

GOVERNMENT OF INDIA
FINANCE DEPARTMENT

FINANCIAL STATEMENT AND BUDGET

FOR

1915-16



DELHI
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Speech of the Honourable Finance Member

INTRODUCING THE

FINANCIAL STATEMENT FOR 1915-16.

Introductory.

General effects of the War on trade and finance.

MY LORD,

I rise to present the Financial Statement for 1915-16. Our procedure will be the same as on previous occasions: that is, there will be no debate today, but from the 8th March onwards time will be allotted for the examination and discussion of the budget proposals. The figures in the Financial Statement will then undergo such amendments as may be required by our later information or suggested by the discussions in Council. The Budget in its final form will be presented on the 22nd March, the usual closing debate taking place on the 25th.

2. Since I last addressed the Council on financial matters, India has been, and is still, passing through a crisis which has subjected her financial and economic system to a supreme test. It is true that, save for some vivid but happily transient experiences in the autumn, she has not felt the direct impact of war. But she has not been able to escape the consequences of that economic solidarity which binds her closely to the outside world. All her recent development has been on lines of diminished isolation. Her currency system connects her with the money markets of London and the world. She relies for internal development largely upon borrowings in London. Her prosperity is increasingly bound up from year to year with her rapidly growing foreign trade. Her internal financial arrangements, and above all her system of credit, in many respects follow Western models. Finally she is a part of a mighty Empire which is one of the foremost belligerents in this general war. It is inevitable therefore that India should feel the effects of the war from top to bottom of her economic system; they are written large over the Statement which I have to present to the Council today, and are affecting still more deeply the trade and production of the entire country. From the general financial and economic point of view—both to those of us who have studied the working of our fiscal system from the inside, and to Honourable Members here who represent India's agricultural and industrial activities of every kind—the history of the last few months is thus a matter of compelling interest; and I feel that the Council will look to me in the first place for some account of this period of crisis. I propose, then, at the outset to bring together some of the main financial incidents of the last seven months, to narrate how we have got through this difficult period, and then to take up the recital of those facts regarding our revenue and expenditure which in normal conditions it is the first object of this Statement to present.

3. Before doing this, however, I must premise that, as the Council must have anticipated, the task of preparing revised estimates of our financial position at the end of 1914-15 and a budget for the coming year has been one of very special difficulty. Ordinarily we have a large mass of data of past years to go upon; and, although budgeting must always be to a certain extent what one may term scientific guess-work, we have merely to consider how far the experience gained during the portion of the current year for which figures are available when our forecast is made, and the circumstances prevailing at the time with reference to commercial or agricultural prosperity or depression, the position in regard to railways and so forth, warrant us in departing from the standards of normal development which can be deduced from past actuals. This year we are in an entirely different position. The sudden outbreak of war and the dislocation of trade that has followed it, the vague and

unwarranted sense of insecurity which has led, for instance, to large withdrawals from our savings banks, are all (on this scale) totally new features, and it is most difficult to prognosticate how far there will be a recovery and in what specific directions. We have also the fact that nobody knows how long the war will endure, but we must at present budget on the supposition that it will last through 1915-16. All things considered, I have thought it necessary, in framing forecasts, to adopt an attitude of caution. We must not be too pessimistic, but at the same time, with all the surprises that the war and its economic results may yet have for us, sanguine estimating is entirely out of place. We are really groping in the dark and can only go as carefully as possible.

4. When the war came upon us we were fortunately in a very satisfactory financial position. Our total Treasury balances on 1st April in England and India had been found to exceed by about £1½ million the anticipation we had been able to make on the figures available when preparing this year's budget. Our large 5-crore loan had been a brilliant success, thanks largely to the patriotic enterprise of the Bank of Bengal, and the south-west monsoon gave full promise of agricultural prosperity. There was, therefore, reason to anticipate that, had circumstances continued normal, our Imperial surplus for this year would have been larger than the £1½ million which we provided in the budget, being then obliged to estimate cautiously by reason of the agricultural situation in Northern India. Trade, it is true, had been somewhat dull owing to the preceding agricultural depression, to the after-effects of the banking crisis of 1913-14 and to the glut of piece-goods; and the consequent weakness of exchange had made the Secretary of State's council drawings much lower than is usual during the first four months of the official year, a circumstance which proved later on to be a fortunate one for us on this side. But at the end of July there was every reason to anticipate that the trade depression which I have mentioned would clear off and that we should have a really good year.

Owing to the conditions I have mentioned, our Treasury balances in India were very high, while the amount of gold held by or for the Government in London and in India taken together stood at £23½ million, of which nearly £5 million was in the Gold Standard Reserve and the rest mostly in our Paper Currency balances. In addition, the Secretary of State held in the Gold Standard Reserve, besides the ordinary Reserve investments, a considerable amount in special short-term securities, some of which were about to mature.

The Presidency Banks, too, were in an exceptionally strong position with regard to their balances, after allowing for the fact that a portion of these consisted of Government deposits.

5. The first effect of the European war, which began to operate even before Great Britain had actually been drawn in, was a threatened break in exchange. The Government of India took immediate steps to deal with this aspect of the general situation, and were able to make a preliminary reassuring announcement on the 1st August. On the 3rd August we publicly formulated, with the approval of the Secretary of State, the measures which we had decided to adopt. In the first place, we formally undertook to support exchange by all the means in our power. This was a policy which the Royal Commission on Indian Finance and Currency had recommended in their recently published Report: it fell to us to declare our adhesion to it at the outset of a crisis of unprecedented magnitude and totally uncertain duration.

In the second place, we announced our intention, in pursuance of this object, to sell sterling bills on London, or "reverse bills" as they may conveniently be termed, up to a maximum limit of £1 million a week until further notice. This, too, was an innovation on previous policy. In the exchange crisis of 1907 and 1908 the amount sold had usually been £½ million a week, and occasionally £1 million, but the exact amount was settled afresh just before each successive weekly sale. The present was the first occasion on which the Government of India undertook beforehand to maintain sales on an ample scale. Again, to adapt the system still more fully to trade requirements, we combined with the sale of bills the practice of selling telegraphic transfers also, thus providing a guarantee of immediate remittance when required. A few days later, too, we arranged that bills should be payable in London 16 days after the departure of the weekly mail, thus eliminating the uncertainty due to possible delay in the arrival of the bills by mail steamer.

The object, and, as events have shown, the actual effect of these arrangements was to promote confidence by assuring the banking and commercial public of adequate and continuous facilities for remittance, secured by the whole resources of Government. Incidentally, also, it prevented purely speculative competition for reverse bills and transfers by removing the possible apprehension that Government might at any moment reduce the amount available. Only in the first week following the declaration of this policy did the applications exceed the £1 million limit. Thereafter the volume of weekly tenders was gradually reduced; and after the first demand for remittance had thus been met, it rose and fell, within moderate limits, in correspondence with the fluctuating requirements of the time, until eventually the demand sank to a quite small amount, and has latterly disappeared altogether, at any rate for the time being.

In all we expect, by the end of this year, to have sold bills and transfers to the total extent of about £8½ million. The sums thus received have been credited to the Gold Standard Reserve in India *pari passu* with the Secretary of State's withdrawals from the Reserve in England in order to meet the bills and transfers falling due for payment by him from week to week. The net result has, of course, been a great strengthening of the Gold Standard Reserve on this side.

- Lastly, in the early days of the crisis, we strengthened that Reserve by exchanging £4 million of silver held therein on this side for an equivalent quantity of gold previously held by us in the Paper Currency Reserve.

6. At the same time as we first notified the selling of reverse bills and transfers, we took steps to restrict the dissipation of our gold in India by laying down that no gold should be issued to any one person or firm to a less extent than £10,000. The object of this was to secure what we thought would be a rough test as between applications for gold for eventual remittance purposes and those which were merely for hoarding or for local requirements. This limitation, however, was defeated by various individuals and firms clubbing together so as to make between them a demand which conformed to our minimum. Between the 1st and the 4th August we had already lost about £1,800,000 of our gold; and on the 5th August, when it was announced that Great Britain was actually at war with Germany, we took the further step, for which we had previously obtained the Secretary of State's approval in anticipation of that contingency, of refusing the issue of gold altogether to private persons.

We had then a stock of about £10 million of gold on this side in the Paper Currency and Gold Standard Reserves taken together, and that aggregate figure still remains practically unaltered. I may mention here, as regards the local rates of exchange as between sovereigns and rupees, that the Calcutta figures show that a sovereign exchanged for R15-6 instead of the normal R15 by the end of August, and that the rate varied between R15-5 and R15-8 until November. In December, however, it fell steadily and it now fluctuates from R15-1 to R15-3 only.

7. The next grave difficulty that the outbreak of war brought upon us was in regard to our savings banks deposits and currency notes. The general trade and credit position which the war set up was most serious in Bombay, mainly as a result of the banking and commercial crisis of the preceding year which had been more severe there than elsewhere. There was also considerable uneasiness in the Punjab, which had likewise suffered from the late banking crisis, but it was in Bombay that the difficulties I have mentioned arose in the most acute form. The deposits in our Post Office savings banks amounted in all to somewhat over 23 crores at the beginning of this year and by the 31st of July had risen to 24½ crores, the increase being due mainly to the more liberal conditions announced in paragraph 58 of my speech introducing the last Financial Statement. From the second week of August there was a heavy and excited run by savings banks depositors upon their funds, and in August and September together there was a net withdrawal of about 6 crores (£4 million) of these deposits, due to misguided apprehension in regard to the effects of the war upon the stability of the Government of India, which was every now and then fanned by wild stories of imaginary reverses sustained by our allies or ourselves, and by the untoward incidents connected with the career of the late *Emden*. Since then the drain has materially slackened, but in all we calculate that by the end of this year we shall have lost about £7 million of savings banks deposits which we have had to pay out from our general balances. I may say here that we did what we could to promote confidence

by putting the Post Offices in adequate funds and enjoining the prompt payment of all claims; and it is perhaps a welcome indication of the way in which the strength of our financial position is really viewed by our enemies that a number of German prisoners at Ahmednagar have themselves opened accounts with the Government savings banks.

8. The demand for the encashment of currency notes was most serious in Bombay, and the total abnormal encashment in that Presidency as a result of the crisis has been estimated at about $2\frac{3}{4}$ crores in August and September out of $4\frac{1}{2}$ crores in respect of India as a whole. Outside Bombay the largest encashment occurred in Burma, and in the Punjab too it was considerably larger than in ordinary years; but in these cases the increase appears to be due as much to the special trade conditions of the year as to uneasiness arising directly from the crisis.

The Government at once took steps to check any panic by issuing instructions that every endeavour should be made to meet promptly all demands for encashment at district treasuries, whereas ordinarily, it will be remembered, a note is only encashable as of right at a Currency centre. A very large number of notes were cashed in this way in the districts, especially in Bombay and the Punjab, and it may be hoped that when the crisis passes away, the measures we took will have the effect of ensuring a permanent increase in the popularity of currency notes and consequent extension in their use. It must be borne in mind, however, that the very fact that we were obliged to strengthen the cash resources of district treasuries and of the savings banks, besides adding to our deposits with *muffasal* branches of Presidency Banks, imposed an extra strain on our balances by preventing the economy which we usually obtain by their concentration, so far as possible, at the Presidency towns and other important commercial centres.

The abnormal run on our notes was of relatively short duration. Nevertheless, owing to depressed trade conditions resulting from the war, our net note circulation, excluding the holdings by Reserve Treasuries and by the Presidency Banks at their head offices, remained nearly 7 crores (£4 $\frac{2}{3}$ million) less at the end of January than on the corresponding date in 1914.

9. Having regard to the present abnormal trade conditions and to the extraordinary strain on our credit generally, I consider that the position of our paper money calls for full satisfaction. Our notes circulate freely, and apart from very minor temporary local incidents, there has never been any question of their being depreciated as compared with coin. We may also regard with pleasure the present position, in quite exceptional conditions, of our Government paper, as well as of the somewhat analogous securities of our great Municipal Corporations and Port Trusts. Our $3\frac{1}{2}$ per cent. rupee paper was quoted at Rs. 95-14 this time last year, and it now stands at only some Rs. $3\frac{1}{2}$ less—a striking testimony, surely, to the strength and stability of our financial position.

10. As I have already said, the Secretary of State's council drawings had been relatively small before the war began, and owing to the fall in exchange caused mainly by the dislocation of our export trade, they have been since then, and until quite lately, at a very low level. In all, we estimate that during the current year he will have obtained £6·9 million* by ordinary council bills and telegraphic transfers, against £20 million which we estimated in the Budget as being the extent of his requirements for Ways and Means purposes. In the earlier stages of the crisis he also transferred to his treasury £1 million of the gold held in London on account of the Paper Currency Reserve, an opposite payment to that Reserve being made in India; and he has been helped by gold remittances from India to the extent of about £600,000. Also we have had to spend here, in connection with the war, sums largely in excess of the amount which India contributes as an equivalent of what she would have spent in normal times on the expeditionary forces she has sent in aid of the Home Government. This excess outlay is recoverable from His Majesty's Government, and is periodically realised from them by the Secretary of State. To that extent, he is in the same position as if he had actually drawn money on council bills, as we meet the expenditure and he gets the equivalent.

Taking his ordinary council drawings together with these other sources of supply, we estimate that in the current year he will, in all, have obtained about £17 million against the Budget estimate of £20 million above referred to.

* Exclusive of £600,000 which he will appropriate to the Gold Standard Reserve from his sales towards the close of the year.

The Secretary of State has thus been far more fully financed than might at first have seemed possible in view of the weakness of exchange in the earlier part of the year and the reversal of the remittance current as soon as the war broke out.

11. I now turn to the effects of the war on the commercial and credit position in India, which of course materially influences our revenue receipts, especially under Customs and Railways. In the first place, internal credit was seriously prejudiced by the attitude of a large part of the Marwari community, who play such an important rôle in conducting and financing the trade of the country. Speaking generally, instead of conforming to the excellent British maxim of 'business as usual,' they departed to their homes, taking with them as much of their capital as they could readily lay hold of, and thus materially hampering the working of the credit machinery with which they are so intimately connected. As regards the banks, the position of the Presidency Banks was, as I have already said, very strong before the crisis, and in order to promote public confidence the large Government deposits which they already held were further increased at the outset of the war, and have since been kept at as high a level as our resources permitted. We have preferred, in fact, to borrow somewhat more freely from the Gold Standard Reserve—a matter to which I shall refer later—rather than curtail unduly the resources placed at the disposal of trade.

The bank rate was low when the war commenced, as is usual at that season of the year, being 3 per cent. in Calcutta, 3 per cent. in Bombay, and 4 per cent. in Madras. As a measure of protection, the Bank of Bengal raised its rate to 5 per cent. on the 6th August, and the Bank of Bombay to 4 per cent. on the same day, and to 5 per cent. on the 13th; while later on the rate was increased, at somewhat different dates, to 6 per cent. for all three banks, at which figure it now stands. It is understood that the Indian branches of the Exchange Banks were also in a strong position at the commencement of the crisis.

As regards other banks, the previous year saw the collapse of a large number of (generally speaking) recklessly managed banking institutions. In the light of subsequent events, however, we may reckon it as fortunate that the disappearance of these banks occurred before the present crisis. Though the want of confidence engendered by their failure tended to accentuate the difficulties in Bombay and the Punjab, the situation would have been far more acute had the banks in question been still in existence and then collapsed as they must have done. As it was, two banks which had been badly shaken by the previous crisis, though they survived it, now fell. One of these, the Punjab Co-operative Bank, established in 1905, was compelled to close its doors on the 14th September. Another, the Bank of Upper India, established as far back as 1862, suspended payment on the 8th October. It is probable, however, that these events had been largely discounted beforehand, for they did not produce any widespread panic.

12. I now pass on to the direct effects of the war upon our foreign and internal trade and production. As I have previously said, there had already been a period of depression, though we had every reason to assume that, ordinarily, this would presently have passed away. The first result of the war was naturally to stop our considerable trade with Germany and Austria. India's total import trade in private merchandise was in 1913-14 valued at £122 million, and of this £8·4 million (nearly 7 per cent.) was with Germany, and £2·9 million (or 2·3 per cent.) with Austria-Hungary. Of the exports from India, valued in 1913-14 at £166 million, £17·6 million (10·6 per cent.) represented trade with Germany and £6·7 million (4 per cent.) with Austria-Hungary, the chief items being food-grains, raw cotton and jute, and seeds and hides and skins.

The shutting-off of the export trade to these countries was of course even more serious than the closure of the import trade, both by reason of its greater value and because, while the imports were largely capable of replacement from other sources, the removal of these two customers for exported Indian goods, concurrently with dislocation of trade in other directions, resulted in a reduction in the demand for, and in the price of, certain important commodities, so that in some cases values have been seriously affected as well as volume. Moreover the much higher loss of trade on the export side has, of course, special significance from the point of view of exchange.

The war has likewise produced a complete stoppage of our trade with Belgium, and a very large diminution of that with France, and here again the principal items of export are those just mentioned. Since November, too, we have been at war with Turkey, but our trade with her is much less important. Its chief item is the export of rice to Turkey-in-Asia.

There have also been necessary restrictions in regard to the export of certain articles; dictated in some cases by direct military requirements and in others by the necessity of preventing supplies reaching our enemies through neutral countries. Hides and skins, jute (raw and manufactured), wool, and wheat are among the articles in respect of which the free course of trade has thus been interfered with.

13. The dislocation which resulted from the war was not, however, limited to the shutting down or curtailment of particular elements of India's trade, but extended to her sea-borne commerce as a whole, and especially to the export portion. The main difficulties were not only those of finance, which I have already touched on, and which were aggravated by a general disturbance of the world's exchanges, but also a serious shortage of shipping arising primarily from the necessity for taking up vessels for military transport purposes.

