of the prosperous times upon which we have entered this subject will, I hope, receive early consideration.

“ I note, my Lord, that the Government has been stocking large quantities of gold during the whole of the official year about to close. The imports of the metal on Government account have been valued at Rx. 2,616,400. I also note that, of the two reasons which have induced the Government to hold the large surplus budgeted as a reserve, ‘ the second and weightier reason is that the Government have in contemplation, as is well known, certain extremely important measures of currency reform.’ I conclude from these two facts that the Government intends to launch out upon some such expensive schemes of currency reform as the introduction of a gold standard or a gold currency. I feel it my bounden duty to inform Your Excellency's Government that the people of this country are likely to look with diffidence upon any such introduction of a gold currency, especially at a heavy initial outlay. Further, a gold currency is, in the opinion of many, unsuited to the economic conditions of a poor country like India, where the traditional cowrie still plays an important part in the commercial transactions of the people.

“ I find, my Lord, that the Secretary of State suffered considerable loss upon the  $2\frac{1}{2}$  per cent. Government loan of £6,000,000, the loan having been taken up at a heavy discount. This was indeed a heavy loss to incur, and in contemplating it I cannot ignore the fact that the results would probably have been otherwise and advantageous if the loan had the high recommendation of being

guaranteed by the Home Government. India sterling stocks are first class stocks and would be eagerly sought for by British investors if they had the British guarantee. The Chinese loan has been raised on far more advantageous terms, and that because it was guaranteed by the British Government. My Lord, I do not see why we, the people of this country, which forms an integral part of the British Empire, should incur any loss upon our sterling loans, while countries with which Britain has only a diplomatic or commercial relation can raise money in London on the easiest possible terms. To my mind the only difference in the two cases is that, while our loans are not guaranteed by the British Government, loans of alien countries, like China, are. My Lord, this difference in the treatment might well strike an impartial observer.

“ The next subject of importance I have to refer to is the Army charges. I observe with sincere pleasure that on the expenditure side there have been considerable savings. The result no doubt would have been still more satisfactory for India could the Government see its way, after due consideration, to still further reduce Army expenditure. I think some at least of the Hon'ble Members present here will agree with me when I say that the Army expenditure in India is a heavy drain on its finance, and is generally the principal item which upsets the Budget equilibrium. I therefore think that some considerable reduction is necessary in the military expenditure. It has been suggested that one way of bringing about this result would be to reduce the number of British soldiers in India. During the time of the East India Company one British soldier landed in India used to cost India £27. Now, with greater facilities of travelling, etc., he costs, if I mistake not, as much as four native soldiers of the same rank. It would thus be a great relief to our Exchequer if native soldiers could be largely employed in our army. It was the Indian troops of the East India Company who won the British Empire in the East, and I see no reason why, if we are to pursue a policy of confidence and trust, they, of course with British officers and a smaller number of European soldiers to guide them, should not be able to defend it against all attacks of the enemy. In this connection I beg to invite the attention of the Government to the observations made by the Hon'ble the Finance Member in paragraph 74 of the Budget :

‘ In respect of their military charges the Government of India feel the same necessity which presses upon all other military Powers, and which has imposed upon even the most pacific nations increased burdens. Both our military system in its details and our general military and defensive policy are closely linked with those of England; and we cannot escape the necessity of increasing our defensive expenditure in the same way, though not perhaps to the same extent, that England does.’

“ Such being the case, my Lord, justice requires that a portion of the expenditure should be borne by England. If Imperial policy demands the extension of defensive works, the expenditure should be met out of the British revenues, and not the Indian, specially when rich Britain can so much more easily bear the burden than poor India.

“ The raising of the assessable limit as regards income-tax, and the reduction of the salt-tax, have been so often brought to the notice of the Government that I will not say anything with regard to them. This much I will say, that if at some future time Government sees it convenient to grant this concession, it would give relief to many poor people.

“ My Lord, I have nothing more to add to the able Statement made by the Hon'ble the Finance Member, which I think has been received with satisfaction by all who have heard it. I cannot, however, conclude these remarks without availing myself of the opportunity to express my sincere regret at the approaching departure of the Hon'ble Sir James Westland, who during the many years he has been connected with the Government of India, has not only manfully

done his duties towards the Government, but has been a courteous and sincere friend to all Native and European gentlemen who have had the good fortune to meet him in this Council Hall."

The Hon'ble PANDIT SURAJ KAUL said:—"My Lord, the Budget under consideration prepared by the Hon'ble Sir James Westland, whose financial experience is well-known all over India, is, I venture to say, extremely satisfactory. It is gratifying to notice that instead of a deficit the Budget shows a considerable surplus. The Government is to be congratulated upon this result, and if unforeseen calamities, which are beyond human control, do not occur in any part of the country, the Government of India will be under no necessity of borrowing money. Indeed, there will be a large saving. In my remarks on the Budget laid before the Council last year I expressed a hope that there would be decreased expenditure under the heads of war and famine, and it is matter for rejoicing that by the effective measures and policy adopted by the Government both the calamities of frontier war and famine have been averted, resulting in a considerable saving in the expenditure provided for under these heads in the Budget.

"My Lord, I wish to take this opportunity of bringing to Your Excellency's notice the necessity of encouraging and furthering the cultivation of waste-lands in this country, in times of peace and prosperity. During the last Simla' season Sir James Lyall, then President of the Famine Commission, asked me what methods would be effective in averting famine, and I stated in reply that the most effective method was the improvement of the means of irrigation. My Lord, it has been proved by the experience gained during the past famine that scarcity was not at all a feature of the tracts irrigated by canals. Indeed, the grain produced went a good way towards supplying the needs of the famine-stricken districts. In the Punjab, the construction of the Chenab Canal has done an immense amount of good. Extensive waste areas and lands where it was impossible even to grow grass are now, owing to canal irrigation, as fertile as any other land in the Province; cattle-thieves who had their abode in what was before a vast forest and were safe inside it have completely lost their rendezvous. It is hoped that the Jhelum Canal, which is about to be constructed, will prove similarly useful, and that when, later on, Government is able to devote its attention to the excavation of the Indus Canal, it will be possible to hold up the Punjab as an example in the matter of the development of sources of irrigation. My Lord, the outlay required on these works is no doubt very large, but it may confidently be expected that they will repay the original outlay, with interest, in the course of a few years. At the same time the extensive tracts of waste-land which are now lying unproductive will be brought under cultivation, and cultivators who have to move from place to place for want of land and are either by habit or in consequence of poverty induced to commit theft and similar crimes will settle down peacefully on getting canal-irrigated land to cultivate. And, above all, the abundant produce of canal-irrigated land will provide what is necessary both for consumption within India and for export to foreign countries.

"My Lord, I also consider it my duty to observe that the provision made in the Budget for expenses connected with the prevention, etc., of plague is necessary and prudent. This terrible epidemic has been the cause of deep anxiety to the Government and sore trouble to the people, but the excellent measures adopted by the Government in places where the scourge has prevailed and for preventing its taking hold of other parts of the country have been of much benefit. The excellent arrangements made by the Punjab Government in the plague-stricken villages of the Jullundur and the Hoshiarpur Districts have been very successful. People are now beginning to understand that the rules framed by Government are intended for the benefit of the people themselves and that the disease spreads by contagion. They are beginning to realize the wisdom of segregation of the plague-

stricken individuals and of people who might possibly have caught the contagion. The order of Government that no patient shall be compelled to take medicine in the plague-hospital, that the relatives and friends of a patient can be permitted to look after him, and that if he dies they shall not be obstructed in the performance of the after-death ceremonies, has greatly relieved the minds of the people, and they are now becoming alive to their duty in carrying out the orders of Government and assisting it in its efforts. Hindus and Muhammadans, who according to their respective religions regard the ruler of the time as a representative of God, are thus in a better position now to fulfil the noble desires of their ruler. It may be thought that the measures adopted in places like Jullundur and Hoshiarpur may not prove so effective in large towns of the Punjab without the hearty co-operation of the people; but there is now, I think, no reason to fear that in the case of a visitation in any large towns—which God forbid—the assistance of the people may not be fully relied on.”

The Hon'ble Mr. LATOUCHE said :—“ I do not propose to add anything to the general remarks on the Financial Statement which have been made by the Hon'ble Members who have already spoken, especially by my Hon'ble friend Nawab Faiyaz Ali Khan, my colleague in the representation of the North-Western Provinces. Nor in my opinion is the time opportune for any effective discussion of principles of taxation. Your Excellency's Government has decided to keep the existing realized surplus in reserve, and not at present to undertake any measures for the reduction or re-adjustment of taxation.

“ But as the question of the income-tax has been raised, I shall say this much, that while I cannot agree with the Hon'ble Mr. Arthur that the income-tax should be abolished, I yet would gladly see the lower limit of liability to the tax raised above Rs. 500, its present limit. I would gladly see the lowest grades of Rs. 10 and Rs. 15 removed from the schedule, and that not only on the grounds urged by the Hon'ble the Maharaja of Darbhanga, but also on official grounds. In these grades the tax is collected from a number of petty traders who as a rule keep no regular accounts, whose income is extremely difficult—almost impossible—to ascertain, regarding whom an assessing officer is hardly ever able to satisfy himself as to the justice and fairness of his assessment.

“ There is only one other matter on which I desire to say a few words. It is the question of the future financial position of the Government of the North-Western Provinces and Oudh, and I refer particularly to paragraph 52 of the Financial Statement, where the Hon'ble the Finance Member says :

‘ In the coming year, 1899-1900, the Government of the North-Western Provinces propose to increase their scale of expenditure all round to a rate which they will not be able to maintain after the arrear collections (which add some lakhs to the present scale of revenue) are exhausted, and the revenue falls back to its ordinary amount.’

“ I trust this does not mean that the scale of expenditure adopted in 1892 is now considered suitable and sufficient for the needs of the Provinces.

“ It can be satisfactorily proved that the provision for the public services made in past contracts was inadequate; that the Provinces have suffered from an unduly restricted expenditure; and that in future, apart from the question of any temporary increase, a permanent increase in the scale of expenditure is necessary and essential to the welfare of the Provinces. ”

The Hon'ble SIR GRIFFITH EVANS said :—“ My Lord, India may well be called a land of surprises : it has been visited with war, pestilence and famine all at once, but the marvellous recuperative power of the country when the harvest is good is well illustrated by the revised estimates for the present year. The estimated surplus, Rx. 890,000, which was thought by many to be too

sanguine, has been converted into one of nearly Rx. 5,000,000, reduced to Rx. 4,000,000 by fresh grants to the Provincial Governments.