14. The most immediate problems which arose were those connected with jute. Very high prices had been realised for this commodity in the preceding year, and these had actually touched ₹90 per bale of raw jute. With the consequent large sowings in the current year, accompanied by favourable agricultural conditions, a record crop was grown which would in any case have resulted in a very substantial drop in prices. Apart from this, as a consequence (due to the war) of the inability of buyers to take delivery under existing contracts, the jute mills were naturally not prepared to buy largely or except at very low rates. The reluctance of buyers of jute to come into the market at first caused apprehension that the cultivator would decline to sell at the prices offered and would prefer to allow a substantial portion of the crop to remain uncut. This fortunately proved not to be the case, though the price of raw jute necessarily showed a great drop from the record figure obtained in the preceding year, falling as low at one time as ₹31 a bale. The difficulties of the mills were subsequently to some extent removed, as tonnage for the shipment of their goods became more readily available, and this caused some rise in jute prices. But the initial paralysis of the internal trade is clearly indicated by the fact that whereas between August and October 1913 the issue of rupees from the Calcutta Currency Office in connection with the financing of the jute crop, amounted to some 13 crores of rupees, the issue in the corresponding period of 1914 was about 56 lakhs only.

As regards the ryots, although the sudden change from abnormally high to abnormally low prices has gravely affected, for the time being, the general prosperity and well-being of the jute districts, the winter harvest in these tracts has fortunately been quite fair; and we may well hope that, with the better prospects of the jute trade which now seem probable, there will be economic recovery in the supplying areas.

15. While Bengal was thus affected in regard to jute, there were also grave difficulties, mainly on the Bombay side, in respect of another great staple—cotton. The position when the war broke out was itself unsatisfactory, since previous over-trading, and the depression caused by the banking crisis of 1913-14, had led to the accumulation of stocks of piece-goods and the lock-up of capital in connection therewith. Then came the war, and with it the cutting off of large markets and a concomitant world-slump in the price of raw cotton, which in India was further threatened by the fact that the incoming crop promised to be a good one. Moreover, traders who ordinarily take a large part in the internal financing of the cotton crop had, as already stated, left for their homes. The position, and its possible consequences both to traders and ryots, naturally excited grave apprehension in Bombay, and towards the close of November the Government of India called a representative conference, over which I had the honour to preside, to consider the situation, and how far it might be feasible and legitimate for Government to intervene. The action taken as the result of that conference has already been made public by a Government *communiqué* and was further explained a few days later in the speech made by Your Excellency in opening the present Legislative Session. It will suffice to say here that we came to the conclusion that the best method by which we could afford financial assistance—one which would, moreover, be also applicable in the case of other branches of trade that might be threatened by similar disturbance—was to

facilitate an extension of credit which would assist the holding up of existing stocks where occasion required, without prejudicing the supply of capital required for fresh undertakings. The Presidency Banks undertook to give liberal advances for this purpose, while the Government agreed to place them in funds where necessary by loans of public money, which would not be called up till the special circumstances requiring them had passed away. In order to provide us with the necessary resources for doing this, and also to assist us in meeting our other liabilities in the event of unexpected emergency, we obtained the sanction of the Secretary of State to the temporary adoption of a measure which had been recommended by the Royal Commission on Indian Finance and Currency, *viz.*, a further investment of £4 million from the Paper Currency Reserve, which the Government could thus draw upon for these purposes by creating a special loan *ad hoc* when they needed to do so.

I may observe here, as an instance of the way in which depression in one branch of trade reacts on another, that a decline in prices of commodities such as jute and raw cotton necessarily restricts the purchasing power of the cultivators and their demand for imported commodities, such as piece-goods.

16. Another staple which has been adversely affected by the war is the ground-nut crop of Madras, which is largely exported to France for the purpose of being made into table oil there. Difficulties were also experienced in connection with tea. After the United Kingdom, India's largest customer for this commodity is Russia, and the disturbance to finance which accompanied the war rendered it impossible at first for the Russian buyers to make their usual purchases. This difficulty was, however, subsequently surmounted, in part, by financial arrangements made between His Majesty's Government and that of Russia which supplied funds in London towards exchange facilities for Russo-British trade.

17. The Council are also aware that a heavy rise in local prices has compelled us to take drastic measures to restrict the export of wheat, and although this action is, we consider, amply justified in the interests of our own people, it necessarily prejudices our export trade.

18. I have said enough to show how seriously and how variously our outward and inward trade has been affected by the conditions arising out of the general war. It is too soon yet to hope for any decisive turn of the tide; but the situation has been eased to some extent by the recovered security of Indian waters, and there are welcome indications, too, of increased confidence and trade activity in India itself. In this connection the following figures, which I owe to the department of Statistics, will be of interest. They show month by month since the war began the falling off in trade as compared with 1913-14, and also compare the totals for the first 9 months of the year with those of the corresponding period in each of the two preceding years.

	IMPORTS.			EXPORTS (INDIAN MERCHANDISE).		
	1914 R (lakhs).	Decrease R (lakhs) as compared with 1913	Percentage decrease.	1914 R (lakhs).	Decrease R (lakhs) as compared with 1913.	Percentage decrease.
August	12,93	3,20	20	9,68	7,61	44
September	7,40	9,25	56	7,56	11,91	61
October	12,36	4,19	25	9,97	11,71	54
November	11,94	4,52	27	15,80	3,24	17
December	10,20	4,23	29	12,80	6,08	32
Total for five months	54,83	25,39	32	55,76	40,55	42
Total for April—December 1914	1,09,60	...	...	1,37,80	...	...
Do. 1913	1,36,28	...	...	1,74,45	...	...
Do. 1912	1,17,13	...	...	1,74,68	...	...

19. I have now concluded my general review of the financial events of the war period up to the present date. We have in truth been much buffeted, but the inherent strength of our financial and economic position has been demonstrated at every turn. Our loans and our paper money stand practically unimpaired in public estimation. An unprecedented drain on our savings banks has been met, and though withdrawals still continue they are now on quite a small scale. So far as India is concerned, there has been no crash in exchange such as pessimists sometimes threatened us with in a world-crisis: on the contrary, the measures taken to maintain the stability of the rupee have met with full success. As regards both foreign and internal trade, after some natural bewilderment and dislocation at the outset, readjustment is already taking place, and at no time has it been necessary to give serious consideration to the expedient of a *moratorium*—the panacea found necessary in so many other countries. Above all, while India has steadily faced all her obligations, she has not had to fall back on outside resources for any extraordinary measure of help. She has borrowed of course more freely, but without prejudicing her credit; and, to a large extent, her additional borrowings have been taken from her own reserves. We cannot say what the future has in store for us, but we are entitled, in the light of our recent searching experience, to look forward to it with sober confidence. That confidence is materially strengthened by the agricultural situation, which affords a most welcome contrast to the conditions prevailing when I presented my last Financial Statement. The south-west monsoon and the winter rains have alike been abundant, and we can now look forward to exceptionally bountiful crops.

Changes in forms of account.

20. I now pass on to the task of laying before Council our estimates of the present and coming years. To enable me to do this, however, I must first explain certain changes which we have adopted, with the approval of the Secretary of State, in Statements A, B and D of the Financial Statement, and which will, I hope, be found to make these more clear.

In the first place, we have got rid of the confusing accounts expedient described as a 'transfer through the Land Revenue head.' At present, as Honourable Members are aware, if the Land Revenue of a province is divided, say, in equal shares between Imperial and Provincial, it is not shown as so divided in our Budget statements and accounts, because any contributions which we may happen to be making to the province are treated as diminishing the Imperial half share and enhancing the Provincial half share, and conversely with any adjustments at the expense of a province in favour of the Government of India. Contributions of the former character are numerous and, in the aggregate, important, especially those which are made under the terms of the Provincial settlements and subsequent allotments in respect of education and sanitation. The method hitherto in force is confusing and, as I have always thought, unscientific. It tends to obscure the real share of Imperial and Provincial Land Revenue according to the settlement and, as brought out in paragraph 23 of my speech last year, it prevents our explaining variations in Land Revenue in the concise way which we can adopt in regard to other heads. There is also the disadvantage that, if new Budget proposals involve further grants to Provincial Governments, the effect of these has to be explained in connection with Land Revenue transactions, whereas they could more conveniently be dealt with by themselves or along with other proposals.

We are accordingly going to confine the Land Revenue transactions to their proper scope, and to show all the adjustments above referred to under a new head entitled 'Transfers between Imperial and Provincial Revenues,' which will be found at the foot of Statement A of the accounts which I am now presenting. All such assignments to Provincial revenues will appear as *deduct* items in the Imperial columns and as *add* entries in the Provincial, the signs being reversed in those relatively infrequent instances in which, for some special reason, a net assignment has to be made from Provincial to Imperial.

21. Secondly, we have eliminated rupee figures from Statements A and B, and have so made it possible, without adding to their size, to arrange them in a form which brings out at once, for both revenue and expenditure, the two main lines of distinction, *viz.*, (a) the distribution as between India and England, and (b) the

distribution as between Imperial and Provincial. I may add that we have not made any change as regards the figures contained in the Financial Secretary's Explanatory Memorandum, which are primarily expressed in rupee currency.

22. Thirdly, we have somewhat amplified Statement D, which shows the transactions of Provincial Governments, following generally the lines adopted in the appendix to the Financial Secretary's Memorandum explaining the Budget estimates for the current year—*vide* page 262 of the Financial Statement for 1914-15. The information now given in the amended statement will, I hope, be of assistance to Honourable Members who are interested in the course of Provincial finance.

23. I have also to draw attention to two further changes which we have made in Statements A and B. The heads of account numbered XXI and 26 used to deal with 'Scientific and other minor Departments' and have hitherto included Agriculture. But in view of the importance of agricultural development and the desirability of readily tracing the progress of outlay thereon, we have now placed agricultural expenditure under a separate head, 26-A, while the other expenditure, hitherto brought together under head 26, now figures under '26-B, Scientific and Miscellaneous Departments.' The same sub-division has been made in the corresponding Receipt head (XXI) of Statement A.

The second of the two changes above mentioned is the amalgamation of the hitherto separate heads of Post Office and Telegraph, following on the amalgamation of the administration of these two Departments.

Forecast of Financial Conditions in 1914-15 and 1915-16.

Revised Estimate of Revenue and Expenditure for 1914-15.

24. The general position, as far as we can now forecast it, is brought out in the following table which compares the current year's Budget and the Revised estimate now put forward.

[In millions of £.]

	Budget, 1914-15.			Revised, 1914-15.		
	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.
Revenue	54·237	30·842	85·079	49·927	30·229	80·156
Expenditure	52·981	34·048	87·029	52·669	32·446	85·115
Surplus + or deficit —	+1·256	—3·206	—1·950	—2·742	—2·217	—4·959

Revenue—Imperial.

25. We budgeted this year for a total Imperial revenue of about £54½ million. The Revised estimate shows only about £50 million, or a total decrease of £4½ million, a result which is, speaking generally, entirely attributable to the war, and more especially to the decrease in the two large sources of revenue which have been most severely affected by the consequent dislocation and depression of trade, *viz.*, Railways and Customs.

26. The largest decline in revenue is that expected under State Railways. The Budget estimate of gross receipts for the current year, £37·7 million, was taken at practically the same figure as the actuals of 1913-14. In the first four months of the year, *i.e.*, prior to the outbreak of war, the Railway revenue was some £260,000 in advance of the corresponding period of the preceding year; but in the six months following the outbreak of war there has been a decline of £1,490,000. The Railway revenue has also been affected by the fact that the closing months of 1913-14 and the earlier months of 1914-15 were depressed by the crop failures in Northern India and the commercial and banking crisis in the north and west. Having regard to the

continued depression of trade, we estimate that the total gross receipts this year will be £35·6 million, or about £2 million less than the Budget.

Under working expenses, on the other hand, there is a reduction, as compared with Budget anticipations, of £73,000 only. With a large and sudden drop in a previously established standard of receipts, it is impossible to effect forthwith a proportionate reduction in working expenses. The railways are equipped to carry a certain amount of traffic and, as much of the expenditure is of a fixed character, there are obvious difficulties in reducing its scale, especially when the decline in traffic is temporary, as we expect it to be on the present occasion. Secondly, a large amount of comparatively unremunerative military traffic has been carried in recent months, a fact which evidently tends to raise the general average of working expenses to gross receipts.

Allowing for a small increase in the payment of surplus profits to companies based on the traffic of 1913-14, the actual profits earned in that year being higher than had been anticipated, we take the total decline in net Railway receipts at £2,065,000.

27. Under Customs we now estimate our total revenue at £6,320,000, which is £917,000 less than the Budget anticipation. The most important decreases occur under manufactured articles, sugar, export duty on rice, cotton manufactures, and metals (other than silver) and manufactures thereof, while on the other hand we expect some considerable increase under silver and petroleum.

28. There is also a large fall, amounting to £361,000, in the Interest receipts. About a third of this is due to the depletion of balances in London on which, in normal times, the Secretary of State would have been earning money, pending their eventual employment. The rest of the decrease is nominal and is practically counterbalanced by a like reduction under expenditure. It arises from a technical change in the treatment of advances to, and overdrafts of capital by, the Bengal-Nagpur Railway Company in accordance with the provisions of the new contract with them.

29. Under Opium, there is a loss of £283,000, which is due, in large measure, to the war and the consequent disturbance of foreign trade. This led to a heavy fall in prices, which we had to meet by fixing a substantial upset price (₹1,600 per chest) below which we refused to sell. The result is that out of the 13,200 chests which we originally expected to sell at an average price of ₹1,700 a chest, we now expect that about 1,500 chests will remain unsold, and that the average price realized by the remainder will amount to ₹1,589 only.

Stagnation of business, and interference with telegraphic communication entailed by war conditions, also account for a fall of £213,000 in the gross receipts of Posts and Telegraphs.

30. Economic depression has likewise left its mark on other heads, though in their cases the loss is shared with Provincial. Our Excise revenue has naturally fallen much below budget anticipations. The same is true of Stamps; and under Land Revenue too there is a considerable decline, to which other circumstances have also contributed. Scarcity conditions at the outset of the war, and economic depression afterwards, have caused a return of small coin from circulation, with a corresponding diminution of our anticipated profits on coinage. The only head of revenue in which an important betterment on budget anticipations has occurred is Salt; and here, I regret to say, the improvement is almost wholly illusory, as it represents advance payments of duty effected in the expectation of increased salt taxation.

Revenue—Provincial.

31. The aggregate Provincial revenue was estimated in the current year's budget at £30·8 million, and is now taken at £30·2 million. As I have just mentioned in connection with the Imperial figures, there has been a heavy fall under Excise (£266,000), Land Revenue (£255,000) and Stamps (£167,000). The Forest revenue, too, falls short of expectations by £271,000, the decrease occurring mainly in Burma, where war conditions have affected the teak market, and the United Provinces, where a scheme for the supply of railway sleepers has been delayed, with a consequent

reduction on both the revenue and expenditure sides. The Irrigation revenue, owing partly to last year's deficient rainfall, has improved.

Expenditure—Imperial.

32. We budgeted for a total Imperial expenditure of almost £53 million, which is now reduced to about £52·7 million. Of this decrease, £200,000 under "Interest on capital deposited by companies" follows automatically on the revised procedure in respect of interest charges referred to in paragraph 28. The estimates for Military Services have naturally been much disturbed by the war, but owing to the operation of several counterbalancing factors, the total figures show relatively little divergence from the Budget, a saving being now anticipated of £64,000 in the gross expenditure and of £13,000 in the net. I may also mention incidentally, with reference to paragraph 16 of my speech of last year, that the present estimate provides for the completion of the payment to the Mysore Durbar in respect of the surplus revenues of the Bangalore Assigned Tract.

Expenditure—Provincial.

33. The aggregate Provincial expenditure was taken in the Budget at £34 million. It is now estimated at £1½ million less, *viz.*, about £32½ million. The principal reductions occur under Education (£738,000), Medical (£352,000) and Civil Works (£380,000), and are due to the Local Governments not having spent in full the grants placed at their disposal for the development of education and sanitation and for other purposes. As I suggested in paragraph 28 of my speech last year, I was a little sceptical then as to their ability to spend all that they hoped; and it may be that some lapse would have occurred in any case. But it is only fair to add that, in view of the present financial situation and after reference to the Secretary of State, we issued orders that expenditure not specifically provided for in the Budget should not, save in very special circumstances, be embarked on this year, so that outlay of this description, which would in ordinary years have been found by reappropriation from items where savings were anticipated, has not been incurred.

General Results—Imperial and Provincial.

34. I can now sum up the final position of our revenue account for the current year. As I have shown, the greater portion of the loss of revenue resulting from the war has fallen against the Imperial side, Imperial revenues being more dependent on those resources which are specially responsive to trade conditions; and our expected surplus of £1¼ million has thus been converted into a deficit of £2¼ million. In the case of the Local Governments the total loss of revenue, though widely diffused, has been much less, and the scope for retrenchment was greater, owing to the specially heavy provision made in this year's budget for new outlay. The Provincial account has thus improved, the deficit, *i.e.*, drafts on provincial balances, being reduced from the total of nearly £3¼ million allowed in the Budget estimate to about £2¼ million only. Doubtless those Honourable Members who have followed our Railway and Customs returns since the war broke out will be already fully prepared for some such broad results as those which I have just stated, and I think they will agree with me in not being unduly perturbed at this inevitable outcome of war conditions. On the whole account, that is combining the Imperial and Provincial sides, and taking into account retrenchment of expenditure in relief of loss of revenue, the net deterioration, as compared with our expectations when the budget of the year was framed in peace conditions, is just about £3 million.

Revised Estimate, 1914-15. Ways and Means position.

35. Next as regards the Ways and Means position. Honourable Members will recollect that our main task in preparing our financial programme for the current year was

to find means of financing a railway programme of £12 million, in addition to heavy expenditure, amounting to nearly £3½ million, by Local Governments in excess of the provincial revenues of the year. For these and other less important commitments falling outside the revenue account, we had a satisfactory opening balance to look to, and the promise of a normal surplus in the current year, and of a substantial amount of new deposits in our savings banks which we hoped would be increased by the more elastic rules referred to in paragraph 58 of my last year's speech. For the rest, we proposed to rely, in the main, on a scale of borrowing which had not hitherto been customary. Until the advent of the war, our anticipations promised, as indicated in paragraph 4 above, to be amply fulfilled. There was thus every prospect of our financing the programme of capital outlay which we had laid down for the current year, and of being left with a helpful margin of funds to assist in meeting the requirements of 1915-16. The whole position has, however, been entirely modified by the war. As already stated, our budgeted Imperial surplus of £1½ million is turned into a deficit of £2¾ million, *i.e.*, a total worseness of £4 million. Under Unfunded Debt, the head into which the savings banks transactions referred to in paragraph 7 enter, the net addition to our resources of over £1½ million which we assumed in the budget is turned into a net drain amounting to more than £5 million, that is a further worseness of nearly £7 million. In these two ways alone the war has therefore taken from us nearly £11 million of the resources on which we relied for capital outlay on railways and irrigation, for the construction of Delhi, for the financing of the expenditure of Local Governments from the large balances to their credit, and a variety of other requirements; and we have lost a further sum of somewhat less than £1 million owing to a larger withdrawal from our treasuries of funds deposited therein by local bodies and other parties which are allowed to bank with us.

36. This aggregate loss of approximately £12 million was partly counterbalanced, as I have said in paragraph 4, by an improvement of about £1½ million in the opening balance of the current year, while Local Governments have curtailed their drawings on our balances by £1 million. There has also been a lapse of £303,000 on the grant for the construction of New Delhi, to which I shall refer at a later stage, and one of £370,000 in the capital grant for railways. These improvements, however, still left a large gap to be filled, as will be seen from the statement below which shows in a concise form how the situation has been met:—

[In millions of £.]					
Outlay.	Budget Estimate, 1914-15.	Revised Estimate, 1914-15.	Assets.	Budget Estimate, 1914-15.	Revised Estimate, 1914-15.
(1) Capital outlay on—			(1) From balances	4.9	2.6
(a) Railways	12.0	11.6	(2) Imperial surplus or deficit of 1914-15.	1.3	-2.7
(b) Irrigation	1.2	1.2	(3) Rupee borrowing	3.3	10.6
(c) Delhi . . . . .	.7	.4	(4) Sterling borrowing	5.9	10.9
(2) Repayment of India Bonds, &c. .	.7	.6	(5) Unfunded debt	1.8	-5.1
(3) Outlay from Provincial balances	3.2	2.2	(6) Famine insurance allotment and minor items.	.7	-.2
(4) Local loans account, Imperial and Provincial . . . . .	.1	.1			
Total	17.9	16.1	Total	17.9	16.1

37. Special reference is invited to items (3) and (4) under 'Assets,' which show that our total borrowings at home and in India have amounted to £12¼ million more than our budget provided for. This completely covers the shortage of funds which we had to meet, and leaves us, for the time being, as I show directly, with very strong cash balances.

In England, the Secretary of State has raised £7 million by India bills in lieu of obtaining about £4½ million by a permanent issue of stock as provided for in the Budget; and has increased by over £2½ million the borrowings through companies which he originally contemplated. In India, besides raising our five-crore loan before the war broke out, we have taken advantage of a spontaneous offer by His Highness the Maharaja Scindia to place 50 lakhs (£½ million) at our disposal, and for the rest of our borrowings, namely £7 million, have fallen back upon the Gold Standard Reserve, in which we now hold a large and otherwise unemployed sum of

INTRODUCING THE FINANCIAL STATEMENT FOR 1915-16. 13

money through the sale of reverse bills and telegraphic transfers, to which I have already referred. Our advances from this source at one time reached a maximum of £8 million. Subsequently £1 million has been paid back, and a further repayment could have been made had we only the requirements of the current year in view.

33. In any case, however, we have many reasons, in conditions like the present to maintain our balances at a high level. Our resources have to be widely dispersed in order to keep treasuries and savings banks well supplied with funds, so as to meet the claims of depositors or demands for encashment of currency notes, without delay or embarrassment. We desire, too, as I have already said, to avoid as far as possible curtailment of our deposits with the Presidency Banks in view of possible trade conditions. We have also been obliged to spend large sums on account of His Majesty's Government in connection with the expeditionary forces, and war requirements generally, sometime before the outlay could be recovered. Our aggregate cash balances in India and England are consequently now expected to stand at about £21 million on 31st March 1915, as against the budget anticipation of £17½ million and the £16½ million which is usually accepted as our normal requirement. As I shall show later on, the excess of some £4¾ million over the latter sum will be fully required next year.

Budget Estimate of Revenue and Expenditure for 1915-16.

39. I now turn to the Budget figures for 1915-16. The general results are exhibited in the statement below:—

[In millions of £.]

	Revised, 1914-15.			Budget, 1915-16.		
	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.
Revenue	49·927	30·229	80·156	49·655	30·692	80·347
Expenditure	52·669	32·446	85·115	52·425	31·755	84·180
Deficit (—)	—2·742	—2·217	—4·959	—2·770	—1·063	—3·833

40. It will be seen that we estimate for a deficit on the Imperial side amounting to about £2·8 million, and that Local Governments are being permitted to draw on their balances to the extent of £1 million. The aggregate excess of expenditure over revenue on the combined Imperial and Provincial account is thus about £3·8 million, against £5 million in the current year. As already stated, our Budget is based on the assumption that war will continue throughout the year, and on this hypothesis, we must allow for a deterioration of revenue extending over twelve months, as compared with the eight months of war conditions experienced in the current year. On the other hand, we may fairly assume that there will be some recovery—of which indeed there are already signs—from the general dislocation of trade which was specially acute in the opening stages of the war; and also, in view of present agricultural prospects, that, apart from the war, the position under such heads as Land Revenue will be better in certain provinces than it has been in the present year. On the whole, therefore, so far as present indications point, we need not anticipate that the eventual general results will differ widely from those of 1914-15.

Revenue—Imperial.

41. Thus, we budget for a total Imperial revenue of about £49¾ million against nearly £50 million taken in the Revised estimate for the current year. The principal further decreases occur under Customs, Salt and Railways, to which heads I shall presently refer more fully. Military receipts too will naturally suffer from the absence of so many troops. On the other hand, according to present prospects, we look, as already stated, for a large improvement under Land Revenue, of which the Imperial share will be £428,000. Under Opium, we expect a betterment of £242,000,

in the anticipation of somewhat improved prices. Our transactions will include a certain amount to be sold direct to the Government of the Straits Settlements, on terms which have now been settled by agreement for a series of years. There is no other important betterment under the principal heads of revenue, which have continued, up to a late stage of estimating, to show the effects of the depression resulting from the war. But some saving (£138,000) will be obtained on the Imperial side by the absence or diminution of certain assignments to Local Governments which appear in the Revised.

42. Under Salt, the advance payments of duty in anticipation of enhanced taxation, which have inflated the revenue of the current year as explained in paragraph 30, will tend to depress it in 1915-16, and we have taken the Budget at £315,000 less than the Revised estimate.

43. Under Customs, we anticipate a further decline of £377,000. We have, in this case, to allow definitely for the probable effect of the war on our import trade during 12 months in 1915-16, as against 8 months of the current year. The goods available for import into India are likely to be materially less than in the present year, owing to the stoppage of trade with enemy countries throughout 1915-16 and other restrictions, and also to the partial withdrawal of the industrial population in the other belligerent countries either to the fighting line or to the manufacture of stores and materiel for war purposes. The set-back to economic prosperity in India itself must also result in some reduction in the demand for imported commodities. On the other hand, the trade routes, it may be anticipated, will continue to be safe throughout 1915-16, and we may look for an appreciable revival of credit and confidence. We have not, therefore, considered it necessary to write down our revenue very heavily as compared with the Revised, except in the two special cases of silver and cotton manufactures. Under the former sub-head, we expect this year a revenue of close on £1 million. This is abnormally high even under peace conditions, and for the coming year we have assumed a yield of £ $\frac{2}{3}$ million only. Under cotton manufactures, again, we have provided for a decrease of £100,000 owing to the congestion which has prevailed in the market for some time, which will probably be accentuated in present conditions. On the other hand, in the case of the export duty on rice, we have felt able to assume a substantial improvement (£170,000) on this year's revenue. The export of Indian rice to foreign countries has been specially low this year owing partly to the cessation of supplies to enemy countries, and also to the diversion of shipments to India proper in the early months of 1914-15 as a result of the shortage of crops in Northern India. With the present favourable agricultural outlook, we may expect that this latter factor will be no longer operative.

44. Under Railways, we take the net receipts at £260,000 less than the Revised estimate, and the gross receipts at £35·3 million, or £298,000 less. Here, too, the favourable agricultural outlook, and some degree of general trade recovery, may be expected to go far to counterbalance the loss of revenue in the extra four months during which war conditions are assumed to be operative.

Working expenses are taken at £19·9 million or £159,000 more than the Revised. As I have already explained, we could not in any case have hoped that the temporary decline of our railway revenue would be accompanied by a proportionate fall in the cost of carrying the reduced traffic. But apart from that, we have found it necessary to make considerable additional provision for the improvement of the equipment of the railway lines, which was represented to us to have fallen somewhat behindhand in recent years, and to have become a pressing requirement.

With the reduced traffic, the profits payable to companies will also be less and we have provided £197,000 less on this account, thus arriving at the net reduction given above.

Revenue—Provincial.

45. The aggregate Provincial revenue is estimated at £463,000 more than the Revised. Almost the whole of this improvement is contributed by the Provincial share—£379,000—of the increase under Land Revenue to which I have already referred. Apart from this, we cannot look, under continued war conditions, to any strong recovery from the position which the revenue returns for the later months of the present year have disclosed.

Expenditure—Imperial.

46. The total Imperial expenditure for 1915-16 is estimated at about £52·4 million, being £244,000 less than the Revised. Our chief economy occurs under the Military services where we are budgeting for a reduction of £582,000. I shall revert to this branch of expenditure in a separate section of my speech, and need only say here that in the present situation we have thought it incumbent upon us to postpone all military expenditure of an ordinary kind which is not immediately required. We shall be faced with some difficult and pressing problems under this head when the war is over, but the present is not the time and occasion when they can suitably be taken up. Apart from the Military charges, the circumstances of Imperial expenditure do not offer great scope for any drastic reduction of grants. We have, however, curtailed the provision for Imperial Civil Works by some £127,000. We also save automatically (to the extent of £272,000) by the recall of officers from leave. That of course implies an additional charge in India under salaries, but this is chiefly borne by the Provincial Governments. Against these economies, we have to provide an additional £520,000 to meet the interest charges on the borrowing programme which I shall shortly lay before Council; and Opium expenditure shows a considerable increase, arising from the necessity of supplementing our supply of 'Bengal opium,' which we obtain from the Gangetic valley, by special purchases in Malwa.

The relief from Famine expenditure in 1915-16, while it eases our Budget under one head, adds to it under another, as it requires us to make a larger provision under the Famine Insurance Grant for reduction or avoidance of debt.

Expenditure—Provincial.

47. We estimate this at £31,755,000, or £691,000 less than the Revised and £2,293,000 less than the current year's Budget. As Honourable Members are aware, the fluctuations in the scale of outlay of the Provincial Governments are at present largely dependent, under the conditions established by the special grants of recent years, on the extent to which it is found possible for them to draw upon their large accumulated balances. When this year's Budget was framed, we authorised such overdrawals to the extent of £3·2 million, which has come down in the Revised, as I have already explained, to £2·2 million. We propose in the current year to allow Local Governments to draw on their balances to the extent of about £1 million only.

In present financial circumstances we might *prima facie* have been expected to require Local Governments not to draw on their balances next year at all, *i.e.*, to restrict their total expenditure to the revenue raised within the year. But as I have previously mentioned, Provincial revenues too are being affected by the war, and a restriction such as that suggested would have involved a drastic curtailment of normal standards of expenditure, besides arresting all further immediate development on education and sanitation, and interfering with the *quasi*-commitments into which Local Governments have entered in carrying out a programme of special expenditure on these objects which they had every reason to expect to be able to maintain. - We find ourselves obliged therefore to recognise the practical need of some relief in this direction. The curtailment of total outlay which will still be necessary, and in regard to which we have received the most loyal co-operation from Local Governments, has resulted, as is natural, in a large reduction (£1,070,000) in the grants for expenditure on public works. Provision is made, however, for some additional outlay under Land Revenue, Police, and some other heads.

48. We expect that with this restricted programme the aggregate Provincial balances on the 31st March 1916 will amount to £6·3 million. Of this, £2·5 million may be taken as accruing from special grants, mainly non-recurring, which have been made by the Government of India, mostly for expenditure in connection with education and sanitation.

General Results—Imperial and Provincial.

49. Reverting to the table in paragraph 39, we estimate that in 1915-16 the total revenue, Imperial and Provincial, will be £80,347,000, and the total expenditure £84,180,000, resulting in an Imperial deficit of £2,770,000 and a Provincial deficit of £1,063,000, the latter to be met by drawing on the balances to the credit of Local Governments.

Ways and Means Estimate for 1915-16.

50. This brings me to the question of the financing of our requirements in the second year of war. I will first give the main figures in millions of pounds, and then explain what they imply:—

<i>Outlay.</i>		<i>Assets.</i>	
Imperial deficit	2·8	From balances	4·5
Provincial deficit	1·0	Rupee borrowing	3·0
Capital outlay—		Sterling borrowing	6·5
Railways	8·0	Famine Insurance and miscellaneous items	·4
Irrigation	1·1		
Delhi	·3	Total	14·4
	— 9·4		
Discharge of debt	1·0		
Unfunded debt	·2		
	— 14·4		
	Total		
	14·4		
<i>Add</i> —Discharge of temporary debt raised in 1914-15	14·0	<i>Add</i> —Renewal of temporary debt raised in 1914-15	14·0
	— 28·4		— 28·4
	Grand total		Grand total
	28·4		28·4

51. We have to find funds from which to meet the Imperial deficit of the coming year and the expenditure by Local Governments in excess of the revenue which they expect to raise in the same period. £1 million of debt, mainly in connection with the purchase of the Indian Midland Railway some years ago, is also due for discharge. By way of precaution, too, we are assuming the possibility of a withdrawal of £1 million more of savings banks deposits during the coming year. This counts as a liability against Unfunded Debt. We still get, however, as in normal years, some credits under this head, more particularly the substantial deposits annually paid into the State Provident funds, so that there is a considerable set-off to the withdrawals from the savings banks for which this estimate makes provision. There remains the head of Capital outlay, under which alone it is optional to us to curtail our commitments. We are very reluctant to do this in the case of Irrigation, and are accordingly providing the entire amount (£1,100,000) which our Public Works advisers consider they can spend. In the case of Railways, however, it is inevitable that some considerable reduction should be made, and in any case, even if funds had been available, it is unlikely that, in the present circumstances of manufacturing establishments at home, anything like the £12 million provided in the current year could again be spent. We have accordingly taken the next year's programme at £8 million. In considering the adequacy of this figure—and I regard it myself as the outside sum which it would be justifiable to provide under present conditions—it must also be remembered that, as stated in paragraph 44, a specially large provision has been made, on the revenue side, for closely connected expenditure on the equipment of our present lines. In the case of Delhi, we have made a very large reduction, confining the next year's grant, as I shall explain in a later section, to a working minimum.

52. The total of these liabilities comes to about £14½ million. In addition, as the statement shows, we have to include, as pending obligations requiring to be dealt with in connection with the coming year's financial programme, the discharge of the £7 million of India bills which the Secretary of State has raised in the current year, and the repayment of our loan of the same amount from the Gold Standard Reserve. Our total obligations are thus raised to some £28½ million.

53. The first of the resources on which we can draw as against these requirements is afforded by the large cash balances with which we shall close the current year. As I have already said, owing to the loans taken from the Gold Standard Reserve, we expect these to stand on 31st March next at about £21 million. Ordinarily we regard £16½ million as a sufficient amount to hold in our treasuries in India and at home at the close of a financial year; and we thus have about £4½ million which can be regarded as available towards meeting our liabilities generally and still leave a little margin over the normal closing balances. We shall also set aside from revenue, under

the Famine Insurance Grant head, close on half a million for reduction or avoidance of debt, thus raising our assets to about £5 million. Even so, we are left, however, with some £9½ million still to find, and have also the £14 million of temporary debt still to consider. The question now is, how is this shortage to be dealt with?

No additional taxation.

54. The first method of adding to our resources which would naturally suggest itself—one, indeed, which we have very seriously considered—is to follow the lead of the mother country and impose special taxation; and I have no doubt that the majority of the members of this Council have been asking themselves for some time past what line we shall take on this question. Those who have followed my remarks on the revenue position will, however, have already had their anxiety relieved. We do not propose on this occasion to raise any money by increased taxation. We should not hesitate to do so to meet a deficiency in revenue which promised to be of a more or less abiding character. But the present circumstances are altogether peculiar. We know that, ordinarily, we can count on surpluses. India too has a very small unproductive debt; and, with trade conditions depressed, and the present abnormal rise in food prices in a large part of the country, we have come to the conclusion that we ought not to add to existing taxation unless it is absolutely necessary. We hold that this necessity has not yet arisen, since the deficits of the current and coming years are, as already stated, entirely the product of special and temporary circumstances; while, as regards ways and means, we see our way, in spite of these deficits, to financing all outlay immediately necessary. We have to bear in mind, too, in dealing with an essential point of policy like this, the possibility that an improvement of conditions, whether by the conclusion of peace or otherwise, may, after all, take place sooner than we are yet entitled to assume. When this occurs, we shall, I have no doubt, rapidly regain at any rate a large portion of the savings banks deposits which have been withdrawn from us, and may hope for improvement in other directions as well.

Borrowing programme for 1915-16.