"Of this large surplus only Rx. 1,000,000 is due to the improvement in exchange. The rest is due to increased revenue, although the plague is still with us. For the coming year a surplus of nearly Rx. 4,000,000 is estimated, and if the exchange keeps at its present level it should be Rx. 400,000 more. The first tendency of everyone on seeing these figures would be to ask for remission of taxation, which is no doubt very heavy, and some of it very harassing. The Government has, however, resolved not to take this course, having regard to the deficit of Rx. 7,000,000 in the last two years, and the probability of being put to extra expense in connection with any scheme that may be decided on for fixing the currency. The estimated surplus for the coming year of nearly Rx. 4,000,000, together with the surplus drawn by the Secretary of State beyond his requirements for the year, amounting to one million sterling, and Rx. 392,000 from the cash balances, goes to supply the sum of Rx. 6,000,000 to be spent for railway construction on capital account, thus rendering a loan unnecessary for the present year.

"There is much to be said for this course as a temporary measure—not only on the grounds stated in the Financial Statement, but because there are elements of uncertainty about the expected surplus of next year. The plague is still here, and is threatening Calcutta and its trade. No one can guarantee peace on the frontier, though we may reasonably hope for it. Opium, too, is uncertain, though I am glad to see that the reduction of duty on Malwa opium has had the effect of increasing the production, and giving India a chance of maintaining its hold on the China market, which it was fast losing. Besides all this, I think it is but fair that Your Excellency should have time to consider the needs of the country, and consider the various claims that will be put forward for the remission of taxation on the one hand, and for increased expenditure on the other.

"A recently fractured rib forbids me making any long 'excursus' into that very wide field; but there are one or two observations I would wish to make.

"The salaries and furloughs of the Judges of the High Court and the Presidency Small Cause Court will have to be considered.

"The claims of Bengal to have the surplus income derived from the administration of civil justice in Bengal applied to much-needed improvements in the machinery of justice in the province will have to be considered. The Hon'ble the Maharaja of Darbhanga has dealt with this matter to a considerable extent. In the last Budget debate there will be found a passage-at-arms between the Hon'ble Sir Henry Prinsep and the Hon'ble Financial Member in which the latter had the last word. I regret that for the physical reason I have mentioned I am not able to go at length into this matter. But I am satisfied that the Judges of the High Court are right in saying that the Subordinate Judges and Munsifs are over-worked and underpaid, and that my Hon'ble friend is wrong in his denial of the fact. Again, the condition of the lower ministerial establishment is a scandal. They will continue to supplement their inadequate pay by illicit perquisites unless some change is made. The principle should be that enunciated by Warren Hastings when propounding his scheme for Civil Courts in Benares:

'I have endeavoured to proportion the salaries of the officers to their responsibilities, and have thus removed the necessity for, and I trust the temptation to, corruption.'

"As to the Hon'ble Financial Member's remarks in that debate, that cases which last months are proofs of the incapacity of the Judges who try them, the answer is plain. There is a class of cases, long cases, common in India, which have no parallel in England, except in very rare instances, such as the Tichborne case. They cannot be made into short cases except by a denial of justice. If

my Hon'ble friend could only be placed on special duty to try one of these cases, he would need no argument to convince him of his error.

"In the note of the Hon'ble Member for the Military Department there is mention of the Cantonment Bill. I wish to draw the attention of the Government to a memorandum by the Judges of the Calcutta High Court upon that Bill. It is there pointed out that in the older cantonments legal rights have grown up which have been judicially recognised by the Courts and that those rights will be virtually confiscated by the Bill without compensation. This cannot be allowed according to English principles of justice. Some provision will have to be made by which persons claiming such rights should be able to prove them (if they can) before a judicial tribunal. When so proved the State can only acquire them on terms of giving compensation.

"I am glad to see that steps are being taken for the improvement of transport although it will cause some expense; that an army is no use without adequate transport is as apparent to a civilian as to a soldier. I shall never forget the way money was uselessly squandered in the attempt to improvise transport at the time of the Penjdeh scare. Great as has been the improvement since that time, the Tirah expedition showed there was much to be done.

"There is another matter connected with the Army on which I am sorry to see nothing is said. It is the inadequate number of European officers attached to each native regiment. I have drawn attention to this in former years, and in doing so have, I believe, expressed the views of Lord Roberts and most of the many friends I have had in the Indian army. I will not go into the details now, but will only say that the soundness of these views and the necessity for a change were amply demonstrated in the recent expedition. I hope the military authorities will not wait till a great war exhibits our splendid native army paralysed for want of British officers whom they know and trust to lead them.

"One word more. Very recently, in the debate on the Court-fees Act, I explained the injustice which the Native Christians suffer under in the matter of administration and death duties and I pointed out a simple and easy remedy. I got something very like a point blank refusal from the Hon'ble Financial Member on that occasion. But I return to the charge. It will cost very little, probably not a lakh of rupees, to relieve them. I do not ask for any pledges. In small matters he is very stony-hearted. He reminds me of the character of Naaman the Syrian, as drawn by his servant—'Had the prophet bidden thee do some great thing would'st thou not have done it?' In any great emergency of war or famine he is cheerfully ready with his millions. But if you ask him in his financial capacity for sixpence, you will find it is very difficult to get it. Besides, he is leaving India. No one regrets his loss more than I do—as a friend as well as a financier. But I must place this modest claim upon the surplus on record in plain and brief terms.

"If a native becomes a Christian, his widow and children are, on his death (to use the quaint but expressive words of the old ecclesiastical canons), 'much distracted and diversely called and summoned to take administrations, and are thereby grieved with many causeless and unnecessary troubles, molestations, and expenses;' and besides, they are afflicted with a two per cent. duty on the whole estate.

"All these troubles for those he loves this native might have avoided by resisting the allurements of Christianity during his life, or by relapsing into what is called 'heathenism' before his death.

"I cannot doubt that this grievance will be redressed; for I have no reason to doubt the fairness and justice of the Government of India, or to suspect any of its members of any especially Pagan or anti-Christian proclivities. Nor do I anticipate that the Secretary of State for India will say from his place in

Parliament 'The way of Muhammad is open ; the way of Buddha is open, and the way of the ancient Rishis ; but I will maintain a special duty on the lands and goods of those who seek the way of Christ.' What makes me so insistent is the fear that so small a matter may be overlooked amidst the larger concerns of this great Empire.

"To the Financier I would address one more observation on this point. Though sugar may be financially more important, Christianity is still regarded by the majority of Englishmen as having at least an equally good claim with sugar to be protected from unfair competition. Wherefore my counsel to the Financial Department is not to further harden their hearts but to let this people go."

The Hon'ble RAI BAHADUR P. ANANDA CHARLU said:—"Despite the very flattering terms in which my Hon'ble friend Mr. Rees has foretold and almost invited me to launch into a criticism of the Budget before us, a multiplicity of reasons make it inexpedient that any adverse criticism should find expression at the present juncture. To begin with, this is Your Lordship's first year of office ; and it is only fair that Your Lordship should command a wider and more intimate knowledge of the many problems which you are confronted with. It is indeed true that you are not a perfect stranger to the affairs of this country. Both by choice as a traveller and by office as an Under Secretary, Your Lordship had indeed made a vast amount of acquaintance with interests involved in the stewardship of this part of the British Empire. But it is no disparagement to say—and I say it in all humility and in all diffidence—that the extent of knowledge acquired as an outsider to actual responsibility or as the advocate holding a defence-brief on behalf of a past Government of India is not quite equal—in essence and degree—to what is necessary to enter upon a confident solution of the problems connected with the abiding interests of this country. That Your Lordship is already on the right track, and that you have displayed and declared your firm resolve to identify yourself with the interests of this country in preference to all other extraneous considerations, is proved to the public by your bold deviation from the policy of the past, as instanced by the Sugar Duties Act, which you have placed on record just the other day—a deviation of policy for which I am amply authorised to assure Your Lordship of the deep gratitude of my countrymen—a deviation, too, which to me, at the second sitting of this Council before I leave it, was of peculiar pleasure as in some way contrasting favourably with a tariff legislation which was brought in at the second sitting of this Council from the commencement of my taking my seat on it, and which I never shall cease to regard as free trade run mad.

"Having regard to the significance in the fact that you were called upon to defend the late Frontier war just before your acceptance of the Viceroyalty of India, when perhaps you yourself had not dreamt of taking up that office, the impression is irresistible—at least on my mind—that in taking up the reins of the Government of India your foremost idea was to solve, on the firm basis of permanence of peace, our trans-Himalayan problem. I regard this as having been uppermost in your thoughts these three brief months that have now elapsed between your arrival here and your forthcoming departure to almost the next door of the scene, with reference to which that particular problem has to be set at rest. In common with nearly all my countrymen who are capable of thought, I hold that our Frontier is the greediest cormorant of the Indian revenues. It is therefore meet that my first set of remarks should relate to this topic and should be addressed to Your Lordship at the earliest available opportunity, and—let me add—on the eve of your proceeding to enter upon the task in right earnest. If you will succeed in enchaining that fell monster, or at least making him permanently dyspeptic towards Indian blood or towards blood paid

by Indian money, you will have achieved a work for which you will be eternally blessed. Besides resoluteness, Your Lordship must perhaps advise that some new order of honours might be forthwith instituted, open for competition for our military men alone, but capable of being won, not by martial victors but by heroes of peace, not for successfully conducting, but for effectually preventing, wars and battles on our Himalayan frontier. I fervently hope that, should it come to pass that I shall be Your Lordship's humble colleague this time next year, I might have it in my power to acknowledge your success in this respect and to convey to you my country's lasting sense of signal service done.