55. I return, then—the taxation alternative being rejected—to the question of how we are to finance the needs of the coming year. In the first place, we propose to continue the loan of £7 million from the Gold Standard Reserve and leave it still outstanding on the 31st March 1916. As I have already said, the money we shall thus employ would otherwise lie inert and the proposed transaction makes no difference to our actual stock of gold or our freedom to use it in supporting exchange. It merely requires the transfer from the Gold Standard to the Paper Currency Reserve of a certain amount of the gold we should otherwise hold in the former, since the gold thus added to the Paper Currency Reserve will enable the transfer therefrom of a corresponding quantity of rupees in aid of our Treasury balances.

The Secretary of State also intends to renew in 1915-16 the £7 million of India bills which he has raised this year. This disposes of the temporary debt for the time being, but still leaves us the original £9½ million to find.

56. We propose to obtain £3 million (4½ crores) of this amount in India. We shall of course raise this by a public loan if, when the time comes, this is found to be feasible. We raised R5 crores in the current year and with great success; but that was before the war, and I fully recognise that the circumstances are now entirely different. I must therefore in any case reserve the consideration of the time and the best method of borrowing in India next year, including, that is, the terms to be offered and the character of the loan. I recognise too that the circumstances prevalent in July, when we usually float our loans, may prove to be so unpropitious that we may find it desirable to have recourse to other methods for raising either a part or the whole of this amount: for example, one alternative open to us might be to increase our borrowing from the Gold Standard Reserve.

57. In addition to the funds which we thus find in India, it is the Secretary of State's intention to raise £6½ million by fresh borrowing in England, either direct or through the agency of companies working State lines. I should add, however, as regards this, what I have already made clear as regards rupee borrowing, that this announcement is subject to the usual reservation that the amount may be varied later on if circumstances should render this advisable.

58. To sum up this examination of a complicated and difficult position, I may briefly state that we propose a reduced but still considerable Railway programme, a full standard of expenditure on Irrigation, and a minimum outlay on Delhi; while to meet our capital outlay and revenue deficits and our other various requirements, we contemplate renewing the temporary loans raised in the current year, and finding a further £9½ million by additional borrowings, whether permanent or temporary, in England or in India. We thus put ourselves in a position to finance all requirements with which, as far as we can at present see, we are likely to be confronted in the coming year, while at the same time providing for the maintenance of an adequate closing balance.

59. I have not taken into account in the above calculations the £4 million up to which the Secretary of State has permitted us to reduce the cash holdings of the Paper Currency Reserve. This money will be primarily held available for loans to banks for the encouragement of credit and trade, without reducing our Treasury balances beyond what is prudent, while if there is any remainder it ought to be treated as a special reserve against unforeseen contingencies. In a year in which there may be so many surprises, it is most desirable to have a reserve of this character.

Remarks on certain special heads.

60. I now furnish some supplementary information in regard to certain special and important heads.

A.—Military Services.

61. The table below shows the gross and net expenditure on Military Services for the coming year and the four years preceding :—

	Gross.					NET, i.e., DEDUCT- ING RECEIPTS.
	Army.	Marine.	Military Works.	Special Defences.	Total.	All Military heads.
	£	£	£	£	£	£
1911-12	19,536,546	450,728	909,657	4,706	20,901,637	19,558,580
1912-13	19,576,526	479,928	887,379	9,267	20,953,100	19,565,466
1913-14	19,789,239	512,845	947,297	16,384	21,265,765	19,896,113
1914-15 (Budget)	20,305,800	504,900	1,022,400	33,000	21,866,100	20,500,000
1914-15 (Revised)	20,277,200	484,700	1,017,000	25,500	21,802,400	20,486,700
1915-16 (Budget)	19,831,100	623,800	744,300	21,100	21,220,300	20,000,000

62. The net expenditure in the current year is expected to fall below the Budget provision framed in March last by £13,000 only, due to an anticipated decrease of £64,000 in expenditure, partly counterbalanced by a fall of £51,000 in receipts. The war has necessarily affected the Military estimates of the year in a very considerable degree. On the one hand it has led to some temporary savings in charges as a consequence of exchanges and re-arrangements of troops, of the partial suspension of the Arms Traffic operations in the Persian Gulf, and of the usual trooping service, and also with reference to diminished supply of stores from Europe. *Per contra*, extra expenditure had to be incurred for the protection of India and in connection with the internment of citizens of hostile countries; the prices of food supplies throughout the year show an increase; and the receipts from payment-issues of clothing, provisions, etc., have fallen below the normal standard.

63. For the coming year the net Military expenditure has been fixed at £20 million, or £487,000 lower than the Revised, and £500,000 less than the Budget provision of the present year. In consequence of the war, expenditure is being restricted to what is considered essential for the maintenance of efficiency and the protection of the country, while a further fall in receipts must be anticipated and has been taken into account. Provision has been made for a continuance of work

on certain Royal Indian Marine vessels now on order, for the improvement of the accommodation of Indian combatants and non-combatants, and for progress with the new cantonment of Delhi. A considerable amount of expenditure usually incurred on trooping and the prevention of gun running on our borders temporarily disappears. The trend of food prices, however, continues upward, and this has been provided for by a 5 per cent. increase on the Budget provision of 1914-15 on this account.

64. The figures given above do not include very considerable expenditure which is being undertaken on behalf of the Imperial Government, in the matter of the supply of munitions of war and other stores to the forces of the Empire engaged in active operations, since such outlay is made good to us by His Majesty's Government.

They do, however, include—and I desire to lay special emphasis on this fact—the sums which, under arrangements with His Majesty's Government, initiated by a Resolution brought forward in this Council last autumn, India contributes towards the cost of the war, that is the portion of the total expenditure incurred on the expeditionary forces despatched from this country which she would have had to defray had they remained in India under peace conditions. These arrangements, I may remind the Council, have received constitutional ratification by Resolutions passed in both Houses of Parliament. Your Excellency, speaking in this Council on the 8th September last, mentioned that, on a rough estimate, these arrangements would cost India about £1 million during the current year. That estimate, however, was framed with reference to the expeditionary force we originally sent to Europe. The scale and the directions in which troops from India have since been utilised for the operations which the armies of the King-Emperor are carrying on against his enemies in various parts of the world have since been greatly enlarged; and we now anticipate, though the complicated calculations involved are still subject to further examination, that India's contribution towards the cost of the troops she has furnished will amount to £1·9 million during the current year, and to £4·8 million in 1915-16, on the assumption, which has governed our estimates throughout, that the war will continue to the end of March 1916.

65. The figures just given do not, however, represent the full measure of India's offering towards the expenses of the war. The Indian Princes who have placed their Imperial Service Troops at our disposal in connection with the expeditionary forces are also bearing the normal charges which would fall upon them in peace time, only the additional or war charges being met by His Majesty's Government. Further, some of the Princes have also made generous pecuniary contributions towards the general cost of the war; and I may make special mention here of the fact that His Highness the Maharaja of Mysore, as indicated in Your Excellency's speech to this Council on the 8th September, has given Rs50 lakhs (£333,000) in this way, while His Highness the Nizam of Hyderabad has made a contribution of Rs60 lakhs (£400,000). Other similar contributions bring such aggregate donations to £768,000, of which we expect that £480,000 will be paid in the current year, and the balance in 1915-16. Though these loyal and spontaneous contributions are, in the first instance, paid in to us, we have no intention of deriving any benefit therefrom. They will be passed on to His Majesty's Government by an equivalent deduction in the charges we should otherwise have to make against them in connection with special war expenditure.

B.—Famine Relief.

66. Speaking at this time last year, I said that actual famine conditions in the United Provinces were then confined to four districts and that scarcity had been declared in seven others. To the scarcity districts two were subsequently added, but the afflicted area has fortunately been much less than we at one time feared, and, although the calamity has been a severe one, special measures were only found necessary in an area of about 20,000 square miles with a population of nearly 7½ millions.

The number on relief of all kinds reached a maximum of 219,000 at the end of May, but with the advent of the monsoon the number fell rapidly and operations were finally closed down in October. The March rains and a good monsoon helped matters, but, apart from this, distress was confined within comparatively narrow limits not only by the manner in which relief was distributed, by fodder concessions, by liberal *takavi*, and by the suspension and remission of revenue; but also, we are

told by Sir James Meston, by the remarkable capacity which the people themselves have shewn in facing their troubles without direct measures of famine relief. This he ascribes not merely to a succession of excellent seasons, but to a widespread confidence, based on experience, that Government will come to their aid when real necessity arises, and to a stronger power of resistance, due to something more than purely temporary causes, among nearly all classes of the people.

I need not refer to the affected areas in other parts of India, as nowhere was distress anything like so widespread or severe as in the United Provinces.

67. The Budget estimates for the current year provided for an outlay of £299,000 on famine relief, mainly in the United Provinces: the probable expenditure is still estimated at £290,000 of which £106,000 will be borne by Provincial revenues and the balance of £184,000 will fall on Imperial. Agricultural prospects in the areas which were affected by famine are now very satisfactory, and as the estimates for next year are as usual framed on the assumption of a normal monsoon, no outlay on relief is anticipated in that year apart from some small expenditure (about £7,000) in adjustment of this year's accounts.

68. I explained in paragraph 41 of my speech introducing the last Financial Statement that the amount available from the Famine Insurance Grant of £1 million for the reduction or avoidance of debt, after providing for an expenditure of £500,000 on protective works, varies with the actual outlay on famine relief in each year. The amount available for that purpose is estimated at £210,000 in the current year and £493,000 in the next, of which £15,000 and £328,000 respectively, will be charged in the Imperial section.

69. In paragraph 42 of the same speech, I referred to the system of Provincial famine credits, and in a debate in this Council on the 7th March 1914, I promised that I would consider the possibility of modification in the application of this as between the various Provinces. I have fulfilled that promise and, as the result of the investigation made, we have put suggestions to the Local Governments for the simplification of what is now a very complicated system. After full consideration of their replies we shall decide on the precise action which may be necessary and refer the matter to the Secretary of State.

C.—Expenditure from Special Grants, Education, Medical, etc.

70. I went into this matter fully last year, and on the present occasion I need only give a table similar to that exhibited in paragraph 46 of my last year's speech:—

[In thousands of £]

	TOTAL GRANTS GIVEN (1911-12 to 1915-16).		TOTAL EXPENDITURE INCURRED* (1911-12 to 1915-16).	BALANCE EXPECTED TO BE AVAILABLE ON 1st APRIL 1916.
	Recurring.	Non-recurring.	Non-recurring.	Non-recurring.
(1) Education	763	3,166	2,078	1,088
(2) Sanitation	245	1,723	1,112	611
(3) Medical relief, etc. . . . .	...	58	53	5
(4) Agriculture, etc. . . . .	...	177	166	11
(5) Grants for other special purposes . . . . .	...	1,545	1,416	129
(6) Grants for general purposes—(Discretionary grants) . . . . .	...	667	88	279
TOTAL	1,008	7,336	5,213	2,123
<i>Add—Savings on recurring grants during foregoing period (about)</i>				395
Total amount expected to be available from special grants on the 1st April 1916				2,518

* Non-recurring figures only are given, as the recurring grants are treated as having been fully worked up to, any savings obtained from those grants in particular years being added at the foot of the statement.

The large balance still in hand is in considerable measure due to the fact that, as already stated, we have found it necessary, in existing circumstances, to debar Local Governments from drawing on their balances with us during the coming year beyond an aggregate amount of about £1 million.

D.—Financial position of the Provinces.

71. The new form of Statement D, to which I have already referred in paragraph 22, exhibits the general financial condition of the Provinces so fully that I need not make any explanatory comment. But it is desirable to say, with reference to the concluding remarks in paragraph 49 of my last year's speech, that we have decided, with the concurrence of the Local Governments concerned, to extend for the present the temporary financial settlements with Bengal, Bihar and Orissa and Assam, which would normally have been put on a permanent basis from the 1st April next. The reason is, of course, that the present time is not an opportune one for dealing with permanent settlements, which can be much more safely framed when the Government of India are in a normal financial condition.

72. We have, however, made a modification in the Burma settlement. I mentioned in paragraph 24 of my last year's speech that we had under consideration a proposal to make some addition to the resources of the Burma Government, and that we had in the meantime given them a non-recurring grant of £100,000. We have now decided, with the approval of the Secretary of State, to make this grant a recurring one, since it was found, on careful examination of the calculations upon which the existing financial settlement with Burma was concluded, that the method adopted was not so favourable to the Local Government as was the case in the permanent settlements concluded about the same time with other provinces. Our present grant is to afford redress in this respect and, as I indicated last year, implies no departure from the general principles upon which our permanent settlements with the provinces are based.

73. Lastly, I may say that we have effected an arrangement with the Punjab Government by which that Government hands over to us a crore of rupees from its very large balances (which have been obtained in great measure by non-recurring receipts from the sale of Government lands) in exchange for a fixed assignment of ₹3½ lakhs per annum. It will be realised, of course, that, as the Provincial balances form part of our general resources, this arrangement does not put an additional crore of rupees into our pockets, but merely saves us from being drawn on to that extent at some subsequent date.

E.—Railways (Capital Outlay).

74. The following statement gives the figures of railway capital expenditure on State-owned lines included within the Railway programme for the coming year and the four years preceding:—

	1911-12.	1912-13.	1913-14.	1914-15 (Revised).	1915-16 (Budget).*
Open lines including rolling stock	£ 5,058,390	£ 7,134,200	£ 10,303,100	£ 10,372,700	£ 6,947,000
Lines under construction—					
(a) Started in previous years	2,403,853	2,658,700	1,871,500	1,259,700	719,700
(b) Started in current year	452,150	103,200	131,700	...	333,300
	7,914,393	9,896,100	12,306,300	11,632,400	8,000,000

As I have already explained, the financial position necessarily requires a material curtailment of the Railway programme for 1915-16 as compared with the figures reached in the three preceding years. The greater part of the money included within the reduced programme is as usual devoted to the improvement of open lines and rolling stock.

75. As regards railways under construction, the Lower Ganges Bridge, which has for the past few years made so heavy a call upon our resources, will be opened

for traffic in a few days, and the outlay required for its final completion is very small. The Itarsi-Nagpur Railway is not yet completed, and we propose to spend £333,000 on this important project in order that, if possible, it may be opened to public traffic before the close of the next financial year. The only other important lines still under construction are the Burdwan-Howrah Chord, and the scheme for an overhead connection of the Great Indian Peninsula Railway in Bombay with its Harbour branch. These are both equivalent to works of open line improvement, since they are primarily designed for the relief of traffic on existing routes, and we propose to allot funds which will permit of a full rate of progress being maintained throughout the year.

We have also reserved funds for several new projects. Among these, the Vishnupur-Santragachi Chord is, like the Burdwan-Howrah, primarily intended for the relief of the existing lines between the coal-fields and Calcutta. The Dholka-Dhanduka Railway, again, is a project for which we made provision in our programme of the current year, but the commencement of which had for unavoidable reasons to be deferred. Provision is also made for the last section of the Southern Shan States Railway. The construction of this important pioneer line has been completed up to the plateau which divides the Inle valley from the rest of Burma, and it was at one time proposed that the construction of the remaining section, between the plateau and the Inle lake, should be temporarily deferred. It has been represented, however, that the further development of the Southern Shan States will be seriously hampered if this extension is not carried out at once, and the matter is now being taken up.

76. We are thus still able to provide for an appreciable amount of railway extension at the cost of Imperial funds; while the progress of construction by the agency of private enterprise and District Boards, though retarded by the war, will not by any means be stopped. Last year I informed the Council that in 1913-14 seven different undertakings, with an intended mileage of 292, had been sanctioned for construction, either under branch line terms or as feeder lines financed by District Boards in Madras, and, but for the war, there would doubtless, as I anticipated then, have been at least as good progress this year, for in its first six months branch line companies had been successfully floated for the construction of 172 miles of railway. Since then, in spite of the war, the capital required for three branch lines of railway, involving a mileage of 62, has been successfully raised, while several District Board projects are likely to mature in the near future.

77. The following figures show the capital outlay on all State lines up to the end of each year from 1911-12 and the net return obtained after deducting working expenses and interest charges:—

[In thousands of £]

	1911-12.	1912-13.	1913-14.	1914-15.	1915-16.
Capital at charge at end of each year .	331,247	340,103	351,302	361,756	368,513
Net working profit from railways excluding interest charges.	15,813	17,272	17,616	15,102	14,774
Percentage of net work; profit to capital outlay.	4.77	5.08	5.01	4.18	4.01
Net working profit from railways after meeting interest charges.	3,788	4,803	4,790	1,914	1,179
Percentage to capital outlay of net profits after meeting interest charges.	1.14	1.41	1.36	.53	.32

78. I have amplified the statement, as compared with the information given last year, so as to discriminate the profits obtained before meeting interest charges from those finally arrived at by the inclusion of the interest burden. I may explain too that the capital outlay now shown represents the amount which it has actually cost Government to acquire and construct its railways, including the portion of the liability in connection with purchased lines which remains to be discharged by the

operation of annuity and sinking fund payments. In the case of purchased railways, it has hitherto been the practice to show in the capital outlay the capital issued by the companies before purchase instead of the sums which it has cost Government to acquire the lines. The latter figures are what we are concerned with in working out the profit we obtain from State outlay, and I have substituted them for the capital issued by the companies in arriving at the figures shown in the foregoing table. I have also deferred to an occasional criticism of our figures by deducting debt which has been extinguished by the operation of annuity and sinking fund payments.

79. The final net profit on railways was estimated in the current year's budget at 1.14 per cent. of the capital on the method then adopted, and would have been 1.08 per cent. on the altered basis above explained. We now estimate it at only 0.53 per cent. this year and 0.32 next, the result, of course, of the falling off in net railway earnings which I have already dealt with in my review of the revenue estimates. It must, however, be remembered that, as I said last year, the foregoing figures include some capital outlay on protective railways, and also that, in accordance with the instructions of the Secretary of State, the interest charges include certain annuity and sinking fund payments which really go to the discharge of debt.

F.—Irrigation (Capital outlay).

80. The financial position of our great irrigation undertakings may be gathered from the following table, which brings up to date the information given in previous Financial Statements. The figures are in thousands of pounds.

Particulars.	1911-12.	1912-13.	1913-14.	1914-15. (Revised.)	1915-16. (Budget.)
1	2	3	4	5	6
<i>Productive Works.</i>					
Capital outlay to end of each year	31,929	33,347	34,645	35,823	36,931
Total receipts, including land revenue due to irrigation	3,662	4,065	4,338	4,339	4,397
Total expenses, including interest on debt	2,163	2,263	2,306	2,391	2,438
Net profit	1,499	1,802	2,032	1,948	1,959
Percentage of net profit to capital outlay	4.70	5.40	5.87	5.44	5.30
<i>Protective Works.</i>					
Capital outlay to end of each year	3,804	4,205	4,796	5,354	5,840
Total receipts, including land revenue due to irrigation	71	81	112	102	115
Total expenses, including interest on debt	165	188	213	239	257
Net loss	94	107	101	137	142
Percentage of net loss to capital outlay	2.48	2.55	2.10	2.56	2.43
<i>Minor Works and Navigation.</i>					
Direct receipts	247	266	263	273	283
Expenditure	836	842	914	1,021	949
Net loss	589	576	651	748	666

81. Taking productive, protective and minor works together, on the 31st March last, 61,864 miles of main and branch canals and distributaries had been constructed, which will, it is expected, be increased to 62,901 miles by the end of the current year. They commanded an area of more than 50 million acres of culturable land, of which more than 24 millions were irrigated in 1913-14, and an almost equal area during the current financial year.

82. In addition to the canals in use, there are 41 major projects which are either under construction, awaiting sanction, or being examined by the professional advisers of Government. Of these, 20 are productive and 21 protective; they are designed to irrigate about $9\frac{1}{2}$ million acres at an aggregate cost exceeding £39 million.

83. No new works of any magnitude were sanctioned during the current year, but a large project of the protective class, known as the Gokak extension scheme, is awaiting the orders of the Secretary of State. This work is estimated to cost about £1.3 million. It will irrigate some 132,000 acres in parts of the Belgaum and Bijapur districts of the Bombay Presidency, including Kolhapur and certain adjacent native states.

84. None of the large projects mentioned in paragraph 73 of my speech last year have progressed to a stage at which they can be put up for sanction. The Sukkur Barrage scheme is undergoing fresh investigation, and the questions involved in the Cauvery scheme are not yet fully settled. The Kistna, Sarda, and Sutlej Valley projects are being investigated by the Local Governments concerned, while the Koch dam scheme is now before the Government of India.

85. The Triple Canal project in the Punjab is the most important work at present under construction. Of the three canals constituting this great work, the Upper Chenab and Lower Bari Doab, although not yet finished, are actually in use and are serving considerable areas of *kharif* crops. Extensive *rabi* irrigation will not be possible until a sufficiency of water becomes available in the cold weather, through the opening of the Upper Jhelum canal, the third link in the chain. This canal was expected to be in operation last autumn, but owing to damage to the head works caused by an unfortunate flood which occurred early in 1914, it has been necessary to postpone its opening till October 1915.

Arrangements are now in progress for colonising the extensive waste land commanded by the Lower Bari Doab canal, and already some auction sales have taken place. In the North-West Frontier Province the Upper Swat canal was opened for irrigation in April 1914, and in the Central Provinces the Mahanadi canal has begun supply for irrigation. While numerous tank works exist in this province, this is the first canal system to be constructed there. Good progress has also been made on the Wainganga canal and the Tendula reservoir.

86. In the United Provinces, progress is being made with the construction of permanent head works for the Ganges canal at Hardwar, a measure which will greatly increase the efficiency of that system.

In the Bombay Deccan, two important protective works, the Pravara and Godavari canals, are nearing completion, while the Tribeni canal in Bihar and Orissa has been completed.

G.—Delhi expenditure.

87. The expenditure under the capital head, "51—Initial expenditure on the new Capital," during the current year will, according to present expectations, amount to £363,000 as compared with the budget provision of £666,000. As I said last year, the exact degree of progress to be expected in work immediately connected with the intended buildings could not be settled with any precision until the project estimate had been fully considered and eventually sanctioned. If the somewhat conjectural budget estimate has thus proved to be unduly sanguine, the cause is to be found mainly in the care which has been exercised in considering the various main projects before expenditure was incurred. Thus, in the case of the irrigation scheme for the new city, it was decided to consider several alternative methods of solving the problem before setting work in hand, and the allotment for irrigation works thus remained unutilised. Similarly, work cannot safely be commenced on the larger sanitary projects, such as water supply and sewerage, until the detailed plans and estimates have been prepared and sanctioned, and much of the time of the Delhi Committee's staff has been occupied in work of this kind. Moreover, in

view of the outbreak of war, we have welcomed a slower rate of progress than was originally contemplated. The lapse which has occurred is a useful addition to our general resources, and the avoidance of large commitments in the current year has facilitated the curtailment of the grant in 1915-16, to which I shall shortly refer.

88. As regards work done in the current year, the preliminary task of preparing the site by filling up depressions and removing excrescences has been vigorously prosecuted, and is now well on towards completion. Nearly a third of the works expenditure has been absorbed in this and other preliminary work. More than a third, again, was incurred on the purchase and erection of the machinery and plant required for construction purposes, and the scheme for the supply of electric power for these purposes is now completed and in operation, while some 28 miles of construction light railway have been laid. The Committee have also completed construction roads on the alignment of the future permanent roads. Work has been started on the foundations and basements of the Secretariat, and 6 houses for gazetted officers and over 200 for clerks are already in course of erection. There has also been some small expenditure on the acquisition of further land.

In the special circumstances of the present time, we have thought it desirable to reduce the grant for the coming year to a minimum. The Budget accordingly includes a provision of £267,000 only, which will suffice to carry on, in some degree, the work already in progress, and so obviate the deterioration of material and the disbanding of establishments.

89. In accordance with the undertaking given by the Government of India on previous occasions, a *pro formâ* account of expenditure on Delhi and the Delhi province is published in an appendix to the Financial Secretary's memorandum, together with a prefatory note explaining its scope and the relation between it and our regular accounts. As Honourable Members will see from the prefatory note, the form in which the Delhi accounts are now published was approved by the Comptroller General before its submission to the Secretary of State, who has telegraphed his general acceptance of the proposals put to him in this connection.

Cash Balances, Secretary of State's Council Drawings and Exchange.

90. I have dealt with these matters in a previous portion of my speech and need only remind the Council of the following facts:—

(1) We budgeted this year for an aggregate closing cash balance of £17½ million, *viz.*, £12·4 million in India and £4·9 million in England. We now expect the total balance to be a little over £21 million, *viz.*, £13·8 million in India and £7·4 million in England.

(2) We estimate that the coming year will close with a practically normal cash balance of about £16½ million, *viz.*, about £12½ million in India and about £4 million in England.

(3) The Secretary of State's drawings were estimated in the current year's Budget at £20 million. For reasons already explained, it is now estimated that he will only have drawn £6·9* million against Treasury balances, while on the other hand we shall have sold £8·7 million of reverse bills and telegraphic transfers. The Secretary of State will, however, have obtained further resources amounting to £8·7 million by recovery from the War Office of sums expended in India on behalf of His Majesty's Government, besides a sum of £1·6 million by transfer from the Paper Currency Reserve in London and by gold remittances.

91. Postulating the continuance of war conditions, we estimate for the present that the amount up to which the Secretary of State will require to draw in the coming year will be £7·7 million only, since he will also be able to finance himself to the extent of £8·4 million by recoveries from the War Office of the character mentioned above, and the Home charges will be less than usual owing to the reduced Railway programme. As usual these announcements are merely provisional, and full discretion is retained to vary the amounts in such a manner as may be found advisable.

92. The average rate of exchange during the present year, calculated on the Secretary of State's drawings, is taken at 16·017 pence per rupee.

* Besides £600,000 on account of the Gold Standard Reserve—*vide* footnote to paragraph 10 *supra*.

Currency and Coinage.

93. I have dealt so fully with questions of exchange and currency in the earlier part of my speech that I need not now dwell on the subject at any length. I must, however, refer to the final Report of the Royal Commission on Indian Finance and Currency, which had not been received at the time I presented the Financial Statement of the current year. We have welcomed it as a pronouncement of the highest interest and value, and as affording ample vindication of the general policy of the Government of India in matters of finance and currency in past years. I do not enlarge on the particular recommendations made as they are still *sub judice*. Last summer we referred them for the opinions of Local Governments and representative commercial institutions, but meanwhile war broke out, and, acting upon a suggestion which some of the authorities consulted themselves put to us, we told them that the expression of their views might be deferred until normal conditions had been restored, so that both they and we might bring to bear upon these questions the valuable practical experience which would meanwhile have been gained from the present crisis. Provisionally, however, and without prejudice to the final settlement, we have adopted two of the Commission's proposals by replacing the silver previously held in the Gold Standard Reserve in India by gold, and by taking power to increase the fiduciary portion of the Paper Currency Reserve by £4 million.

We have also, as I have already said, given a public and unqualified assurance of our determination to support exchange by all the means in our power, thus adopting a third and very important recommendation with an emphasis that gives it definite finality.

94. Before the war broke out, we also had under our consideration certain questions connected with the paper currency, the two most important being, perhaps, first, a radical improvement in the form and design of our currency notes—a matter which we have now had to set aside for a time owing to the crisis; and, second, the adoption of measures to facilitate the encashment of notes and so extend their use. As regards this latter question, the war crisis, instead of being a stumbling block, appears to be likely to hasten a solution. In the period of general apprehension and incipient panic which immediately followed the outbreak of war, we regarded it as our foremost duty to secure the unimpeded encashment of our notes in every practicable way; and I think we have had our reward in the confidence which this policy has gained for us. It will be our object, as far as is feasible, to maintain, as a permanent measure, the facilities which we have granted in this period of emergency, and gradually to improve and develop our administrative arrangements with this end in view.

95. As regards gold, our existing stock has naturally, in the conditions of the present year, not been augmented to any material extent from outside, and the net private imports of sovereigns and half-sovereigns in the present year are, so far, but little in excess of £ $\frac{3}{4}$ million. As, however, I have already stated, we now hold in India a large stock, namely £10 million, which we are in a position to use for the support of exchange, should circumstances at any time require this.

There has also of course been no further rupee coinage, and the growth of the Gold Standard Reserve has thus been limited to the amounts obtained as interest on the invested portion. On the other hand, the value of the securities held in the Reserve has been written down with reference to the market prices ruling at the beginning of January. The total amount at credit, in England and India combined, thus stood on the 31st January last at £25·6 million. The sale of sterling bills to the extent of about £8 $\frac{3}{4}$ million has of course implied a transfer of that amount from the Reserve in England to that in India. But the Home balance, which amounts, at the present valuation, to about £13 million of gold and sterling securities, is still strong, and can be supplemented, if occasion requires, by the shipment of our gold from India. Meanwhile exchange has gone above par, and for several weeks past the demand for reverse drafts has wholly ceased.

Public Debt of India.

96. I should like, in drawing to the conclusion of this speech, to add a few words on the question of India's financial preparedness for war. I said at the outset that our system here has been subjected to a supreme test. If we win our way through

this crisis without drawing upon other resources and other credit than our own, our success will be due to the wise dispositions and the financial self-denial in the past which have built up for India a position of quite exceptional strength. With our restricted money markets here, we stand in need of exceptionally large liquid resources immediately available, and these we possess in our Treasury balances, our Paper Currency Reserve, and our Gold Standard Reserve, the combined efficiency of which is much enhanced by the elasticity of our system, under which, in periods of emergency, one reserve can freely assist another. But more important still is the credit which India has established, through good and evil times alike, by restricting her outlay to her available means, and so avoiding the accumulation of wasteful debt. Almost the whole of her debt today represents productive outlay, normally yielding a return far in excess of the interest which she has to pay on the amount borrowed; sufficient indeed to cover also the interest on the small margin of debt which can be described as unproductive, and still to leave an ample margin. She is thus entirely exempt from the dead weight of interest charges which hamper the finances of most Western countries, and will hamper them to a vastly increased extent by the time this war is finished.

97. The subject was discussed by my predecessor in introducing his Financial Statement for 1909-10. In present circumstances it possesses, I think, a special interest and relevance, and I have thought it worth while to bring up-to-date and present again the figures which he then gave:—

[In millions of £]

	Ordinary debt.	PRODUCTIVE PUBLIC WORKS DEBT.			Grand total of debt (columns 1 and 4.)
		Railways.	Irrigation.	TOTAL.	
	1	2	3	4	5
On 31st March—					
1888	73·0	59·2	17·3	76·5	149·5
1893	65·0	91·0	19·3	110·3	175·3
1898	70·0	106·0	21·7	127·7	197·7
1903	59·1	128·1	24·8	152·9	212·0
1908	87·4	177·7	29·9	207·6	245·0
1913	25·0	211·8	37·6	249·4	274·4
1914	12·8	222·0	39·4	261·4	274·2*

I may explain that for the purpose of these figures rupees have been uniformly converted into pounds sterling at the rate of R15 to the pound.†

98. It will be seen that out of a total debt of £274 million at the end of March last, only about £13 million represented ordinary or unproductive debt. The annual interest on the latter was £½ million only, and on the productive debt about £8½ million, so that our total interest charges amounted to some £9½ million. Railways and Irrigation works in the same year (1913-14) yielded us a return of £15½ million. Thus we still had left some £6 million of clear revenue from our great capital undertakings, after meeting the interest charges on our entire public debt.

99. These figures refer, of course, only to our permanent or funded debt. We have also a certain amount of unfunded debt and other floating liabilities representing savings banks deposits, deposits of State provident funds, balances of local bodies, and so forth, which amounted at the end of 1913-14, to about £33½ million. On the

* The reduction of total debt here shown is due to the discharge of debt (India bonds and debentures of purchased railways) exceeding the rupee loan of the year (£2 million). There was no issue of India stock in 1913-14.
 † I mention this, as, in the Finance and Revenue Statistics of British India, the compiler, prior to the year 1899-1900, obtained his sterling figures by conversion of rupees at the rate of R10 to the pound, and thus introduced some superficially confusing results.

other hand, we had due to us on the same date a considerable body of loans given to agriculturists, local bodies, etc., which at the end of 1913-14 aggregated £12 $\frac{3}{4}$ million. Our indebtedness outside our regular loans was thus represented by a net figure of £20 $\frac{1}{2}$ million—a sum which may properly be included in the reckoning, but does not materially affect the broad results already brought out.

100. This then represents the position which India's debt account had attained at the moment when normal conditions were interrupted by the outbreak of war. It is because this position was so strong that we can view without undue disquiet some considerable temporary addition to our debt. It has also to be remembered that, in so far as the borrowings of the war period have been necessitated by the repayment of our savings banks depositors, they represent a discharge of unfunded debt, and these two sets of transactions, namely the drain on the savings banks and the corresponding borrowings, leave our debt position unaltered.

101. While, however, our general position is one on which we may congratulate, I will not say ourselves, but at any rate our predecessors, we must be careful not to allow it to be impaired too readily even by an extraordinary emergency such as this. For this reason, we have had, reluctantly, to reduce to some extent the provision for material and social development on which, in a succession of prosperous years, India has grown accustomed to rely. We have not proposed additional taxation to make good deficits which, we hope, will prove to be temporary only. But, as I have already said, we should not hesitate to do so, if it appeared later that our permanent revenue position was seriously threatened. We must also remember that when the war is ended some of its effects may endure for some time to come, and in particular, that we shall then have to face the question of dealing with the temporary debt which we are now accumulating.

102. In conclusion, I must express my acknowledgments to the officers of the Finance Department for the way in which they have dealt, in their various spheres, with a set of new and difficult conditions, which in many cases have added materially to their work and anxieties. I am deeply indebted to their loyal and efficient aid.

W. S. MEYER.

Delhi, March 2nd, 1915.