"A second consideration which disarms criticism is the delay in the publication of the reports of the Welby Commission and the Currency Commission. Some measure of relief is looked for from the former, if its conclusions should be of a nature to meet cherished expectations. As for the latter, it is generally regarded, not without just cause, as a veritable Pandora's box, and few can tell—when our astute financier himself professes not to—whether there is to be any hope at bottom and whether it would be one which would have any good shape and bulk. In the face of these discouragements, it will be hard lines to nourish other than the kindest sentiments towards Sir James, of whose services this is his last year of office, but his year of overflowing surpluses, and the one, too, which has come after a year of his untiring effort to hold out an unstinting hand to our famished millions at a time when our exchequer seemed to afford but little scope. While these circumstances must awaken an unruffled good-will, may they likewise sooth those feelings of irritation which he had often caused by both the manner and matter of his utterances. One ground, however, which tells the strongest in favour of Sir James Westland has yet to be mentioned. It is his recognition of the general indigence of the people of this country—perhaps for the first time in his official career, certainly the first time in my—not very retentive—memory. Fully conscious—let me add, painfully conscious too—that in noting the return of prosperous seasons on the very heels of a dire and widespread famine, he was but judging by the standard of paid up Government revenue, Sir James has placed on record, in black and white and in no faltering or uncertain tones, the important lesson, namely, that 'the margin between prosperity and adversity in India must be a very narrow one; for, if we have learned that one bountiful harvest suffices to restore the country after a widespread and severe famine, we have learned also that the failure of the seasonal rains in a single month of the year is sufficient to set back a full tide of prosperity; and that this is a possibility which, in the administration of India, and in its financial administration especially, we dare not leave out of account.' Though honestly meant to be an explicit statement, this extract has about it what may be called a diplomatic leaven. It therefore requires to be annotated here and there. When in the face of a flush of revenues Sir James speaks of the margin between prosperity and adversity in India to be a narrow one, it is quite clear that what is left in the pockets of the tax-payer, after he has paid his taxes, is not enough to feed him—much less to float him in a succeeding year of failure of monsoons. When, with the above admission, he talks of a bountiful harvest as sufficing to restore the country, he can mean little more than this, that so far as the Government dues are concerned, they could be fully extracted. I would lastly substitute for his word 'possibility' the words 'extreme probability.' Thus elucidated it is indeed a profound lesson, full of grave import, and it is well that it has been placed before Your Lordship so early and so impressively in the forefront. There can be no doubt that the problem suggested by this state of things will be the first cis-Himalayan problem which Your Lordship will attack, with the eminent talent and the active earnestness which distinguish you.



"As for the remission of taxation, few can deny the wisdom of the reservation stated in the Budget. While the grounds assigned are sound enough in the immediate juncture, one cannot but regret that the admitted onerousness of the salt-tax on the bulk of the people has to continue without some measure of relief. I sincerely wish that it may not be long before it is within Your Lordship's power to afford this already plighted but long delayed relief, which, I feel sure, will be gratefully remembered at every meal which the middle and the poorer classes in this country take.

"The income-tax is, again, one in which help is needed. But that help should take the shape of raising, by a good deal, the minimum for taxation. There are two reasons why I regard this species of succour urgent. In the first place, the tax now touches incomes far too low to afford the payment; for, as it has been neatly put, 'it makes indeed little difference to the life of a family whether its yearly income is £1,000 or £5,000. But it makes a very great difference whether the income is £30 or £150; for with £150 a family has, with £30 it has not, the material conditions of a complete life.' The words 'the material conditions of a complete life' in the above passage have, *mutatis mutandis*, an important bearing on the altered modes of life, almost forced *even* on the simple raiyat who—to deserve to be noticed—could once appear, but no longer can, in his semi-paradisiacal dress, in suing for remission, asking for takkavi or craving for water.

"My second reason for raising the taxable minimum is the preposterous system on which the tax is assessed. The well-to-do and those that have adopted or have found occasion to adopt the modern system of regular book-keeping are all safe, and they are men who, in the language of my Hon'ble friend Sir Griffith Evans, are strong enough and loud enough in their voice to compel relief if they have any complaint. But the classes of men and merchants I allude to are either such as adhere to their old ways of keeping accounts, or such as find no need to keep any, except to help their memory, being the masters of their incomes and accountable to none. The way these now suffer is easily told. That honourable body of men who go by the name of secret informers, furnish the assessing officers with some information to go upon in the first instance. The assessee produces his loose sheets of account and swears to the items in them and to their accuracy. These are too often discredited as unsatisfactory, and no clue is given to the assessee of what data the informer, by some occult methods, has supplied. No onus of proof is laid upon him or is accepted by the assessing officer as regards such data, and they are acted upon as if they were gospel truths. The amount and extent of hardship and injustice which this system is calculated to inflict can well be imagined, and they are entitled to be taken into account in deciding the question as to how far and to what extent each source of income may be pronounced to be on a solid and not on a shifting basis.

"I have considered these remarks as relevant, as we have met to-day, not in our legislative capacity, but, as I take it, in order to express our views, so far as they bear on the financial aspects of the Administration. If I have erred in acting upon that faith, I beg most humbly to apologise."

The Hon'ble MR. RIVAZ said:—"My Lord, I will confine my remarks, which shall be of the briefest, to one or two points connected with the departments under my charge, which have been noticed by some of the Hon'ble Members to-day. The Maharaja of Darbhanga referred to certain proposals which have been submitted by the Chief Commissioner of Assam for the colonization of the vast tracts of waste-land in that Province. The correspondence which has taken place with the Chief Commissioner of Assam has been published for general information. That correspondence shows that, although the Government of

India have not been in complete accord with Mr. Cotton's proposals, they have agreed to consider any scheme that he may submit on the general lines which he advocated for the colonization by capitalists of a considerable tract—I think, speaking from memory, of 100,000 acres. While the Government of India expressed their willingness to accept the Chief Commissioner's rates of assessment, which were exceedingly favourable, they demurred at the length of the term of lease which he had proposed, and they thought that clearance conditions ought to be attached in giving such leases. However, we shall be quite prepared to consider any representation which the Chief Commissioner in answering our letter may make on these points.

“The Hon'ble Mr. Rees touched on the question of prospecting concessions and mining leases. These questions, of course, are quite different from the subject-matter of the Mining Bill which I introduced into this Council last week, and which deals with quite another matter—the matter of regulation of labour in mines. However, the revision of the present rules which apply to prospecting concessions and mining licenses is at present under the consideration of the Government of India. I hope that the revised rules will shortly be published, and that they will be in the direction of extending the present powers of Local Governments in dealing with these matters.

“My Hon'ble friend Mr. Mehta made some remark about the surplus of the present year having been swelled by realizations of suspended land-revenue, and he criticised chiefly the land-revenue system of Bombay. I will not venture to make any remark as to whether the land-revenue system of Bombay may or may not be too rigid, as I am not personally acquainted with the Province. The Bombay Government will, no doubt, when it has the opportunity and if it is necessary, defend its own system. I will only remind my Hon'ble friend that if land-revenue is suspended in years of adversity it is only natural and reasonable that it should be collected in favourable years, and that in several Provinces large amounts of land-revenue have been altogether remitted in addition to what was suspended.

“The only other point which I need refer to is as to the remarks of the Hon'ble Sir Griffith Evans about the exemption of Native Christians from payment of probate-duty. When we lately dealt with the amendment of the Court-fees Act, I, as being in charge of that Bill, said that we had expressly excluded this question from consideration, as we were then only dealing with the amendment of the procedure for the recovery of duties, but as regards the general question we could not take it up then. If, however, it is represented to the Government of India—for instance by the Madras Government, which I believe is the Government chiefly interested in the Native Christians—it will, I am sure, receive the fullest consideration. What may be the decision I am unable to say, but I can only say that it will receive the very fullest consideration.”

The Hon'ble SIR ARTHUR TREVOR said:—“My Hon'ble friend the Maharaja of Darbhanga has lodged a somewhat sweeping indictment against the management of railways in India, and complains generally of overcrowding, unpunctuality, want of latrine accommodation in third-class carriages, want of separate accommodation for all classes of Europeans and Natives, insufficient number of trains, slow speed, third-class fares which, if not high as compared with other countries, are too high for the poorest classes in this country, and so on. I gather that he is disposed to attribute these defects in part to State management and control, and to make an exception, in some respects at any rate, in favour of the Bengal and North-Western line, which is our standing example of successful private enterprise. I find in this exception some encouragement. It is only very recently that we were

vehemently called upon to enquire into a serious indictment brought by the local authorities against the Bengal and North-Western line, as compared with other lines in India resting on very similar grounds. The conclusion we arrived at was that things were not so very bad on that line after all, and I am glad to have the testimony of my Hon'ble friend in support of that conclusion. I am inclined to think that a similar enquiry into the working of other lines would justify a similar conclusion. We all, I am sure, must heartily sympathise in his desire for improvement. But it is impossible to do everything at once regardless of expense, and some of the matters he has referred to are, I am afraid, beyond the range of practical politics. There are obvious objections, for instance, to the provision of latrine accommodation in all third-class carriages. We are providing it in the carriages reserved for females, and we are doing what we can to make increased provision at stations. There are also, I think, obvious objections to the provision of separate accommodation for different castes and classes. It would at any rate be a reversal of the policy which has hitherto been adopted. For the rest, I think that unpunctuality (considering the long distances run) and overcrowding are the exceptions, not the rule. That they should take place occasionally (even on the best managed lines) is inevitable. I have even known such things in England! We are doing our best to lessen the number of such cases in India, and to improve the signalling arrangements to remedy unpunctuality. We are steadily improving the carriages. It is quite possible that it might pay to reduce third-class fares. But the point is one which I think must be left to the Management of individual lines. It does not follow that because it would pay in one locality or on one line, that it would answer generally. The Madras line is now trying the experiment, as my Hon'ble friend has observed. The third-class fares were reduced some 18 months ago from 3 to  $2\frac{1}{4}$  pies, but though the number of passengers has increased, the loss of revenue has not yet been recovered, and as long as trains are filled, and as many trains as possible are run, a reduction in fares must result in a loss of revenue which a commercially managed undertaking cannot be expected to accept with a light heart. Railways do not pay their cost on the direct account, and we must necessarily proceed with caution. With regard to the remarks which he has made as to the insufficiency of the East Indian Railway to cope with the traffic of Calcutta, I may observe that here again everything cannot be done at once. We are only allowed to spend a certain annual sum, and with the assistance of the Conference we do our best to apportion the amount as fairly and with as much consideration of the most pressing needs as possible, and I welcome the evidence given by the Hon'ble Mr. Rees and the Hon'ble Nawab Faiyaz Ali Khan that so far at least as the provinces they represent are affected our apportionment is regarded as fairly satisfactory. The complaints against the East Indian Railway are due mainly, I think, to the cause to which my Hon'ble friend Mr. Allan Arthur has also referred, namely, the want of sufficient rolling stock. With reference to that point I may mention that both the Management of the line and Government are fully alive to the deficiency. About 1,120 open and 1,800 covered wagons are now under supply, and they would have probably been here some time ago but for difficulties in getting orders placed and executed with sufficient rapidity. Apart from this, we are making progress towards the attainment of the desired independent line to Calcutta. A line from Jerriah *via* Midnapur to Calcutta forming part of the Bengal-Nagpur Railway has been approved by the Government of India. When this and the line from Mogulsarai to Daltonganj now under construction have been completed, there will be but a short link to be filled in, and provision has already been made for the exercise by the Oudh and Rohilkhand and Bengal-Nagpur Railways of running power over any section of this line which may

belong to the East Indian Railway. Meantime the approaching completion of the Bengal-Nagpur Railway connection with Calcutta *via* Midnapur will help to relieve the congestion between Asansol and Howrah, and other schemes for still further relieving it are under reconnaissance and survey."