FINANCIAL STATEMENT

OF THE

GOVERNMENT OF INDIA

MARCH 1915

ACCOUNTS	1913-14
REVISED ESTIMATES	1914-15
BUDGET ESTIMATES	1915-16

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FINANCIAL STATEMENT OF THE

I.—General Statement of the Revenue, and Expenditure charged to

	For details, vide State- ment.	Accounts, 1913-1914.	Budget Estimate, 1914-1915.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.
		£	£	£	£
Revenue—					
Principal Heads of Revenue—					
Land Revenue	A	21,391,575	21,674,100	21,243,000	22,049,600
Opium	"	1,624,878	1,839,100	1,556,100	1,798,000
Salt	"	3,445,305	3,436,900	3,697,300	3,382,100
Stamps	"	5,318,293	5,371,600	5,031,900	5,107,100
Excise	"	8,894,300	9,161,900	8,765,800	8,790,300
Customs	"	7,558,220	7,236,800	6,319,500	5,943,000
Other Heads	"	5,496,175	5,337,300	5,150,400	5,151,000
TOTAL PRINCIPAL HEADS . . . . .	...	53,728,746	54,057,700	51,764,000	52,221,100
Interest	A	1,352,119	1,376,000	1,008,300	1,057,100
Posts and Telegraphs	"	3,598,519	3,732,400	3,519,300	3,579,200
Mint	"	332,841	249,800	57,900	71,300
Receipts by Civil Departments	"	1,408,286	1,437,300	1,483,500	1,534,000
Miscellaneous	"	772,579	731,700	759,600	583,200
Railways: Net Receipts	"	17,625,634	17,329,700	15,268,300	15,029,300
Irrigation	"	4,713,159	4,559,300	4,713,300	4,795,300
Other Public Works	"	298,640	239,400	266,400	256,100
Military Receipts	"	1,369,652	1,366,100	1,315,700	1,220,300
TOTAL REVENUE . . . . .	...	85,207,175	85,079,400	80,156,300	80,346,900
DEFICIT . . . . .	...	...	...	2,741,600	2,770,300
TOTAL . . . . .	...	85,207,175	85,079,400	82,897,900	83,117,200

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

	For details, vide Statement.	Accounts, 1913-1914.	Budget Estimate, 1914-1915.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.
		£	£	£	£
Expenditure—					
Direct Demands on the Revenues	B	9,274,597	9,341,000	9,018,600	9,539,300
Interest	"	1,515,653	1,607,800	1,480,900	1,465,600
Posts and Telegraphs	"	3,272,984	3,350,000	3,290,100	3,294,400
Mint	"	132,630	104,300	139,400	102,000
Salaries and Expenses of Civil Departments	"	17,934,199	19,793,000	18,890,700	19,130,100
Miscellaneous Civil Charges	"	5,403,804	5,449,700	5,322,500	5,108,400
Famine Relief and Insurance	"	1,000,000	1,000,000	1,000,000	1,000,000
Railways: Interest and Miscellaneous Charges	"	12,836,101	13,409,000	13,354,700	13,850,000
Irrigation	"	3,531,867	3,651,400	3,729,000	3,650,800
Other Public Works	"	7,010,038	7,456,500	7,016,200	5,818,900
Military Services	"	21,265,765	21,866,100	21,802,400	21,220,300
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL . . . . .	...	83,177,638	87,028,800	85,114,500	84,179,800
<i>Add—Provincial Surpluses: that is, portion of allotments to Provincial Governments not spent by them in the year.</i>	End of B	325,692	...	...	...
<i>Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial Balances.</i>	"	608,578	3,205,900	2,216,600	1,062,600
TOTAL EXPENDITURE CHARGED TO REVENUE . . . . .	...	82,894,752	83,822,900	82,897,900	83,117,200
SURPLUS . . . . .	...	2,312,423	-1,256,500	...	...
TOTAL . . . . .	...	85,207,175	85,079,400	82,897,900	83,117,200

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

FINANCIAL STATEMENT OF THE
II.—General Statement of the Receipts and Disbursements of the

	For details, vide Statement.	RECEIPTS.			
		Accounts, 1913-1914.	Budget Estimate, 1914-1915.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.
		£	£	£	£
Surplus	C	2,312,423	1,256,500	...	...
Railway, Irrigation and other Capital not charged to Revenue—					
Capital raised through Companies towards outlay on State Railways	"	34,667	816,600	2,367,500	6,533,300
Capital contributed by Native States towards construction of State Railways	"	200,000	66,700	66,700	66,700
Capital raised and deposited by Railway Companies (net)	"	4,717,480	888,100	2,044,000	320,600
Debt, Deposits, and Advances—					
Permanent Debt (net incurred)	C	118,200	7,274,600	2,727,200	2,008,700
Temporary Debt (net incurred) . . . . .	"	...	...	14,333,300	...
Unfunded Debt (net incurred)	"	2,201,970	1,772,100	...	...
Deposits and Advances (net)	"	67,762	...	...	...
Loans and Advances by Imperial Government (net Repayments)	"	213,183	...	...	...
Loans and Advances by Provincial Governments (net Repayments)	"	...	62,200	...	405,000
Loans to Local Boards for Railway Construction	"	7,124	7,400	7,400	7,700
Remittances (net) . . . . .	"	...	...	...	306,200
Secretary of State's Bills drawn	"	29,050,827	20,000,000	6,900,000	7,700,000
TOTAL RECEIPTS . . . . .	...	38,923,636	32,144,200	28,448,100	17,348,200
Opening Balance—India . . . . .	...	19,293,131	14,707,131	15,608,253	13,795,853
England . . . . .	...	9,789,634 ^(a)	7,457,034 ^(a)	8,157,792 ^(a)	7,391,082 ^(a)
TOTAL . . . . .	...	68,006,401	54,308,365	52,212,085	38,535,085

(a) Include balances of the Gold Standard Reserve as shown

DELHI,
FINANCE DEPARTMENT,
March 2, 1915.

R. A. GAMBLE,
Comptroller General.

Government of India, in India and in England.

	For details, vide Statement.	DISBURSEMENTS.			
		Accounts, 1913-1914.	Budget Estimate, 1914-1915.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.
		£	£	£	£
Deficit	C	...	...	2,741,800	2,770,800
Railway, Irrigation and other Capital not charged to Revenue—					
Outlay on Irrigation Works	"	1,282,262	1,200,000	1,166,400	1,100,000
Outlay on State Railways	"	10,483,200	10,472,700	10,666,800	7,620,200
Initial outlay on new Capital at Delhi	"	447,134	666,700	863,400	266,700
Outlay of Railway Companies (net)	"	2,002,303	1,865,800	1,450,700	701,200
TOTAL CAPITAL ACCOUNT DISBURSEMENTS . . . . .	...	14,214,899	14,205,000	13,647,100	9,688,100
Debt, Deposits and Advances—					
Unfunded Debt (net Discharged)	C	...	...	5,070,900	219,900
Deposits and Advances (net)	"	...	2,583,900	1,483,800	1,353,000
Loans and Advances by Imperial Government (net Advances)	"	...	238,700	4,700	153,700
Loans and Advances by Provincial Governments (net Advances)	"	797,937	...	181,600	...
Remittances (net)	"	176,823	6,200	1,088,500	...
Secretary of State's Bills paid	"	29,050,757	20,000,000	6,857,200	7,660,000
TOTAL DISBURSEMENTS . . . . .	...	44,240,416	37,033,800	31,025,200	21,850,000
Closing Balance—India . . . . .	...	15,608,253	12,378,031	13,795,353	12,542,853
England . . . . .	...	8,157,732 ^(a)	4,896,534 ^(a)	7,391,032 ^(a)	4,142,232 ^(a)
TOTAL . . . . .	...	68,006,401	54,308,365	52,212,085	38,535,085

In the notes on pages 42 and 43.

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

A.—Statement of the Revenue of

HEADS OF REVENUE	ACCOUNTS, 1913-1914.					REVISED	
	I dia.	England.	TOTAL.	DISTRIBUTION OF TOTAL BETWEEN		India.	England.
				Imperial.	Provincial.		
	£	£	£	£	£	£	£
Principal Heads of Revenue—							
I.—Land Revenue	21,391,575	...	21,391,575	10,384,600	11,006,975	21,243,000	...
II.—Opium	1,624,878	...	1,624,878	1,624,878	...	1,556,100	...
III.—Salt	3,445,305	...	3,445,305	3,445,305	...	3,697,300	...
IV.—Stamps	5,318,293	...	5,318,293	2,707,789	2,608,504	5,031,900	...
V.—Excise	8,894,300	...	8,894,300	2,498,383	6,395,417	8,765,800	...
VI.—Provincial Rates	180,210	...	180,210	398	179,812	37,100	...
VII.—Customs	7,558,220	...	7,558,220	7,558,220	...	6,319,500	...
VIII.—Assessed Taxes	1,950,250	...	1,950,250	1,068,870	881,380	2,008,700	...
IX.—Forest	2,229,872	...	2,229,872	74,196	2,155,676	2,005,200	...
X.—Registration	518,962	...	518,962	6,418	512,544	492,300	...
XI.—Tributes from Native States	616,881	...	616,881	616,881	...	607,100	...
TOTAL	53,728,746	...	53,728,746	29,988,438	23,740,308	51,764,000	...
XII.—Interest	1,032,754	319,365	1,352,119	1,067,516	284,603	825,800	182,500
XIII.—Posts and Telegraphs	3,593,734	4,785	3,598,519	3,598,519	...	3,509,500	9,800
XV.—Mint	339,777	64	339,841	339,841	...	57,900	...
Receipts by Civil Departments—							
XVI.—Law and Justice { Courts	373,791	...	373,791	19,220	354,571	405,600	...
Jails	288,448	...	288,448	31,236	257,212	291,700	...
XVII.—Police	130,339	...	130,339	3,909	126,430	132,200	...
XVIII.—Ports and Pilotage	153,609	...	153,609	...	153,609	135,900	...
XIX.—Education	247,905	...	247,905	5,853	242,052	258,800	...
XX.—Medical	79,712	676	80,388	1,271	79,117	86,200	700
XXIA.—Agriculture	65,897	...	65,897	8,861	57,036	65,500	...
XXIB.—Scientific and Miscellaneous Departments	66,947	962	67,909	10,473	57,436	103,000	900
TOTAL	1,406,648	1,638	1,408,286	80,823	1,327,463	1,481,900	1,600
Miscellaneous—							
XXII.—Receipts in aid of Superannuation	144,941	61,869	206,810	150,968	55,842	158,100	49,200
XXIII.—Stationery and Printing	93,416	...	93,416	41,556	51,860	95,300	...
XXIV.—Exchange	119,741	...	119,741	119,741	...	71,700	...
XXV.—Miscellaneous	311,901	40,711	352,612	154,504	198,108	368,600	13,700
TOTAL	669,999	102,580	772,579	466,769	305,810	696,700	62,900
Railways—							
XXVI.—State Railways (Gross Receipts)	37,545,905	230	37,546,135	37,537,881	8,254	35,639,300	400
Deduct :—Working Expenses	19,572,745	...	19,572,745	19,566,778	5,967	19,754,700	...
Surplus profits paid to Companies, etc.	440,857	...	440,857	440,857	...	685,700	...
Net Receipts	17,532,303	230	17,532,533	17,530,246	2,287	15,198,900	400
XXVIII.—Subsidised Companies (Government share of surplus profits and Repayment of advances of Interest)	16,331	76,770	93,101	93,101	...	21,700	47,300
TOTAL	17,548,634	77,000	17,625,634	17,623,347	2,287	15,220,600	47,700
Irrigation—							
XXIX.—Major Works : Direct Receipts	2,765,966	...	2,765,966	1,161,457	1,604,509	2,743,500	...
Portion of Land Revenue due to Irrigation	1,684,374	...	1,684,374	910,519	773,855	1,697,200	...
XXX.—Minor Works and Navigation	262,819	...	262,819	101,642	161,177	272,600	...
TOTAL	4,713,159	...	4,713,159	2,173,618	2,539,541	4,713,300	...
Other Public Works—							
XXXI.—Civil Works	298,640	...	298,640	45,920	252,720	266,400	...
Military Receipts—							
XXXII.—Army : Effective	765,604	315,027	1,080,631	1,080,631	...	710,900	320,100
Non-Effective	86,716	36,159	122,875	122,875	...	85,500	35,000
XXXIII.—Marine	852,320	351,186	1,203,506	1,203,506	...	796,400	355,100
XXXIV.—Military Works	89,542	...	89,542	89,542	...	89,200	...
	76,604	...	76,604	76,604	...	75,000	...
TOTAL	1,018,466	351,186	1,369,652	1,369,652	...	960,600	355,100
Transfers between Imperial and Provincial Revenues	...	...	...	-2,536,386	+2,536,386	...	...
TOTAL REVENUE	84,350,557	856,618	85,207,175	54,218,057	30,989,118	79,496,700	659,600

India, in India and in England.

ESTIMATE, 1914-1915.			Increase + Decrease— as compared with Budget Estimate, 1914-1915.	BUDGET ESTIMATE, 1915-1916.					Increase + Decrease— of Budget, 1915-1916, as compared with Budget Estimate, 1914-1915.	Increase + Decrease— of Budget, 1915-1916, as compared with Revised Estimate, 1914-1915.
TOTAL.	DISTRIBUTION OF TOTAL BETWEEN			India.	England.	TOTAL.	DISTRIBUTION OF TOTAL BETWEEN			
	Imperial.	Provincial.	Imperial.				Provincial.			
£	£	£	£	£	£	£	£	£	£	
21,243,000	13,368,100	10,879,900	-431,100	22,049,600	...	22,049,600	10,790,700	11,258,900	+375,500	+806,600
1,556,100	1,556,100	...	-283,000	1,798,000	...	1,798,000	1,798,000	...	-41,100	+241,900
3,697,300	3,697,300	...	+280,400	3,382,100	...	3,382,100	3,382,100	...	-54,800	-815,200
5,031,900	2,564,500	2,467,400	-339,700	5,107,100	...	5,107,100	2,602,000	2,505,100	-284,500	+75,200
8,765,800	2,470,500	6,293,300	-396,100	8,790,300	...	8,790,300	2,457,400	6,332,900	-371,600	+24,500
37,100	400	36,700	+6,800	30,600	...	30,600	200	30,400	+800	-6,500
6,319,500	6,319,500	...	-917,300	5,943,000	...	5,943,000	5,943,000	...	-1,293,800	-376,500
2,008,700	1,103,000	905,700	+128,300	1,878,300	...	1,878,300	1,036,400	841,900	-2,100	-130,400
2,005,200	55,200	1,949,400	-288,800	2,115,800	...	2,115,800	62,400	2,053,400	-178,200	+110,600
492,300	6,200	486,100	-31,000	513,000	...	513,000	6,100	506,900	-10,300	+20,700
607,100	607,100	...	-2,200	613,300	...	613,300	613,300	...	+4,000	+6,200
51,764,000	28,743,500	23,020,500	-2,293,700	52,221,100	...	52,221,100	28,691,600	23,529,500	-1,836,600	+457,100
1,008,300	700,500	307,800	-367,700	884,900	172,200	1,057,100	703,300	353,800	-318,900	+43,800
3,519,300	3,519,300	...	-213,100	3,498,900	80,800	3,579,200	3,579,200	...	-153,200	+59,900
57,900	57,900	...	-191,900	71,300	...	71,300	71,300	...	-178,500	+13,400
405,600	33,500	372,100	+8,900	408,900	...	408,900	34,200	374,700	+12,200	+3,300
291,700	29,000	262,700	+4,600	304,200	...	304,200	28,900	275,300	+17,100	+12,500
132,200	4,900	127,300	+5,100	140,100	...	140,100	4,900	135,200	+13,000	+7,900
138,900	...	138,900	-18,300	150,900	...	150,900	...	150,900	-6,300	+12,000
258,800	6,700	252,100	+2,700	274,900	...	274,900	6,400	268,500	+18,800	+16,100
86,900	1,300	85,600	+8,500	86,300	600	86,900	1,200	85,700	+8,500	...
65,500	7,700	57,800	-3,600	71,300	...	71,300	9,400	61,900	+2,200	+5,800
103,900	12,800	91,100	+83,300	95,900	900	96,800	10,900	85,900	+31,200	-7,100
1,483,500	95,900	1,387,600	+46,200	1,532,500	1,500	1,534,000	95,900	1,438,100	+96,700	+50,500
207,300	143,900	63,400	+2,700	155,800	84,000	189,800	127,400	62,400	-14,800	-17,600
93,300	45,200	48,100	+8,300	96,000	...	96,000	43,700	52,300	+6,000	-2,300
71,700	71,700	...	+5,000	...	...	...	...	...	-66,700	-71,700
382,300	207,200	175,100	+11,900	283,400	14,000	297,400	115,900	181,500	-73,000	-84,900
759,600	468,000	291,600	+27,900	535,200	48,000	583,200	287,000	296,200	-148,500	-176,400
35,639,700	35,632,100	7,600	-2,094,000	35,341,300	400	35,341,700	35,333,700	8,000	-2,392,000	-298,000
19,754,700	19,747,600	7,100	+72,100	19,913,100	...	19,913,100	19,906,700	6,400	-8,400	-158,400
635,700	685,700	...	-44,000	488,200	...	488,200	488,200	...	+153,500	+197,500
15,199,300	15,198,800	500	-2,066,000	14,940,000	400	14,940,400	14,938,800	1,600	-2,324,900	-258,900
69,000	69,000	...	+4,600	21,400	67,500	88,900	88,900	...	+24,500	+19,900
15,268,300	15,267,800	500	-2,061,400	14,961,400	67,900	15,029,300	15,027,700	1,600	-2,300,400	-239,000
2,743,500	1,116,900	1,626,600	+81,800	2,769,200	...	2,769,200	1,175,800	1,593,400	+107,500	+25,700
1,697,200	917,000	780,200	+75,800	1,742,900	...	1,742,900	940,500	802,400	+121,500	+45,700
272,600	102,900	169,700	-3,600	283,200	...	283,200	105,300	177,900	+7,000	+10,600
4,713,300	2,136,800	2,576,500	+154,000	4,795,300	...	4,795,300	2,221,600	2,573,700	+236,000	+82,000
266,400	45,000	221,400	+27,000	256,100	...	256,100	42,200	213,900	+16,700	-10,300
1,031,000	1,031,000	...	-88,500	662,900	301,700	964,600	964,600	...	-104,900	-68,400
120,500	120,500	...	-2,300	83,500	27,000	110,500	110,500	...	-12,300	-10,000
1,151,500	1,151,500	...	-40,800	746,400	328,700	1,075,100	1,075,100	...	-117,200	-76,400
89,200	89,200	...	-4,600	68,200	...	68,200	68,200	...	-25,600	-21,000
75,000	75,000	...	-5,000	77,000	...	77,000	77,000	...	-3,000	+2,000
1,315,700	1,315,700	...	-50,400	891,600	328,700	1,220,300	1,220,300	...	-145,800	-95,400
...	-2,423,000	+2,423,000	...	...	...	...	-2,285,100	+2,285,100	...	...
80,156,300	49,927,400	30,228,900	-4,923,100	79,648,300	698,600	80,346,900	49,655,000	30,691,900	-4,732,500	+190,600