The Hon'ble MAJOR-GENERAL SIR EDWIN COLLEN said:—"My Lord, before I deal with the army estimates I should wish, with Your Excellency's permission, to pay a tribute to the memory of a distinguished officer who sat with us in this Council this time last year. I know that my colleagues join with me in deeply deploring the untimely death of General Sir Charles Nairne just as he was selected to fill a responsible office in England.

"In the memorandum which I laid upon the table last Monday I have given the details of the estimates with which I am specially concerned. The chief point to be noticed is that, taking the four estimates for next year together—the Indian military estimates, the Home India military estimates, the Military Works and the Marine estimates—and translating the rupee into sterling at an exchange of 1s. 4d., they show a saving of £644,000.

"We have postponed certain expenditure that we did not consider very pressing, and in the course of the year have had to reject or postpone a good many proposals involving expenditure after a careful consideration of their merits. To take one example out of many, we felt obliged to postpone a proposal to have two additional companies of garrison artillery in India. On the other hand, we have added a mountain battery to the Indian establishment. We have provided in next year's estimates for improvements in the arrangements for the mobilisation of the field army and the defences of the North-West Frontier; we have provided for an increase in the reserve of the Native Army, for larger expenditure on camps of exercise, and for increased capitulation to artillery volunteers. We provided in this year's estimate for an increased capitulation to mounted volunteers. We also propose to increase the wound pensions of the Native Army. In the Medical Department we have provided for bettering the position of Assistant Surgeons, and have also dealt with the question of improving the condition of the Native hospital assistants. We have taken up the question of field medical equipment and ambulance transport. Improved army equipments have been provided for and an increase in ordnance manufactures in India. It may interest my Hon'ble colleagues to know that in 1897-98 the saving in ordnance manufacture alone, as compared with the cost of imported manufactures, was 30 lakhs of rupees or £200,000 at 1s. 4d.

"We are prepared to spend more money on the sanitary requirements of the army. We cannot, of course, provide for everything in the estimates of one year; you will see from the memorandum how enormously the demands exceed the possibility of complying with them all, but besides the actual works of water-supply, drainage, and the like, we have included in next year's military estimates a considerable sum for sanitary purposes, and in my memorandum I have detailed the principal items. The best energies of our sanitary and medical officers of the army are directed to search out the causes of enteric disease. We have often been reproached with the small results of these investigations. I do not say we have succeeded in absolute results, but I hope we may be on the right track in the investigations and in the precautions taken. The idea that the germs of the disease may be air-borne and conveyed in dust, as well as in water or by food, seems to be increasing in strength, but there is some compensation; experiments in England appear to show that the typhoid bacillus quickly dies out in grass-covered areas, and we may hope therefore that the grass cultivation we desire to extend in Indian cantonments may be a helpful factor in our efforts to protect them. I specially mention this matter because of its enormous importance in connection with the health and efficiency of the

army and because the losses in life and money exert a sinister influence on the estimates. The Commander-in-Chief has proposed, and the expense has been provided for, that at certain stations the troops shall be moved into camp at the proper season under field service conditions, so as to give these stations a period of non-occupation. We hope—and I have the full permission of His Excellency the Commander-in-Chief to say this—to increase the efficiency of the army by more extended training, by imparting increased flexibility to the plan of mobilisation, by the decentralisation of military business, and by the reduction of paper work and returns.

“It will be seen, therefore, that while—thanks mainly to the cessation of field operations and the improvement in exchange—we anticipate a saving of £644,000, we have provided for many essentials of efficiency. But we have a good deal of expenditure looming before us. The re-organisation of the transport service, to which allusion has been made by the Hon'ble Sir Griffith Evans, is a most pressing matter, and my Hon'ble colleagues will note the large increase to the transport at home. The re-armament of the Native army and volunteers must be dealt with before very long. The carriages of horse and field artillery in England are being altered to enable the gun to be fired more quickly, but this is a temporary measure until the best quick-firing gun is decided on. It costs, I believe, a considerable sum per gun, and I hope we shall not need to adopt this expedient, although eventually we shall have to follow the home army when a quick-firing gun is introduced.

“The Hon'ble Mr. Chitnavis makes a proposal for the reduction of Army expenditure. He proposes to reduce the expenditure by reducing the number of British soldiers in India. That is a matter which has before now been mentioned in this Council; but I would ask him, does he really think that with a great empire like that of India to guard, with its thousands of miles of frontier and its enormous area and vast population, the British Army is more than a very moderate garrison for this great country? I gather, too, that he is in favour of calling upon the Imperial Exchequer to bear a portion of our military burdens. That, too, is a subject which has more than once been discussed in this Council. If he will be at the pains to read those large volumes, which now have some of the flavour of antiquity on them, containing the evidence given before Lord Welby's Commission, he will find a great deal said on that subject, and if he refers to the Despatch from the Government of India of 1896 and to the reply of the Secretary of State, dated the 21st February, 1897, on the Suakin charges, he will find the views of the Government of India and of Her Majesty's Government fully set forth.

“My Lord, the Hon'ble Sir Griffith Evans has drawn attention to the inadequate number of British officers with Native regiments. That is a matter which has been before the Government of India for many years. In his last speech in this Council Sir Henry Brackenbury laid great stress on the wants of the Army in this respect, and it was one of the first subjects which I took up when I succeeded to my present office. Certain representations were made, but as to the later history of the subject, I can only refer my Hon'ble friend to the statement made by the Secretary of State in the House of Commons a few weeks ago. Sir Griffith Evans has also referred to the Cantonments (House-Accommodation) Bill. This question, my Lord, has been considered for at least a quarter of a century, and I confess I was in hopes that we were approaching to some conclusion in the matter. My Hon'ble friend will forgive me if I do not follow him into the legal aspects of the question. I can assure him that the representations of the Judges of the High Court of Calcutta will receive that respectful consideration which their position and authority demand.

“The question of military expenditure has been dealt with before in this Council by my predecessor Sir Henry Brackenbury and by myself. I do not

think defence of military expenditure is needed, but, if it is, the best defence will be found in the Financial Statement of my Hon'ble friend Sir James Westland, where he shows that the increase of military expenditure has been only 29 per cent. in India against 59 per cent. in the United Kingdom in a period of fifteen years. The cost of the Army in this country is, as I have shown on a previous occasion, but a small percentage of insurance on the great trade of the Indian Empire. We may practise the strictest economy, but there is no means of reducing expenditure in any extraordinary way. I have shown what we have done, and what is still before us. The efficiency of the Army in India is of Imperial importance; to maintain and improve that efficiency is our task, and I trust that we shall never shrink from it."

His Honour THE LIEUTENANT-GOVERNOR said:—"My Lord, I have two remarks to make, and they shall be short ones. The first one is naturally about the allotment to Bengal. When it was evident that there would be a large surplus, I suggested to my Hon'ble friend the Finance Minister that opportunity should now be taken to adjust our financial affairs on the principles that were laid down in 1881. It was settled in that year that in the event of famine a Local Government was to meet the cost from its own balances as far as possible, but that if these did not suffice, and the Imperial Government had to assist, then the contribution of the Local Government was to be two-thirds of the funds in excess of its minimum balance. When famine came in 1896, the balances at the credit of the Local Government in Bengal were 58 lakhs, the savings of several years, carefully husbanded for various important works of public utility, notably the supply of feeder roads to our railways. Its minimum balance is 20 lakhs. Under the rules of 1881 the Bengal Government should not have been required to pay more than two-thirds of the difference between 58 and 20 lakhs towards the cost of any necessary famine works within its area. The provincial contribution should have been  $25\frac{1}{2}$  lakhs. But the famine in 1896 was a famine which struck not Bengal alone but every province in India, and under this unparalleled pressure all rules had to give way: every Government had to give up its all to meet this calamity, and it did so without a murmur, for it knew the exigencies of the Imperial Government. There was no alternative. The famine expenditure actually charged to the Bengal Government was 49 lakhs,  $23\frac{1}{2}$  lakhs more than it would have paid had it been possible at the moment to apply the rules of 1881. The actual balance at the credit of the Local Government sank to 10 lakhs, 10 lakhs below its normal minimum. Our actual balance now with every conceivable and practicable economy is 14 lakhs, and when it became certain that the Imperial coffers would be full to overflowing, I pressed upon my Hon'ble friend the restoration to Bengal of the  $23\frac{1}{2}$  lakhs, the excess of its actual over its proper contribution under the normal rules. The Hon'ble Member has given us 17. He will allege that grants-in-aid of the European General Hospital meet the difference. The hospital is one in which the Europeans of Assam and Upper India are quite as much interested as those of Bengal, and I regret that I cannot admit the sufficiency of the argument. But I regret even more that the Budget Statement contains no reference to a principle, which I consider of the highest importance, whether you look at it from the point of view of the Local or the Imperial Government. The idea of 1881 was to leave to the Local Government some of its savings even when it was overtaken by heavy and unforeseen calamity. Unless you do that, you leave it with no encouragement whatever to thrift and circumspection. Every Local Government will spend its balances every year in hot haste less the Imperial Government sweep all away in resistless rigidity. Money will be spent hurriedly on any local improvements that suggest themselves, and when famine does come the Imperial Government will find in the local treasury nothing but the prescribed minimum balance. In the

interests, therefore, alike of the Local and the Imperial Governments, I think the rules of 1881 were eminently sound and wise, and should be most carefully maintained and reiterated.

"Then we have all heard from time to time of strained financial relations between the Imperial Government and its subordinates. These relations would be very much improved, I venture to think, if opportunity were taken to frankly recognize and reciprocate local help. It is true that all the Local Governments, except Burma, have this year received gifts—sometimes very precious gifts. But it is not easy for the uninstructed layman to discern the principles which have guided the distribution; and it is obvious that the more clear these principles, the less will be the jealousies with which these provinces meanwhile regard each other and the Imperial Government.

"I trust therefore that my Hon'ble friend will be able to renew the adhesion of his Government to those principles of 1881, which I regard as of far-reaching importance to our financial administration.

"I have just one thing more to say, my Lord. When the famine of which I have spoken burst upon India, I was the Member in charge of the Revenue Department of the Government of India. In that capacity I knew more than any other man what was the share of the Hon'ble Sir James Westland in the duties of the time. From the moment the terrible calamity became certain, his purse-strings were at once unloosed. For seventeen years, he said, the Government of India had been preparing for and insuring against this very event, and every expenditure which the Local Government and myself considered necessary for the saving of life should be met without a moment's grudge or hesitation. And it was so met. It is not possible that a disaster of the kind can overtake a nation without grievous suffering and loss of life; but if, as I believe, the sufferings of the people were mitigated as they never were before, it is in the first instance due to the prompt and open generosity with which the Finance Minister placed the entire resources of his exchequer at the disposal of the Local Government. I know this as no other man can, and I should not have done my duty to the Hon'ble Sir James Westland, if I had not taken this opportunity, before he leaves us, of giving my public testimony to the debt all India owes him for his attitude and his conduct in her greatest famine."

The Hon'ble SIR JAMES WESTLAND said:—"It is not possible for me to hear these last remarks of my Hon'ble friend Sir John Woodburn without acknowledging my gratitude to him for his recognition of my work at the time of the famine. What I did then I did as a matter of duty, and since, as His Honour has explained, we had been preparing year after year for the calamity which came upon us in the year 1896, if at that time we had declared that we were unfit to meet that calamity after preparation of seventeen years, I should have said that the financial administration of India had something wrong in it. I thank him very heartily for the recognition which His Honour has thus given me in public of the events of that time, and it will be for a long time a great encouragement to me to think that when Sir John Woodburn and I took in hand two or three years ago the question of financing a famine we worked thoroughly together, and worked together for the good of the Empire. And now, my Lord, having acknowledged these too generous terms in which Sir John Woodburn has referred to one incident of my administration, I come back to the Financial Statement and the financial discussion. I was quite prepared to learn, as I have from the course of the debate to-day learned, that the principal subject of attack upon the Financial Statement would be this: that we have not provided for any remission of taxation. Personally I do not see any very great necessity for my defending the action of the

Government in this respect. I hold that we are right, on the face of it, under present circumstances, in refraining from dissipating, by remitting the existing taxes, the surplus of our present position, and if anything were necessary to justify my opinion in that respect I would refer to the commendation which has been bestowed in more than one quarter upon those words of warning which I thought it advisable to enter in the Statement, that until our surplus is assured not merely for the present, but for the future, I do not think we can afford to take up the critical question of remission of taxation. When last year I had to announce a prospective deficit, and when that deficit during the course of the year was increased by our having to undertake military operations on the frontier, I did not bring forward then any proposals to adjust matters by adding to existing taxation, and it seems to me that if we adopt the policy of putting off any proposals of taxation in a time of deficit, we are justified in so doing only because we intend to meet that deficit afterwards by the accumulation of a surplus. As I have pointed out in my Statement, if you take the whole of the four past years together—the two years of famine and war and pestilence, the one year which has just passed when pestilence still remained with us while famine and war had ceased, and the remaining year which is to come to us in the future, and whose events we know not yet—the whole of the four years would produce a very small surplus. You must, therefore, if you wish to judge of the general financial position in India, take the whole four years together, and it is only upon the establishment of a general position of surplus that you are entitled to take into consideration the question of remitting taxes. I have no intention of going into the question of what particular item of our taxation is the proper one to be first taken up for purposes of remission. Of course I have my ideas on the subject, and my opinions on the subject are on record, and are at the disposal of the Government of India when they come to consider the question; but under present circumstances I have no intention whatever of embarrassing the Government of His Excellency Lord Curzon by stating personal opinions on a matter in which they may possibly differ from me. The question must remain open, to be taken up and solved by those who will have the responsibility not only of solving it but of meeting the possible consequences of the remission. There are only two minor questions in connection with this subject on which I will offer some remarks to the Council: the one is with reference to the proposal made by the Hon'ble Mr. Chitnavis that part of our surplus should be dissipated by reducing the rates of postage; the other, the grievance which the Hon'ble Sir Griffith Evans has brought forward in respect of the Native Christians of the Madras Presidency. As regards the first of these, I would remind the Hon'ble Mr. Chitnavis that in India we have the cheapest postal service in the world. There is no other postal system which pretends to carry a letter outside extremely limited areas, for anything approaching to our half anna rate. The English postage is a penny, that is, an anna. We in this country have a half-anna rate, and that half-anna rate will carry a communication from one end of India to the other. There are two ways of cheapening postage, that is to say, two directions in which it is possible to administer a post office cheaply. You may carry a big weight at a small rate. That is what has been done in England latterly; they have increased, if I remember rightly, the penny rate so that it covers four ounces of a postal letter. That is extremely well adapted to a country where business is carried on on a very active scale, where large business documents have to be sent from one end of the country to the other; and in England these large documents have to be sent in thousands from place to place. The cheapening of postage in a place like England therefore is in the direction of carrying large weights for what is considered to be the unit of postage, *viz.*, a penny. In this country the direction of cheapening postage is different. We have a large



and comparatively poor population whom we want to serve. We do not want to serve them at a loss. We only ask them to pay the actual carriage of their letters. We institute therefore a cheap rate of postage, that is, a specially cheap rate, lower than the ordinary unit rate, for light letters which are sufficient for their wants, but which, if charged at the penny, or unit, rate, would cause to them a considerable expense. It seems to me that the claim to the reduction of postage is founded upon a false analogy. The cost of carrying a letter consists of the maintenance of the office at the place of reception, the carriage, and the subsequent maintenance of the office of delivery. These three items are practically exactly the same whether the letter is a letter of a half tola or a letter of two tolas. Therefore, so far as the matter of calculation goes, the attempt to show that because we carry a package, a newspaper or a letter at so many tolas per anna we ought to be prepared to carry a letter at one tola per anna, is an argument which leaves out of consideration the fact that the actual cost of carrying a letter is very much the same, however big it is. I admit you can carry that argument further, and argue that if you can carry a letter of half a tola for half an anna, you ought to do the same with a letter of four or five tolas; but an arrangement of the kind would too much diminish the postal revenue; and therefore we regard the half anna rate as a cheap postal rate existing outside the unit scale, and adapted in a special way to the correspondence of a poor but extensive population, but not required for what may be called business purposes. Taking the whole of the letters which are posted in India, about 85 per cent. of them are letters of the half anna rate, and that 85 per cent., as I have pointed out, we carry at the cheaper rate; so that practically the bulk of the correspondence in India is carried at the cheaper rate for the people than any other post office in the world attempts.

"As regards the Hon'ble Sir Griffith Evans' remarks regarding probate and administration affecting Native Christians, the only remark I have to make is that it is not a financial question at all—that is, the difficulties in the way are not financial ones. They come into the mesh of the probate and administration duties, like a great many other people do. They may be particularly unfortunate in being caught in the words of the law, whereas other people in similar circumstances, who do not profess the Christian religion, are not caught; but that is not a financial question. As the Hon'ble Mr. Rivaz, to whose department this particular subject naturally belongs, has said, if the Government of India receives representations—definite proposals from a responsible authority and not merely vague statements that something requires remedy—they will obtain favourable consideration in his Department and they will not meet with opposition in the Financial Department.

"The Hon'ble the Maharaja of Darbhanga has made various proposals for diminishing the surplus in the direction of admitting expenditure, and I have no doubt there are a very large number of objects which can be stated as extremely desirable objects of expenditure. I shall not enter upon the question of railways and the reduction of railway fares and the increase of railway conveniences. That is a matter for my Hon'ble colleague Sir Arthur Trevor. Railways in this country do not as a whole pay their way. We lose on the whole; I am talking of the financial results only and leaving collateral advantages out of account. The net earnings of the railways fall short ordinarily by about two crores of the interest we have to pay upon the capital which has been raised for their construction. If we run them at a loss, that loss must be borne in mind before we reduce rates or introduce new conveniences at a cost to the revenue. The Hon'ble Member is not quite right in saying that we ought to regard railways purely from the point of view of public convenience. If we launch out into extravagance in railway management

and cease to make our railways pay, we shall be obliged to curtail construction. We cannot go on increasing a losing business.

“Then among the proposals for expenditure, one thing has been urged upon us both by the Hon’ble the Maharaja of Darbhanga and also by the Hon’ble Sir Griffith Evans, namely, the necessity of supplementing the salaries of the High Court Judges. I do not wish to say anything about this subject. With certain parts of the Hon’ble Member’s statements I agree, with certain others I do not. But the question of the High Court Judges’ salaries has got to be approached from the same point of view as that of the salaries of other high officials, that is to say, if you can get a good enough man for Rs. 5,000 a year, you need not pay him Rs. 6,000. I am not prepared to say whether to judge by this standard the High Court Judge is properly paid or not, but I apprehend that this is the kind of standard by which the question has to be judged. I would rather drop the question of High Court Judges, because it is a ticklish question; and, as the Hon’ble Sir Griffith Evans has said, it is a matter about which last year I had a passage-of-arms with Sir Henry Prinsep. But I certainly do not agree in the claims that are made on behalf of Sub-Judges and ministerial officers. I have often heard the expressions ‘hard-worked and under-paid,’ but, whatever may be said as to under-payment, I cannot possibly agree that any officer is over-worked who as a matter of fact works only between 220 and 230 days in a year. That is actually the reckoning of the Subordinate Courts in Bengal. That they work hard during that limited time I do not deny, but, as they work at an average of only four days out of the seven in each week, I do not think it can be called hard work. As regards ministerial officers, I know this question has been raised and has been long argued in Bengal. The ministerial officers can no doubt get all the native newspapers in the place to represent their grievances, and they say it is very hard lines that they should be expected to do their work on Rs. 30 a month; but I would ask the Hon’ble Mr. Allan Arthur, who is one of the leading merchants in Calcutta, whether as a matter of fact he or other merchants pay their newly joined clerks Rs. 30 a month. One thing is extraordinarily irrelevant, and that is the argument put forward by the Hon’ble the Maharaja of Darbhanga, that we ought to pay these men more because they have big families. I think they ought to restrain their procreative proclivities. We want to get men to do our work, and it is notorious that a proffered salary of Rs. 30 a month in Government service would bring forward any number of candidates; and so long as we can get any number of men on Rs. 30 a month I cannot see that we are justified in paying out of the public purse Rs. 40 or Rs. 50, merely because the men who accept service have large families and because they would like to live in greater luxury or comfort. It is a serious business to give the whole of the Government servants an increase from Rs. 30 to Rs. 50 per mensem. I do not know how many thousand clerks there are in Bengal, but it appears to me it would make a big hole in the estimates of His Honour the Lieutenant-Governor if that general scale of pay were to be introduced into Bengal. There were lengthy investigations into the subject when the subject was brought before the Legislative Council of His Honour the Lieutenant-Governor. At that time the Hon’ble Mr. Risley gave a complete answer to the calculations which were made by the committee which recommended an increase. They went through the cost of living in a most extraordinary manner, and made up an estimate as follows: rice had increased by 10 per cent., something else—a principal article of consumption—had increased by 20 per cent., condiments had increased by 230 per cent., total 260 per cent.—average increase 83 per cent. That calculation is preposterous. Every person knows that condiments are only a small part of a man’s food, and the fact of this charge having increased to a large extent does not prove that the general cost

of living has largely risen. Then the Hon'ble the Maharaja of Darbhanga tells us that the cost of clothes has increased. It may have increased in one sense, that is to say, officers of that class are accustomed to appear now in more comfortable raiment and better clothes than they used to wear. So far as the actual price of clothing is concerned, there is no doubt that the cost of cotton clothing in this country has decreased. I mention these things merely to point out that these matters have really received very complete investigation, and that complete investigation has not fortified the claims which have been put forward by the Hon'ble Maharaja.