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1913-1914.					REVISED	
	India.	England.	TOTAL.	DISTRIBUTION OF TOTAL BETWEEN		India.	England.
				Imperial.	Provincial.		
	£	£	£	£	£	£	£
Direct Demands on the Revenues—							
1.—Refunds and Drawbacks	336,142	...	336,142	226,418	109,724	377,900	...
2.—Assignments and Compensations	1,241,101	...	1,241,101	548,566	692,535	1,276,500	...
Charges in respect of Collection, etc. :—							
3.—Land Revenue	3,984,693	1,729	3,986,422	293,917	3,692,505	3,954,100	1,800
4.—Opium (including cost of Production)	1,011,698	744	1,012,440	1,012,440	...	657,200	600
5.—Salt (including cost of Production)	864,580	793	865,373	365,373	...	367,100	1,500
6.—Stamps	66,598	108,545	173,143	92,182	80,961	52,700	61,000
7.—Excise	437,433	96	437,529	140,032	297,447	462,200	400
9.—Customs	260,818	434	261,252	261,252	...	268,600	600
10.—Assessed Taxes	31,254	...	31,254	15,748	15,506	33,000	...
11.—Forest	1,169,575	4,913	1,174,488	76,146	1,098,342	1,237,100	4,700
12.—Registration	255,453	...	255,453	1,832	253,621	261,600	...
TOTAL	9,159,343	115,254	9,274,597	3,033,956	6,240,641	8,948,000	70,600
Interest—							
13.—Interest on Debt	3,421,622	5,912,796	9,334,418	8,452,492	881,926	3,673,300	6,078,000
<i>Deduct—Amounts chargeable to Railways†</i>	<i>3,596,912</i>	<i>3,706,233</i>	<i>7,303,145</i>	<i>7,303,145</i>	<i>...</i>	<i>4,007,500</i>	<i>3,635,000</i>
<i> " Amounts chargeable to Irrigation</i>	<i>1,186,167</i>	<i>18,679</i>	<i>1,304,840</i>	<i>642,590</i>	<i>662,256</i>	<i>1,246,000</i>	<i>120,600</i>
<i>Remainder chargeable on Ordinary Debt</i>	<i>-1,361,457</i>	<i>2,087,884</i>	<i>726,427</i>	<i>506,757</i>	<i>219,670</i>	<i>-1,580,200</i>	<i>2,322,400</i>
14.—Interest on other obligations	789,226	...	789,226	789,226	...	738,700	...
TOTAL	-572,231	2,087,884	1,515,653	1,295,983	219,670	-841,500	2,322,400
15.—Posts and Telegraphs	3,005,156	267,928	3,272,984	3,272,984	...	3,070,300	219,800
17.—Mint	122,066	10,564	132,630	132,630	...	129,900	9,500
Salaries and Expenses of Civil Departments—							
18.—General Administration	1,593,108	390,539	1,983,647	1,108,784	874,863	1,661,300	408,700
19.—Law and Justice { Courts	3,088,001	159	3,088,160	75,581	3,012,579	3,287,700	1,300
{ Jails	982,746	157	982,903	131,893	851,010	1,009,300	...
20.—Police	4,863,360	1,630	4,864,990	244,764	4,620,226	5,239,400	1,200
21.—Ports and Pilotage	204,428	200	204,628	200	204,426	212,600	100
22.—Education	3,166,426	10,383	3,176,809	120,566	3,056,243	3,214,500	10,300
23.—Ecclesiastical	127,564	148	127,712	127,712	...	127,300	400
24.—Medical	1,329,616	8,319	1,337,935	138,561	1,199,374	1,502,200	6,400
25.—Political	1,144,044	15,146	1,159,190	917,642	241,548	1,130,100	24,000
26A.—Agriculture	633,682	1,257	634,939	83,991	450,948	568,000	...
26B.—Scientific and Miscellaneous Departments	439,759	33,529	473,288	339,537	133,751	443,300	42,600
TOTAL	17,472,732	461,467	17,934,199	3,289,231	14,644,968	18,395,700	495,000
Miscellaneous Civil Charges—							
27.—Territorial and Political Pensions	209,531	11,189	220,720	220,720	...	205,800	10,600
28.—Civil Furlough and Absentee Allowances	1,280	450,326	451,606	451,606	...	900	355,000
29.—Superannuation Allowances and Pensions	1,344,840	2,054,647	3,399,487	2,167,018	1,232,469	1,443,900	2,058,000
30.—Stationery and Printing	624,448	105,308	729,756	214,117	515,639	647,800	118,100
32.—Miscellaneous	555,875	46,360	602,235	346,334	255,901	402,500	149,900
TOTAL	2,735,974	2,667,830	5,403,804	3,399,795	2,004,009	2,700,900	2,691,600
Famine Relief and Insurance—							
33.—Famine Relief	157,511	...	157,511	157,511	...	289,900	...
34.—Construction of Protective Railways	7,835	741	8,576	8,576	...	-1,500	...
35.—Construction of Protective Irrigation Works	475,267	16,157	491,424	491,424	...	482,500	19,000
36.—Reduction or Avoidance of Debt	342,489	...	342,489	92,489	250,000	210,100	...
TOTAL	933,102	16,898	1,000,000	750,000	250,000	981,000	19,000
Carried over	82,906,142	5,627,725	38,533,867	15,174,579	23,359,288	33,384,300	5,827,900

	ACCOUNTS, 1913-1914.			REVISED ESTIMATE, 1914-1915.		
	India.	England.	TOTAL.	India.	England.	TOTAL.
†Included under the following heads :—						
State Railways—Interest on Debt	3,857,109	3,530,733	6,887,842	3,991,100	3,553,800	7,544,900
Ditto —Interest chargeable against Companies on Advances	239,803	175,500	415,303	16,400	81,200	97,600
TOTAL	3,596,912	3,706,233	7,303,145	4,007,500	3,635,000	7,642,500

Revenues of India, in India and in England.

ESTIMATE, 1914-1915.			Increase + Decrease— as compared with Budget Estimate, 1914-1915.	BUDGET ESTIMATE, 1915-1916.					Increase + Decrease — of Budget, 1915-1916, as compared with Budget Estimate, 1914-1915.	Increase + Decrease — of Budget, 1915-1916, as compared with Revised Estimate, 1914-1915.
TOTAL.	DISTRIBUTION OF TOTAL BETWEEN			India.	England.	TOTAL.	DISTRIBUTION OF TOTAL BETWEEN			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	
377,900	268,400	109,500	+ 68,300	316,500	...	316,500	220,400	96,100	+ 6,900	- 61,400
1,276,500	500,400	716,100	+ 38,400	1,286,200	...	1,286,200	563,700	722,500	+ 48,100	+ 9,700
3,955,900	3,171,100	3,638,800	- 227,300	4,121,400	1,300	4,122,700	342,100	3,780,600	- 60,500	+ 166,800
657,800	657,800	...	- 600	912,500	400	912,900	912,900	...	+ 254,500	+ 255,100
368,600	368,600	...	- 22,700	890,100	900	391,000	391,000	...	- 800	+ 22,400
113,700	42,000	71,700	- 37,900	59,200	92,000	151,200	76,400	74,800	- 400	+ 37,500
462,600	144,600	318,000	- 28,900	491,900	200	492,100	153,600	338,500	+ 5,600	+ 29,500
269,200	269,200	...	- 4,800	275,500	800	275,800	275,800	...	+ 2,300	+ 6,600
33,000	16,800	16,200	+ 500	34,500	...	34,500	17,500	17,000	+ 2,000	+ 1,500
1,241,800	82,900	1,158,900	- 106,500	1,287,400	4,900	1,292,300	96,800	1,195,500	- 56,000	+ 50,500
261,600	1,900	259,700	- 6,400	264,100	...	264,100	1,800	262,300	- 3,900	+ 2,500
9,018,600	2,729,700	6,288,900	- 322,400	9,439,300	100,000	9,539,300	3,052,000	6,487,300	+ 198,300	+ 520,700
9,751,300	8,833,200	918,100	+ 175,900	3,926,700	6,092,300	10,019,000	9,086,900	932,100	+ 443,600	+ 267,700
7,642,500	7,642,500	...	- 251,300	4,099,400	3,676,800	7,776,200	7,776,200	...	- 385,000	- 133,700
1,306,600	684,600	682,000	- 1,800	1,301,100	122,200	1,423,300	722,400	700,900	- 68,500	- 56,700
742,200	506,100	236,100	- 77,200	- 1,478,800	2,293,300	819,500	588,300	231,200	+ 100	+ 77,300
738,700	738,700	...	- 49,700	646,100	...	646,100	646,100	...	- 142,300	- 92,600
1,480,900	1,244,800	236,100	- 126,900	- 827,700	2,293,300	1,465,600	1,234,400	231,200	- 142,200	- 15,300
3,290,100	3,290,100	...	- 59,900	3,127,300	167,100	3,294,400	3,294,400	...	- 55,600	+ 4,300
139,400	139,400	...	+ 35,100	94,700	7,300	102,000	102,000	...	- 2,300	- 37,400
2,070,000	1,154,600	915,400	+ 68,800	1,654,300	365,200	2,019,500	1,105,400	914,100	+ 18,300	- 50,500
3,289,000	87,000	3,202,000	+ 148,600	3,312,300	700	3,313,000	82,700	3,230,300	+ 172,600	+ 24,000
1,009,300	139,000	871,300	+ 49,700	1,009,800	...	1,009,800	136,400	873,400	+ 50,200	+ 600
5,240,600	265,300	4,975,300	+ 37,400	5,354,300	1,300	5,355,600	267,300	5,088,300	+ 152,400	+ 115,000
212,700	100	212,600	- 7,200	215,500	100	215,600	100	215,500	- 4,300	+ 2,900
3,224,800	126,700	3,098,100	- 775,100	3,314,400	9,800	3,323,700	125,100	3,198,600	- 676,200	+ 98,900
127,700	127,700	...	- 7,200	135,000	300	135,300	135,300	...	+ 400	+ 7,600
1,508,600	159,600	1,349,100	- 376,400	1,484,900	5,100	1,490,000	191,100	1,298,900	- 395,000	- 18,600
1,154,100	930,400	223,700	+ 9,900	1,150,700	5,600	1,156,300	928,000	228,300	+ 12,100	+ 2,200
568,000	62,500	505,500	- 35,600	606,900	...	606,900	68,200	538,700	+ 3,300	+ 39,300
485,900	345,400	140,500	- 15,200	464,600	39,800	504,400	348,600	155,800	+ 3,300	+ 18,500
18,890,700	9,397,200	15,493,500	- 902,300	18,702,700	427,400	19,130,100	3,388,200	15,741,900	- 662,900	+ 239,400
216,400	216,400	...	- 5,800	207,200	10,600	217,800	217,800	...	- 4,400	+ 1,400
355,900	355,900	...	- 77,400	900	83,000	83,900	83,900	...	- 349,400	- 272,000
3,501,900	2,174,000	1,327,900	+ 52,300	1,484,500	2,059,000	3,543,500	2,175,200	1,368,300	+ 93,900	+ 41,600
765,900	234,900	531,000	+ 46,200	650,600	103,100	753,700	211,600	542,100	+ 34,000	- 12,200
552,400	329,400	223,000	- 72,500	477,800	31,700	509,500	204,000	305,500	- 115,400	- 42,900
5,392,500	3,310,600	2,081,900	- 57,200	2,821,000	2,287,400	5,108,400	2,892,500	2,215,900	- 341,300	- 284,100
289,900	183,800	106,100	- 8,600	7,100	...	7,100	7,100	...	- 291,400	- 282,600
- 1,500	- 1,500	...	- 1,600	...	...	...	...	...	- 100	+ 1,500
501,500	501,500	...	+ 1,600	483,500	16,500	500,000	500,000	...	+ 100	- 1,500
210,100	15,000	195,100	+ 8,600	492,900	...	492,900	328,200	164,700	+ 291,400	+ 282,800
1,000,000	698,800	301,200	...	988,500	16,500	1,000,000	835,800	164,700	...	...
39,212,200	14,810,600	24,401,600	- 1,433,600	34,340,800	5,299,000	39,639,800	14,798,800	24,841,000	- 1,006,000	+ 427,800
BUDGET ESTIMATE, 1915-1916.										
India.	England.	TOTAL.								
£	£	£								
4,081,700	3,695,600	7,777,300								
17,700	81,200	98,900								
4,099,400	3,676,800	7,776,200								

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1913-1914.					REVISED	
	India.	England.	TOTAL.	DISTRIBUTION OF TOTAL BETWEEN		India.	England.
				Imperial.	Provincial.		
	£	£	£		£	£	
Brought forward	32,906,142	5,627,725	38,533,867	15,174,579	23,359,288	33,384,300	5,827,900
Railways—							
38.—State Railways: Interest on Debt	3,357,109	3,530,733	6,887,842	6,887,842	...	3,991,100	3,553,800
Annuities in purchase of Railways	...	3,379,531	3,379,531	3,379,531	...	...	3,357,700
Sinking Funds	...	191,707	191,707	191,707	...	...	199,400
Interest chargeable against Companies on Advances	239,803	175,500	415,303	415,303	...	16,400	81,200
Interest on Capital deposited by Companies	229,839	1,722,577	1,952,416	1,952,416	...	56,000	1,932,300
40.—Subsidised Companies: Land, etc.	55,146	...	55,146	52,587	2,559	114,000	...
41.—Miscellaneous Railway Expenditure	—45,894	...	—45,894	—45,863	—3	52,500	...
TOTAL	3,836,003	9,000,098	12,836,101	12,833,573	2,528	4,230,300	9,124,400
Irrigation—							
42.—Major Works: Working Expenses	1,214,429	14	1,214,443	551,539	662,904	1,263,000	...
Interest on Debt	1,186,167	118,679	1,304,846	642,590	662,256	1,246,000	120,600
42A.—Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance	83,689	...	83,689	83,689	...	66,800	...
43.—Minor Works and Navigation	927,733	1,156	928,889	295,099	633,790	1,032,300	300
TOTAL	3,412,018	119,849	3,531,867	1,572,917	1,958,950	3,608,100	120,900
Other Public Works—							
44.—Construction of Railways charged to Provincial Revenues	1,414	...	1,414	...	1,414	1,600	...
45.—Civil Works	6,907,440	101,184	7,008,624	1,058,800	5,949,824	6,923,200	86,400
TOTAL	6,908,854	101,184	7,010,038	1,058,800	5,951,238	6,923,800	86,400
Military Services—							
46.—Army: Effective	13,903,995	2,638,876	16,542,871	16,542,871	...	14,629,400	2,380,800
Non-Effective	730,495	2,515,873	3,246,368	3,246,368	...	736,000	2,531,000
	14,634,490	5,154,749	19,789,239	19,789,239	...	15,365,400	4,911,800
46A.—Marine	255,703	257,142	512,845	512,845	...	240,400	244,300
47.—Military Works	905,607	41,690	947,297	947,297	...	977,400	39,600
47A.—Special Defences (1902)	7,148	9,236	16,384	16,384	...	10,500	13,000
TOTAL	15,802,948	5,462,817	21,265,765	21,265,765	...	16,593,700	5,208,700
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	62,865,965	20,311,673	83,177,638	51,905,634	31,272,004	64,746,200	20,368,300
Add—Portion of Allotments to Provincial Governments not spent by them in the year	325,692	...	325,692	...	325,692	...	...
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances	608,578	...	608,578	...	608,578	2,216,600	...
Total Expenditure charged to Revenue	62,583,079	20,311,673	82,894,752	51,905,634	30,989,118	62,529,600	20,368,300

Capital Expenditure not charged to Revenue—	ACCOUNTS, 1913-1914.		
	India.	England.	TOTAL.
	£	£	£
48.—State Railways	7,484,613	2,998,587	10,483,200
49.—Irrigation Works	1,223,467	58,795	1,282,262
TOTAL	8,708,080	3,057,382	11,765,462
51.—Initial Expenditure on new Capital at Delhi	410,723	36,411	447,134

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

ESTIMATE, 1914-1915.			Increase + Decrease— as compared with Budget Estimate, 1914-1915.	BUDGET ESTIMATE, 1915-1916.					Increase + Decrease— of Budget, 1915-1916, as compared with Budget Estimate, 1914-1915.	Increase + Decrease— of Budget, 1915-1916, as compared with Revised Estimate, 1914-1915.
TOTAL.	DISTRIBUTION OF TOTAL BETWEEN			India.	England.	TOTAL.	DISTRIBUTION OF TOTAL BETWEEN			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	
39,212,200	14,810,800	24,401,600	-1,433,600	34,340,800	5,299,000	39,639,800	14,798,800	24,841,000	-1,008,000	+427,600
7,544,900	7,544,900	...	+497,400	4,081,700	3,595,600	7,677,300	7,677,300	...	+629,800	+132,400
3,357,700	3,357,700	...	...	...	3,357,700	3,357,700	3,357,700	...	...	...
199,100	199,100	...	...	...	208,100	208,100	208,100	...	+8,700	+8,700
97,600	97,600	...	-246,100	17,700	81,200	98,900	98,900	...	-244,800	+1,300
1,988,300	1,988,300	...	-199,300	66,900	2,186,400	2,253,300	2,253,300	...	+65,700	+265,000
114,000	113,300	700	-80,300	201,100	...	201,100	200,000	1,100	+6,800	+87,100
52,800	52,800	...	-26,000	53,600	...	53,600	53,600	...	-25,200	+800
13,354,700	13,354,000	700	-54,300	4,421,000	9,429,000	13,850,000	13,848,900	1,100	+441,000	+495,300
1,263,000	583,300	679,700	+13,600	1,271,400	...	1,271,400	596,100	675,300	+22,000	+8,400
1,366,600	684,600	682,000	+1,800	1,301,100	122,200	1,423,300	722,400	700,900	+58,500	+56,700
66,800	66,800	...	+33,300	...	...	...	...	...	-33,500	-66,800
1,032,600	319,800	712,800	+28,900	956,100	...	956,100	817,700	638,400	-47,600	-76,500
3,729,000	1,654,500	2,074,500	+77,300	3,528,600	122,200	3,650,800	1,636,200	2,014,600	-600	-78,200
1,600	...	1,600	-300	1,300	...	1,300	...	1,300	-600	-300
7,014,600	1,047,500	5,967,100	-440,000	5,796,400	21,200	5,817,600	921,100	4,896,500	-1,637,000	-1,197,000
7,016,200	1,047,500	5,968,700	-440,300	5,797,700	21,200	5,818,900	921,100	4,897,800	-1,637,800	-1,197,300
17,010,200	17,010,200	...	-30,100	14,794,500	1,754,500	16,549,000	16,549,000	...	-491,800	-461,200
3,267,000	3,267,000	...	+1,500	1,089,100	2,243,000	3,282,100	3,282,100	...	+16,600	+15,100
20,277,200	20,277,200	...	-28,600	15,833,600	3,997,500	19,831,100	19,831,100	...	-474,700	-446,100
484,700	484,700	...	-20,200	234,900	388,900	623,800	623,800	...	+118,900	+139,100
1,017,000	1,017,000	...	-5,400	726,300	18,000	744,300	744,300	...	-278,100	-272,700
23,500	23,500	...	-9,500	14,600	6,500	21,100	21,100	...	-11,900	-2,400
21,802,400	21,802,400	...	-63,700	16,809,400	4,410,900	1,220,300	21,220,300	...	-645,800	-582,100
85,114,500	52,669,000	32,445,500	-1,914,300	64,897,500	19,282,300	84,179,800	52,425,300	31,754,500	-2,849,000	-934,700
...
2,216,600	...	2,216,600	+939,300	1,062,600	...	1,062,600	...	1,062,600	+2,143,300	+1,154,000
82,897,900	52,669,000	30,228,900	-925,000	63,834,900	19,282,300	83,117,200	52,425,300	30,691,900	-705,700	+219,300
REVISED ESTIMATE, 1914-1915.			BUDGET ESTIMATE, 1915-1916.							
India.	England.	TOTAL.	India.	England.	TOTAL.					
£	£	£	£	£	£					
8,258,500	2,408,100	10,666,600	5,530,300	2,089,900	7,620,200					
1,106,400	60,000	1,166,400	1,061,000	89,000	1,100,000					
9,364,900	2,468,100	11,833,000	6,591,300	2,128,900	8,720,200					
805,500	57,900	363,400	183,200	83,500	266,700					