"In my estimates of revenue I observe that one or two objections have been made, partly by the Hon'ble Mr. Mehta and partly by the Hon'ble Mr. Chitnavis. They tell us that we are coming down upon the raiyat and malguzar with demands which they are not able to sustain. I am told by the Hon'ble Mr. Mehta that it is due to the extreme rigid system of revenue. I want to ask him one question. If this revenue system is rigid, how does it come that there are such things as arrears to collect at all? The Hon'ble Mr. Mehta admits that the revenue-officers have been allowed a discretion as to making remissions and suspensions, but he says the rigidity of the system lies in the fact that the revenue-officer does not exercise these powers. He could certainly allege that the system was rigid if the revenue-officer had no powers of the kind, but if the revenue-officers are allowed to exercise powers of suspension and remission and do not exercise them, then I think the argument is that they have not found occasion to do so, and that they have found in each case brought before them that the revenue can be paid, and ought to be paid. There have, as a matter of fact, been large remissions and suspensions of revenue made during the famine, and the Hon'ble Mr. Chitnavis is not correct in thinking that the whole amount of these suspensions have been called in at once. It has been called in in instalments, precisely because our main revenue system is not rigid, and has been adapted in each case to the ability of the revenue-payers.

"Now I come to the subject of Provincial Contracts, a very thorny subject, because it is a subject in which the Government of India has got to meet the claims of eight several bodies, each of whom considers that it has the first right to attention in the matter. The Hon'ble Mr. Mehta has stated the case forcibly for the Government of Bombay: The Hon'ble Mr. LaTouche has told us that it is ridiculous to expect the North-Western Provinces to get on without a very considerable increase. His Honour the Lieutenant-Governor of Bengal has told us of the dreadful jealousies which spring up between various Governments because they are differently treated, and wants to have fully explained to them why one Government gets fifteen lakhs and another Government only gets ten lakhs. I could give some explanation of that. The Hon'ble Mr. Rees, I am glad to say, admits that his Government has been very fairly treated, both in the matter of grants, and specially in the matter of railway construction; but I do not know whether Mr. Rees is acquainted with the complaints we have got from the Government of Madras on the same subject. They do not appear to be at all satisfied. They put forward exactly the same claims as the others, namely, that they are left behind in the race and that they do not get half enough money as compared with other Governments."

The Hon'ble MR. REES: "I regret, My Lord, to have to interpose, but I expressly abstain from any reference whatsoever to the Provincial assignment and the Provincial Balance. My remarks referred to railways, and I purposely left all controversial matters to my friend the Hon'ble Mr. Ananda Charlu to deal with."

The Hon'ble SIR JAMES WESTLAND: "I am glad the Hon'ble Mr. Rees did, for the subject of Provincial assignments is a thorny one. It is very hard lines

upon a Finance Minister that he cannot concentrate all these Governments into one pen and tell them to fight it out, but has to explain to each of them that it ought to be satisfied with the funds it has got. I cannot help remarking that a good deal of this controversy, which I admit is very unsatisfactory, arises out of a departure which has recently taken place from the principles upon which the provincial system of contracts were originally established. I have here the Financial Statement of Sir John Strachey of 1877-78 in which he quotes from a minute written by himself at the time of the Provincial Contracts being instituted. It is well known that Sir John Strachey had a very ample share in the institution and revision of the system. I will read two sentences which will lead me to the precise points I now want to bring forward. He says:

'The Government of India had totally failed to check the constant demands for increased expenditure: there was only one remedy to prevent the demands being made, and this could only be done by imposing on the Local Governments a real and effectual responsibility for maintaining equilibrium in their local finances; there could be no standard of economy until apparent requirements were made absolutely dependent upon known available means. It was impossible for either the Supreme or Local Governments to say what portion of the Provincial revenues was properly applicable to local wants; the revenues of the whole of India went into a common Fund, and to determine how much one owed to another was impracticable.

'To Lord Mayo belongs the honour of applying the only effectual remedy for these serious evils; he resolved to give to the Local Governments the economical standard which they required; to make over to them a certain income by which they must regulate their local expenditure, and to leave to them, subject to certain general rules and conditions, the responsibility of managing their own local affairs.'

"But the Local Governments now claim to work on a principle exactly the reverse of this; namely, that when they have desirable expenditure, for which they do not possess adequate funds, it is obligatory on the Imperial Government to assign to them additional revenues, in order to enable them to meet the demands.

"Now let me go back a bit to theory. No Government can conduct its financial affairs if it permits its expenditure to increase at a faster ratio than its revenue. I take that as a fundamental principle. Well, it is necessary to separate off, as it were, various branches of expenditure and various branches of revenue in order to relieve the Government of India of the strain of applying this limitation to the whole revenue of India and the whole expenditure of India taken together. What it did was this, it assigned certain increasing revenues on the one side and certain increasing expenditure on the other, and it laid upon Local Governments this obligation of limitation in respect of the portion of revenue and the portion of expenditure which was assigned to it. The argument was that you—the Provincial Government—must take care that the portion of the expenditure which is assigned to you does not increase at a greater ratio than the portion of the assignment of revenue. The revenue and expenditure assigned being on the whole equal, it was calculated that this limitation, if properly applied would, as it were, take that portion of the provincial expenditure on the one side and provincial revenue on the other side out of the general limitation, because, obviously, if every Provincial Government kept its provincial expenditure within an increase of its provincial revenue, it would have carried out the necessary general limitation so far as regarded the particular portion of provincial expenditure assigned to it. Take the case of Bombay. A grievance has been made by the Hon'ble Mr. Mehta. The revenues which were assigned to Bombay under the contract of 1892 were so exactly equal to the demands made upon them that for the first four years of the currency of that contract out of some crores of expenditure the total

excess of expenditure came to only R6,000. The finances were then under the management of the Hon'ble Sir Arthur Trevor. That was proof positive, if anything could be proof positive, that the expenditure if properly limited could be limited within the rate of the increase of the revenue. After that we came to settle the contract again in 1897. The Government of Bombay, as the Hon'ble Mr. Mehta tells us, wanted 13 lakhs extra per annum. It had managed to get on under its existing assignment, and, as I pointed out, the existing assignment was sufficient to meet for the first four years of the contract the whole of the expenditure. We said we could not possibly give the additional 13 lakhs asked for, because that would be going beyond the fundamental limitation in the finances of India taken as a whole; we would be allowing an increase of expenditure larger than the available increase of revenue. Therefore the 13 lakhs was refused, and we told the Government of Bombay that it must go on with the same assignment that it had before. The Hon'ble Mr. Mehta, in talking of the negotiations which went on there, referred to a delay which took place in those negotiations, and he considers that delay was made for the purpose of screwing 10 lakhs extra out of Bombay. He did not go on to tell you that we did not get that 10 lakhs, nor did we ask for it. Moreover, the delay was not made at our instance, but at the instance of the Government of Bombay entirely. I think it a little dangerous to depart from the usual rule of public criticism, that is, to refrain from attributing motives, and I make this remark not only with reference to the allegation made in this particular case, but also the further statement by the Hon'ble Mr. Mehta regarding the delay in the pronouncement of the Welby Commission. I think we must take it for granted that, although we cannot account for that delay, the delay at least is not attributable to any intention on the part of Lord Welby or any person in England to do something iniquitous. I do not think one is entitled to call in question the motives of public men who are not here to defend themselves. I have no doubt that the Provincial Governments found themselves straitened in means owing to the calamity of the famine. It is part of the provincial system in India that the savings which occur from year to year from good administration should be piled up in order to meet a possible calamity such as came two years ago. It is a necessary consequence that when that calamity occurs their balances should be dissipated, and the Provincial Governments should find themselves with an empty exchequer. There is a mistake also about this question of balance—a mistake which I tried to correct when Mr. Mehta was delivering his speech. He is quite right in quoting from the Financial Statement, that I said in one paragraph there that the Provincial Government would finish on 31st March, 1899, with a balance of *nil*; but that statement is made in working off a calculation, and, if the Hon'ble Member had read further on, he would have found that, starting from that point, we make a credit of 15 lakhs, so that we convert a balance of *nil* into a balance of 15 lakhs to the good. One thing I want to point out also—the Provincial Governments do not require a working balance. We undertake to meet the claims of the Provincial Governments upon our Treasuries so long as these claims are within the limit of the estimates which have been passed by us. The consequence is that if a Provincial Government starts with a balance of *nil* it is nevertheless perfectly in a position to carry out the whole of its financial operations during the year. The Hon'ble Sir Edwin Collen, for example, spends, I suppose, 15 or 16 crores of rupees a year. He has not got a single rupee to his credit; all that he has to his credit are Budget grants. It is exactly the same with Provincial Governments. They do not require a working balance. His Honour the Lieutenant-Governor has referred to a paper of 1881 which regulates the issues of these balances in meeting the demands of special calamities. He founds upon that a calculation that we ought to give him, in order to carry out

our own principles of contribution,  $23\frac{1}{2}$  lakhs. I put against that demand first our contribution of 15 lakhs. I have given further a free grant of two lakhs for distribution at His Honour's discretion,  $2\frac{1}{2}$  lakhs which I gave and which are referred to in the third paragraph of the Financial Statement, and a further grant of 10 lakhs which was made last year to the General Hospital. That comes altogether to  $29\frac{1}{2}$  lakhs; so that if His Honour returns to me the six lakhs which I have given him extra, our accounts will, so far as this reckoning goes, be exactly square. But I make no such demand: the truth is that that order of 1881 broke down in its operation. The order is that when a calamity comes we call upon Provincial Governments to spend upon it two-thirds of their balances; and the remaining one-third we say we will not touch. But the fact is that with the famine of 1896 came not only a demand for expenditure but a failure of revenue, and this failure in the case of most of the provinces ate up much of the balance which should have, according to the system prescribed by rule, been available for expenditure. However, I quite acknowledge one thing, namely, that the Bengal Government, when famine and plague came upon the land, spent very freely out of its balances. But then the other Governments have done the same so far as their balances were not eaten up by failure of revenue. To make good a great deal of plague expenditure we have had to make large grants to Bombay on account of this very heavy expenditure. We have made grants for the same purpose to Bengal, and we have also made grants to Madras. I am accused of being ungenerous to Madras, but these three lakhs which the Government of India gave to them the other day will show that we have some feelings of generosity even towards the Southern Presidency, although I quite admit the money is given in the ordinary way of business. The rule is that when a Provincial Government's resources are exhausted the Government of India steps in and takes over the expenditure, but we cannot undertake to take over the expenditure *ab initio* and place Local Governments in the same position as they would have been had there been no calamity. That is a claim which has been put forward by more than one of those Governments. But the principles adopted by the Government of India are based on the following views of the Famine Commissioners of 1881:—

'The extent to which the Provincial revenues at the disposal of the Local Governments will enable them to meet famine expenditure is a subject on which we need not enter at length. In a time of exceptional financial pressure such as every period of famine must be, there can be no question that any outlay which is not obligatory should be postponed, and so far as the ordinary and necessary expenditure on public works can be directed to the relief of persons in distress, this also will be advisable. The extent to which aid from the resources of the Central Government should be given will have to be determined as each case arises, and there can be no doubt that in all cases of severe drought this liability will occur.'

"We cannot therefore undertake to relieve Provincial Governments of all anxiety on the subject of famine and plague. When calamities of that sort are abroad we must restrict our expenditure in other directions. It is impossible for us to undertake the expenditure of plague and famine as an Imperial expenditure, and tell Provincial Governments that they can go on with their ordinary expenditure in exactly the same way as if they were not restricted by considerations of current calamity. No doubt figures and statistics can be produced, and are produced, by every Local Government to show that that particular Local Government is the one which requires more generous treatment and has received less generous treatment than any of the others at the hands of the Government of India. I say it is very difficult for a Finance Minister to stand with his back to the wall and argue matters out for each Local Government separately. The only suggestion I can make is that these matters

should be considered not by one Local Government disputing with the Supreme Government, but by the Local Governments combining and informing each other of their respective needs and trying to convince each other of their respective claims.

“The Hon'ble Mr. Smeaton made reference to the question of financing the rice-trade in Burma, and he makes a complaint that we give in this respect a monopoly to the Bank of Bengal. The Bank of Bengal maintains a monopoly, I admit, but it is a necessity of its position. Two or three years ago I was down at Rangoon and had a conference with several merchants of Rangoon upon this very subject. They told me that they objected to the monopoly of the Bank of Bengal, and they would be very glad if, instead of giving these transfers solely to the Bank of Bengal, I would give these transfers also to the Exchange Banks or to merchants direct. I told them I was perfectly willing to do so, but I was convinced they would not take advantage of the offer. The fact is that no merchant can afford to quarrel with this Bank or compete with it. The Exchange Banks in this country have not got spare funds. They will not lay down funds in Rangoon to finance trade, because they have not got spare funds with which to carry out the operation. They prefer therefore to make arrangements with the Bank of Bengal, by which the Bank of Bengal will hold money at their disposal whenever they want it. As a matter of fact, in consequence of my talking over the matter with the merchants in Rangoon, I published a notification in Calcutta at the usual time when we arrange for these transfers, saying that the Exchange Banks and others might tender in competition with the Bank of Bengal for the transfers we had to offer. Not one of them made a tender. It pays them to get their money from the Bank of Bengal in Burma better than to come to me for it in Calcutta.

“The Hon'ble Mr. Allan Arthur has referred to the cost of telegrams. I do not like to say anything more than this, that the matter has engaged the attention of the Secretary of State. How far he has gone is more than I can say, but the obstacle has been the claims of the Companies. Whether we will be able to get round these claims of the Company by giving a guarantee is more than I can say. I have no doubt that after the remarks of such an authority as the President of the Chamber of Commerce of Calcutta, the subject will be taken up again. I dare not follow him on the question of currency, although the remarks he has made will be useful and no doubt will have their weight; still it is not proper for me to deal with the matter otherwise than as one which is under the judgment of a committee sitting at home. I have long refrained from expressing opinions myself regarding currency. It is a difficult subject, and I always find that it is something like a theological question which tends to produce the greatest bitterness of controversy. No person, it would appear, can hold a definite opinion without believing that he is the only person who is right and those that differ from him are wickedly and criminally and intentionally wrong.

“And now, my Lord, it may be permissible to one who is in my position, and who is about to give up charge of the office which he has held for so many years, to utter a word relating to himself personally; and I would be very unwilling to give up my office without expressing the great obligation under which I have been placed during the whole of my service by the officers and subordinates of the Financial Department. I would not mention any names. There are too many whom I personally know and of whom I have an extremely high opinion. There are too many of them to bring their names before the Council, but there is one name I would mention. It is a matter of great grief to me that my last year of office should be signalised by the death of one officer who during part of my tenure of office was my right hand man, who was distinguished above all officers by his knowledge of the work of the department, and who was eminently suited to be

the head of it—I refer to Mr. Stephen Jacob, over whose grave I stood last December—a man whom I had known for twenty years, outside the department as well as in it, and for whom every member of the department had the profoundest respect. And now, my Lord, I wish to thank the Hon'ble Members for their goodness in referring to me personally and to the circumstances under which I hand over charge of my department to my successor. I am pleased to be able to do so at a time when everything looks prosperous. It depends neither upon me nor upon him, nor does it depend on Your Excellency's Government, to make sure that that state of things should be maintained. I hope there are good times in store, that this season of prosperity will last sufficiently long to enable Your Excellency's Government to take up the questions which have been pressed upon us to-day, namely, that of the remission of part of the existing taxation. It would have given me great pleasure, after having had something to do with increasing the people's burdens in this land, had I had the opportunity of taking part in the remission of them. I believe it, for the reasons I have stated, premature to do so, and therefore that task I hand over to my successor. In this country changes of *personnel* are very frequent. One's name remains for a short time, but I think one's work remains longer; and although perhaps my name and its connection with the Financial Department of the Government of India—a connection lasting now 29 years—may shortly be forgotten, yet I am convinced that part of my work will remain behind me, and that I shall have done something by that work to make some return to India for all that I have received from her."

His Excellency THE PRESIDENT said:—"I am glad to think that I need not detain my Hon'ble colleagues by remarks of any great length. The discussion to which we have listened has been far from devoid of interest; but although it has elicited differences of opinion, such as may legitimately be expected, it has, on the whole, been marked by an unusual unanimity of sentiment, due, no doubt, in the main to the prosperous circumstances in which we find ourselves, but nevertheless gratifying both to the Government and to the Financial Member, with whose last Indian Budget we are dealing. The official life of Sir James Westland, to whose affecting farewell we have none of us listened without emotion, has been, as he has just told us, indissolubly bound up with the finances of India. This is the seventh Budget that he has introduced into the Legislative Council of Government. Few Chancellors of the Exchequer in England, where the conditions of public employment are more permanent, have introduced a greater number. I doubt if any Indian Chancellor of the Exchequer has introduced so many.

"In neither country, I imagine, has any guardian of the public purse been confronted in the course of his official career with more marked vicissitudes of fortune than has Sir James Westland. He is happy, I think, in this—that his fat years have followed upon his lean years, instead of preceding them; and I can well believe that the anxieties and worries which have distracted him in times past are now forgotten in the glow of honourable satisfaction with which he can regard the termination of his labours, and can congratulate India, not less than himself, that he leaves her upon an ascending plane of material and economic progress.

"If the Finance Member in India is chided and reproached for his misfortunes in bad times, at least he should not be robbed of his share of the credit for better days; and I am sure that Council will cordially join me in assuring Sir James Westland of our grateful appreciation of his long and arduous labours, and in wishing him equal success in whatever work he may set his hand to in the future.



"With regard to his speech, to which we have just listened, I would also say this—and I would say it from personal knowledge—that he has represented himself as a much less charitable individual than he really is. To myself it is, I confess, a source of no slight pleasure that the first Financial Statement to which I should have listened in this Council has been one of so gratifying a description. My belief, more than once expressed on previous occasions, in the economic vitality of this country, in the solidity and range of its resources, and in its capacity for an industrial expansion far beyond what has hitherto been deemed possible, is confirmed by the experience of the past year. I recognise that the circumstances have been exceptionally favourable. War has fortunately ceased upon the frontier. There has been a high and an almost uniform rate of exchange. There has been a notable expansion in certain industries. The harvests have been abundant. On the other hand, there have been corresponding sources of depression and alarm in the recurrence of plague, which neither the resources of science nor the utmost administrative vigilance have so far succeeded in defeating, and which has made heavy inroads upon the Imperial as well as upon the Provincial exchequers. That the net result of these contending influences should yet be a balance of  $4\frac{3}{4}$  crores is indicative to my mind not merely of uncommon powers of recuperation, but of a marvellous latent reserve of strength.

"We have been criticised in these circumstances for not having proposed a remission of taxation; and that criticism has found capable expression in more than one quarter at this table to-day. I quite understand, and I do not in any degree deprecate, such criticism. It is the natural and legitimate desire of taxpayers all over the world to obtain relief from what they regard, or at least represent, as their burdens, and to feel the passion for relief swelling in their bosoms in proportion to the apparent existence of the means for satisfying it. I doubt not that the payers of income-tax would have welcomed an extension of the scale of exemption. The Hon'ble the Maharaja of Darbhanga pleaded their cause with great ability, and was anxious for the extension of that scale from Rs. 500 to Rs. 1,500; the Hon'ble Mr. Charlu took much the same view; and the Hon'ble Mr. LaTouche pleaded for some relaxation of the same system. I may add also that it is equally the desire of Governments not merely to earn the popularity that may result from a remission of taxation—although my experience is that popularity so won is a very ephemeral asset—but also in the interests of good government itself to reduce the burdens upon the people. But there are considerations in this case, both normal and exceptional, which decided us to take the opposite course.

"The normal consideration of which I speak was that of ordinary caution. Though I have spoken of the astonishing recovery of the past year, though I believe it to represent a much more than transient improvement in the resources of the country, and though Sir James Westland budgets for a surplus of nearly 4 crores in the coming year, I am yet too conscious of the part played by what I may describe as the swing of the pendulum in the economic world to be willing to sacrifice any portion of a hardly won advantage by being in too great a hurry. The Hon'ble Sir Griffith Evans has reminded us that India is a land of surprises, and these surprises are liable to start into existence equally in the spheres of politics and finance. Even in the more sober atmosphere of England we have had during the past year a startling instance of this phenomenon; for whereas, in the plenitude of our wealth and substance, the Government of which I was a member a year ago agreed to a remission of taxation by which we forfeited in the case of one duty alone a sum of nearly  $1\frac{1}{2}$  million sterling without, so far as I remember, exciting any gratitude from anybody, within the space of a year the balance has so completely swung

round owing to unexpected calls that, if what I read in the papers be correct, there will be no cause for surprise should the forthcoming Budget contain proposals for the recovery of considerably more than was then remitted. To reduce taxation in one year and to re-impose it in the next is a condition to which Governments have frequently been driven by unforeseen events. But it is one which it is better to avoid by an excess of prudence at the time than to meet with whatever ingenuity at a later period.

“ The special circumstances which more even than these general considerations decided us against any remission of taxation in the forthcoming year are known to all. It is not unlikely that we may be invited before long to inaugurate momentous changes in the financial system of the Indian Empire. What these changes may be none of us as yet know, and we reserve our entire liberty to examine and consider them when they are submitted to us by Her Majesty's Government as the result of the expert enquiry now proceeding in London. But it must be obvious to the least informed that the prospects of any such change as we may decide to undertake must depend very largely upon the position and the credit that we enjoy at the time in the eyes of the world; that they will be enhanced by the evidences of financial strength to which a large balance and expanding resources are the best testimony; and that they might be correspondingly imperilled by any stringency or insecurity here. We may be called upon to take steps that will affect the entire future of Indian trade and finance. We cannot afford, therefore, to slacken our hold upon any implement that may conduce to their success.

“ There is another respect in which we may be thought to have carried caution to excessive lengths. The Hon'ble Member has framed his estimates for next year upon the basis of a  $15\frac{3}{4}d.$  rupee. This has been variously explained as typical of the prudence of one whom I may perhaps without offence describe as 'an old financial hand,' or as prompted by a chivalrous desire to present a larger surplus than is apparent on the surface to his successor. I understand that both interpretations have been repudiated by the Hon'ble Member to-day. May I however add—and I do not think that I shall err on the opposite side of optimism in so doing—that this under-estimation, for so I think it may be called, must not be taken to indicate the least want of confidence on the part of the Indian Government. For my part I have every belief that the rupee will retain throughout the ensuing year the same position that it has done during the past; and I may even go further and say that I shall be disappointed if we are not able to invest the  $16d.$  rupee with a greater durability than any which it has hitherto attained.

“ I am glad to have heard in the speeches of those Hon'ble Members who have special knowledge of the circumstances and needs of outlying Provinces, notably in the speech of the Hon'ble Mr. Rees speaking for Madras, and I think, if we will allow me to say so, speaking for interests rather more wide than the railways of Madras, and in the speech of the Hon'ble Mr. Spence speaking for Bombay, a generous recognition of the assistance that has been rendered by the Government of India to those of the subordinate Governments who have been in distress. For a few months before the Budget is finally made up, and while the lips of the Finance Member are still sealed, he is the object either of passionate objurgations or of piteous appeals from those who think that they are going to get less than their due share of the Imperial superabundance, and who in the agony of their apprehension not infrequently appeal to the large-hearted impartiality of the Viceroy to rescue them from the niggardly prepossessions of the Finance Member. Such at least has been the experience of Sir James Westland and myself during the past few weeks. Meanwhile the Finance

Member holds his counsel, and behind a front of iron conceals a melting heart. The result is that, now that the figures have transpired, it is I believe generally admitted that we have dealt liberally with our suffering brethren.

"The Hon'ble Mr. Mehta indeed argued that inadequate treatment had been given to his Province of Bombay. Now let me assure him that I have specially interested myself in the fate and fortunes of Bombay. I have been in frequent correspondence with its Governor on the subject, and I have been most anxious that financial justice should be tempered with some financial mercy. I believe that the Government of Bombay are themselves on the whole content with the treatment meted out to them; and I was glad to find that the Hon'ble Member, although he commenced his remarks in a tone of criticism, ended them in a spirit of generous, and I might almost say of wholesale, congratulation. The ordinary grants, as I may call them, that we have made to the Provincial Governments, in relief of the heavy burdens which have been laid upon them by the direct charges of plague and famine, amount to 42 lakhs. We have given to them in addition an extraordinary sum of 70 lakhs, a gift which, while it is no criterion of ordinary opportunities or deserts, and while it must not be interpreted by them as a precedent upon which they can rely, is yet, I hope, fairly proportionate on the present occasion both to our abundance and to their needs. The Provincial Contract System is one for the successful working of which a good deal of consideration is required at both ends of the scale; and I hope that the Provincial Governments, while they press upon us the obligations of munificence, will not lose sight of the corresponding obligation of economy.

"I am entirely in agreement with some of the remarks that fell from the Hon'ble Mr. Arthur with respect to the present high rate of telegraphic charges. I regard that rate as inimical to trade, as being a barrier to the ever-growing intercourse between India and the mother country, and as being obsolete and anomalous in itself. I have already considered the question, and I may say that I have placed it in a category of twelve important questions, all of them waiting to be taken up, all of them questions which ought to have been taken up long ago, and to which, as soon as I have the time, I propose to address myself. What these questions are I do not propose to relieve the curiosity of Hon'ble Members by now informing them. It is conceivable that I may have to add a thirteenth to their number in respect of the appeal of the Hon'ble Sir Griffith Evans with regard to the Small Cause Court Judges in the Mufassal. That is a question with which I am necessarily not myself familiar, but, while I understand the Finance Minister to have answered him on the point of finance, the impression left on me by Sir Griffith Evans' remarks was this, that he was arguing the case not from the point of view of pay but from that of character. It is from that point of view that the question is deserving of the attention of the Indian Government, which attention I shall be glad to give to it. But another question has been raised by an Hon'ble Member sitting at this table which I am unable to add to the dozen already alluded to. I am unable to add to it the suggestion of the Hon'ble Mr. Chitnavis that I should acquiesce in the reduction of the British soldiers in India. I can assure him that no such proposal will form part of the programme of the Government of India during my time.

"As regards Railways, Sir James Westland has indicated in his Budget Statement that for the moment our motto is *festina lente*, although this must not be taken to mark any policy of revulsion from that which has lately been pursued. There are times, however, at which it is desirable to go a little slower than the maximum pace. I am, however, rather in sympathy with what fell from the Maharaja of Darbhanga concerning the encouragement of light

gauge feeder railways ; and since I came here I have authorized the construction of some hundreds of miles of such lines. I should say in this context that one of the subjects to which I propose to turn my attention while at Simla is the whole question of the policy of Government in respect of railways in India, and our attitude towards private enterprise in particular. I am not satisfied with a condition of affairs which lays the Indian Government open to the charge—whether it be true or false I have not as yet the knowledge that enables me to pronounce—of indifference to the offers of assistance that are made to it, and of hostility to the investment of British capital in the country. We may hope much from fixity of exchange if we can succeed in establishing it. I should be glad if the Government could at the same time by its own attitude encourage what I hope may before long be a pronounced inclination towards India of the financial currents in the mercantile world.

“The subject of Irrigation is one that appeals very closely to my concern. We are all familiar with the aphorism about the service of the statesman who can make two blades of grass to grow where only one grew before ; and in India we do not need to be reminded of the direct and almost immediate benefit to the agrarian class that results from an increase in the area of cultivation. I shall not embark upon any discussion of the rival advantages of irrigation and railways, because such a discussion would not be germane to this debate, and is in reality futile. The Government of India has never been inclined to balance its duties in these respects one against the other, and would, I think, be unwise to do so. Nevertheless the annual allotment of 75 lakhs which has for some time been made to irrigation might, I think, with advantage be extended ; and I have persuaded Sir James Westland in his estimate for the forthcoming year to give me another 10 lakhs for that purpose. I had asked for more, and he would have been willing to give me more. But a scheme of irrigation is not a project upon which you can start quite as expeditiously or as easily as you can upon a railroad. In the first place, the best areas for the purpose have already been utilised. Fresh schemes are likely to be less profitable, and therefore require more consideration, than their predecessors. In the next place, very careful surveys require to be made, levels have to be taken, a staff must be got together, an investigation of existing rights has in all probability to be undertaken. It is not the case therefore, as is sometimes imagined, that as soon as the cheque is drawn, it can at once, so to speak, be cashed in terms of tanks and canals. For these reasons it has been found that we are not in a position in the forthcoming year to spend more than an additional 10 lakhs upon irrigation ; although in succeeding years, if our finances continue to flourish, I hope that we may present to you a more extended programme. I am about, in the course of a visit to the Punjab, to inspect the great irrigation works that have been taken from the Chenab River, and which were favourably alluded to in the speech of the Hon'ble Pandit Suraj Kaul, and I shall hope to learn a good deal there both concerning the present system and as to future requirements.

“It only remains for me to thank you for your co-operation in the labours of the session which is now about to conclude, to terminate this discussion and to announce that this Council is adjourned *sine die*.”

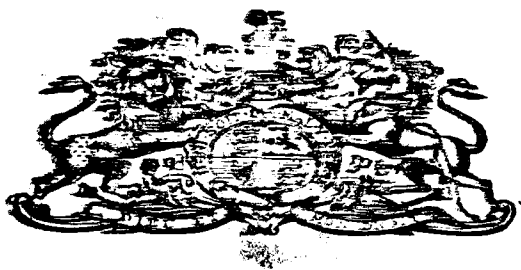
**GOVERNMENT OF INDIA.**  
**FINANCE AND COMMERCE DEPARTMENT.**

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# **FINANCIAL STATEMENT**

**FOR**

**1899-1900.**



**CALCUTTA:**  
**OFFICE OF THE SUPERINTENDENT OF GOVERNMENT PRINTING, IN**  
**1899.**