FINANCIAL STATEMENT OF THE

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1913-1914.			REVISED ESTIMATE, 1914-1915.			BUDGET ESTIMATE, 1915-1916.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	£	£	£	£	£	£	£	£	£
Revenue (from Statement A) .	84,350,557	856,618	85,207,175	79,498,700	659,600	80,156,300	79,648,300	698,600	80,346,900
Excess of Revenue over Expenditure charged to Revenue			2,312,423			-2,741,600			-2,770,300
Railway, Irrigation, and other Capital not charged to Revenue—									
Capital raised through Companies towards outlay on State Railways .	34,667	...	34,667	2,367,500	...	2,367,500	6,533,300	...	6,533,300
Capital contributed by Native States towards construction of State Railways	200,000	...	200,000	66,700	...	66,700	66,700	...	66,700
OUTLAY OF RAILWAY COMPANIES—									
Repayments . . . . .	...	5,637	5,637	...	19,400	19,400	...	2,400	2,400
NET			0			0			0
RAISED AND DEPOSITED BY RAILWAY COMPANIES—									
On account of Subscribed Capital	164,692	4,832,788	4,997,480	486,700	1,557,800	2,044,000	320,600	1,996,600	2,317,200
NET			4,717,480			2,044,000		...	320,600
Permanent Debt Incurred—									
<i>Sterling Debt—</i>									
India Stock . . . . .	...	...	...	...	...	...	...	...	...
<i>Rupes Debt—</i>									
Rupes Loan	2,000,000	...	...	3,333,300	...	...	3,000,000	...	...
TOTAL NET	2,000,000	...	2,000,000	3,333,300	...	3,333,300	3,000,000	...	3,000,000
NET			118,209			2,727,200			2,008,700
Temporary Debt Incurred—									
Temporary Loans . . . . .	...	...	...	8,333,300	7,000,000	15,333,300	...	7,000,000	7,000,000
NET			0			14,333,300			0
Unfunded Debt—									
Deposits of Service Funds .	89,541	...	...	88,300	...	...	88,700	...	...
Savings Bank Deposits	8,783,483	...	...	7,466,300	...	...	6,414,200	...	...
TOTAL NET	8,873,024	...	8,873,024	7,554,600	...	7,554,600	6,502,900	...	6,502,900
NET			2,201,970			0			0
Deposits and Advances—									
Balances of Provincial Allotments	325,692	...	...	...	...	...	...	...	...
Appropriation for Reduction or Avoidance of Debt	342,489	...	...	210,100	...	...	492,900	...	...
Deposits of Local Funds—									
District Funds	5,260,391	...	...	5,210,400	...	...	4,784,800	...	...
Other Funds	1,843,956	...	...	1,285,900	...	...	1,229,900	...	...
Deposits of Sinking Funds	43,825	...	...	59,000	...	...	61,000	...	...
Gold Standard Reserve	4,286,872	9,728,845	...	3,000	10,021,200	...	...	8,238,600	...
Departmental and Judicial Deposits—									
War transactions . . . . .	...	...	...	1,587,000	...	...	81,000	...	...
Other	80,205,951	...	...	30,413,100	...	...	29,934,200	...	...
Advances	5,600,420	16,536	...	6,897,500	1,045,400	...	8,130,400	1,075,700	...
Suspense Accounts	87,499	...	...	77,600	...	...	16,200	...	...
Miscellaneous	87,632	56	...	110,200	...	...	2,900	...	...
TOTAL NET	47,534,727	9,745,437	57,280,164	45,853,800	11,066,600	56,920,400	45,333,300	9,314,300	54,647,600
NET			67,762			0			0
Carried over	143,157,667	15,440,480		147,492,600	20,302,900		141,405,100	19,011,900	

Government of India, in India and in England.

	ACCOUNTS, 1913-1914.			REVISED ESTIMATE, 1914-1915.			BUDGET ESTIMATE, 1915-1916.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
Expenditure, Imperial and Provincial (from Statement B)	£ 62,865,965	£ 20,311,673	£ 83,177,638	£ 64,743,300	£ 20,368,300	£ 85,111,600	£ 64,897,500	£ 19,282,300	£ 84,179,800
Add—Provincial Surpluses transferred to "Deposits"	335,692	...	325,692	...	...	...	...	...	...
Deduct—Provincial Deficits charged to "Deposits"	608,578	...	608,578	2,216,600	...	2,216,600	1,062,600	...	1,062,600
TOTAL	62,583,079	20,311,673	82,894,752	62,529,600	20,368,300	82,897,900	63,834,900	19,282,300	83,117,200
Railway, Irrigation, and other Capital not charged to Revenue—									
OUTLAY ON IRRIGATION WORKS	1,223,467	58,795	1,282,262	1,106,400	60,000	1,166,400	1,061,000	39,000	1,100,000
OUTLAY ON STATE RAILWAYS	7,484,613	2,998,587	10,483,200	8,258,500	2,408,100	10,666,600	5,530,300	2,069,900	7,600,200
INITIAL EXPENDITURE ON NEW CAPITAL AT DELHI	410,723	36,411	447,134	305,500	57,900	363,400	183,200	83,500	266,700
OUTLAY OF RAILWAY COMPANIES— Payments for Capital Outlay	214,823	1,793,117	2,007,940	—125,500	1,595,600	1,470,100	—425,900	1,129,500	703,600
NET			2,002,303			1,450,700			701,200
RAISED AND DEPOSITED BY RAILWAY COMPANIES— Payments for Discharge of Debentures	...	280,000	280,000	...	...	...	...	1,936,600	1,996,600
NET			0			0			0
Permanent Debt Discharged—									
<i>Sterling Debt—</i>									
Madras Railway Debentures	...	170,000	...	...	...	...	...	...	...
Indian Midland do.	...	1,111,200	...	...	...	...	...	407,500	...
India Bonds	...	500,000	...	...	500,000	...	...	500,000	...
<i>Rupia Debt—</i>									
4½ p. c. Loans	1,293	...	...	...	...	...	...	...	...
4 p. c. Loans	81,047	...	...	103,500	...	...	80,700	...	...
3½ p. c. Loans	...	...	...	100	...	...	100	...	...
3 p. c. Loans	18,253	...	...	2,500	...	...	2,900	...	...
Provincial Debentures	7	...	...	...	...	...	100	...	...
TOTAL	100,600	1,781,200	1,881,800	106,100	500,000	606,100	83,600	907,500	991,900
NET			0			0			0
Temporary Debt Discharged—									
Temporary Loans	...	...	...	1,000,000	...	1,000,000	...	7,000,000	7,000,000
NET			0			0			0
Unfunded Debt—									
Special Loans	213	...	...	200	...	...	200	...	...
Deposits of Service Funds	93,096	...	...	95,900	...	...	97,400	...	...
Savings Bank Deposits	6,577,745	...	...	12,529,400	...	...	6,625,200	...	...
TOTAL	6,671,054	...	6,671,054	12,625,500	...	12,625,500	6,722,800	...	6,722,800
NET			0			5,070,900			219,900
Deposits and Advances—									
Balances of Provincial Allotments	608,578	...	...	2,216,600	...	...	1,062,600	...	...
Deposits of Local Funds—									
District Funds	4,388,070	...	...	5,218,200	...	...	5,122,700	...	...
Other Funds	1,268,258	...	...	1,393,200	...	...	1,313,900	...	...
Deposits of Sinking Funds	...	...	...	...	...	...	...	...	...
Gold Standard Reserve	4,300,000	10,709,547	...	25,200	10,038,000	...	...	8,238,500	...
Departmental and Judicial Deposits—									
War transactions	...	...	...	44,700	...	...	1,168,000	...	...
Other transactions	29,782,270	...	...	30,682,900	...	...	29,980,500	...	...
Advances	5,893,406	76,878	...	7,062,300	1,066,500	...	8,137,100	1,072,000	...
Suspense Accounts	163,303	...	...	36,400	...	...	10,300	...	...
Exchange on Remittance Account (net)	190	...	...	...	...	...	...	...	...
Miscellaneous	21,879	23	...	...	...	...	...	...	...
TOTAL	46,425,954	10,786,448	57,212,402	47,279,500	11,124,500	58,404,000	46,695,100	9,310,500	56,005,600
NET			0			1,483,600			1,358,000
Carried over	125,114,313	88,046,231		133,085,600	36,114,400		123,685,200	41,838,800	

FINANCIAL STATEMENT OF THE

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1913-1914.			REVISED ESTIMATE, 1914-1915.			BUDGET ESTIMATE, 1915-1916.		
	India.	England.	TOTAL.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward	143,157,667	15,440,430		147,492,600	20,802,900		141,405,100	19,011,900	
Loans and Advances by Imperial Govern- ment	377,694	...	377,694	198,400	...	198,400	185,000	...	185,000
NET			213,183			0			0
Loans and Advances by Provincial Governments	1,082,099	...	1,082,099	1,448,200	...	1,448,200	1,576,200	...	1,576,200
NET			0			0			405,000
Loans to Local Boards for Railway Con- struction	7,124	...	7,124	7,400	...	7,400	7,700	...	7,700
NET			7,124			7,400			7,700
Remittances—									
Inland Money Orders	37,604,247	...		38,866,700	...		39,966,700	...	
Other Local Remittances . . . . .	...	...		5,948,100	...		4,355,500	...	
Other Departmental Ac- counts	21,301	...		...	...		...	...
Net Receipts by Civil Treasuries from—									
Posts and Telegraphs	985,861	...		...	...		...	...
Railways	14,486,413	...		11,087,000	...		12,461,500	...	
Net Receipts from Civil Treasuries by—									
Posts and Telegraphs . . . . .	...	...		6,030,100	...		1,265,700	...	
Marine	247,052	...		4,966,400	...		3,463,900	...	
Military Works	736,861	...		933,800	...		610,300	...	
Military	13,323,625	...		16,325,800	...		18,811,700	...	
Remittance Account between England and India—									
Gold remitted from India . . . . .	...	...		...	604,800		...	...
Transfers through Paper Currency Reserve . . . . .	...	...		...	1,000,000		254,000	8,630,000	
War transactions . . . . .	...	...		604,000	9,293,000		...	...
Purchase of Silver	4,528,611	...		...	...		...	...
Railway transactions	5,008,020	8,855		4,684,900	2,358,500		3,230,700	7,016,500	
Other	939,722	2,150,713		981,800	1,238,500		1,130,300	1,269,000	
TOTAL	77,931,213	2,159,568	80,090,781	90,728,100	14,494,800	105,222,900	85,550,800	16,915,500	102,465,800
NET			0			0			306,200
Secretary of State's Bills drawn . . . . .	...	(b) 29,050,827	29,050,827	...	(c) 6,900,000	6,900,000	...	7,700,000	7,700,000
TOTAL RECEIPTS	222,555,797	46,650,875		239,874,700	41,697,700		228,724,300	43,627,400	
Opening Balance	19,293,131	(a) 9,789,684		15,608,253	(c) 8,157,732		13,795,853	(d) 7,891,032	
GRAND TOTAL	241,848,928	56,440,509		255,482,953	49,855,432		242,520,153	51,018,432	

(a) Of this amount £1,005,664 represents the funds of the Gold Standard Reserve.

(c) £24,962

(e) In addition to £600,000 for remittance of the "Gold Standard Reserve."

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

	ACCOUNTS, 1913-1914.			REVISED ESTIMATE, 1914-1915.			BUDGET ESTIMATE, 1915-1916.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward	125,114,313	38,046,231		133,085,600	36,114,400		123,685,200	41,338,800	
Loans and Advances by Imperial Government	164,511	...	164,511	203,100	...	203,100	338,700	...	338,700
Net			0			4,700			153,700
Loans and Advances by Provincial Governments	1,880,086	...	1,880,086	1,579,800	...	1,579,800	1,171,200	...	1,171,200
Net			797,937			131,600			0
Remittances—									
Inland Money Orders	37,532,110	...		38,666,700	...		39,966,700	...	
Other Local Remittances	443,415	...		5,948,100	...		4,355,500	...	
Other Departmental Accounts	12	...		...	...		...	...
Net Payments into Civil Treasuries by—									
Posts and Telegraphs	992,064	...		...	...		...	...
Railways	14,823,021	...		11,287,000	...		12,461,500	...	
Net Issues from Civil Treasuries to—									
Posts and Telegraphs	...	...		6,036,100	...		1,265,700	...	
Marine	247,345	...		4,966,400	...		3,463,900	...	
Military Works	737,178	...		933,300	...		610,300	...	
Military	13,323,472	...		16,825,500	...		18,811,700	...	
Remittance Account between England and India—									
Gold remitted from India	...	...		604,800	...		...	...
Transfers through Paper Currency Reserve	...	...		1,000,000	...		...	...
War transactions	...	...		10,024,300	604,000		8,337,000	254,000	
Purchase of Silver	555	4,528,056		...	...		...	...
Railway transactions	920	5,018,044		2,325,200	4,718,200		6,500,000	3,747,200	
Other	1,925,966	692,446		1,349,700	1,027,800		1,949,900	1,036,200	
TOTAL	70,031,058	10,236,546	80,267,604	99,961,400	6,350,000	106,311,400	97,122,200	5,037,400	102,159,600
Net			-176,823			1,088,500			0
Secretary of State's Bills paid	(b) 29,050,757	...	29,050,757	(c) 6,357,200	...	6,357,200	7,680,000	...	7,680,000
TOTAL DISBURSEMENTS	226,240,675	48,282,777		241,687,100	42,464,400		229,977,800	46,876,200	
Closing Balance	15,608,253	(e) 8,157,732		13,795,853	(d) 7,391,032		12,542,853	(f) 4,142,232	
GRAND TOTAL	241,848,928	56,440,509		255,482,953	49,855,432		242,520,153	51,018,432	

(b) In addition to £2,150,000 for remittance of the Gold Standard Reserve.
 (c) Of this amount £8,162 represents the funds of the Gold Standard Reserve.
 (d) " " £8,262 " " " " " "

H. F. HOWARD,
 Controller of Currency.

J. B. BRUNYATE,
 Secretary to the Government of India.

D.—Statement of Revenue, Expenditure and Balances of Provincial Governments.

	Accounts, 1913-14.	Revised, 1914-15.	Budget, 1915-16.
Madras—	₹	₹	₹
Balance on April 1st	2,28,58,879	1,75,60,000	1,02,92,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	31,33,500	24,51,000	24,50,000
Other revenue	7,26,09,014	7,84,95,000	7,37,69,000
Total Expenditure	8,10,40,925	8,32,14,000	7,80,33,000
Closing Balance	1,75,60,468	1,02,92,000	84,78,000
Bombay—			
Balance on April 1st	1,79,75,519	1,95,34,000	1,51,78,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	20,78,000	20,88,000	20,80,000
Other revenue	7,71,51,211	7,24,21,000	7,28,20,000
Total Expenditure	7,76,70,645	7,88,65,000	7,71,77,000
Closing Balance	1,95,34,085	1,51,78,000	1,29,01,000
Bengal—			
Balance on April 1st	3,13,30,270	3,18,11,000	2,74,81,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	34,81,000	34,92,000	34,90,000
Other revenue	5,86,60,472	5,74,14,000	5,83,17,000
Total Expenditure	6,16,60,630	6,52,36,000	6,48,29,000
Closing Balance	3,18,11,112	2,74,81,000	2,44,59,000
United Provinces—			
Balance on April 1st	1,84,23,473	1,84,74,000	1,48,95,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	28,41,600	24,22,000	22,27,000
Other revenue	6,56,64,896	6,81,44,000	6,53,15,000
Total Expenditure	6,79,55,292	6,91,45,000	6,90,25,000
Closing Balance	1,84,74,177	1,48,95,000	1,34,12,000
Punjab—			
Balance on April 1st	1,77,84,102	70,92,000*	54,00,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	14,11,000	16,84,000	13,55,000
Other revenue	4,47,31,840	4,59,66,000	4,73,51,000
Total Expenditure	4,68,34,852	4,93,42,000	4,91,64,000
Closing Balance	1,70,91,590	54,00,000	49,42,000
Burma—			
Balance on April 1st	1,30,22,199	1,39,36,000	94,13,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	11,82,000	24,92,000	9,92,000
Other revenue	5,49,63,223	5,26,45,000	5,52,25,000
Total Expenditure	5,52,31,197	5,96,60,000	5,81,27,000
Closing Balance	1,39,36,225	94,13,000	75,03,000
Bihar and Orissa—			
Balance on April 1st	2,00,84,199	1,91,64,000	1,55,63,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	24,56,000	14,64,000	14,61,000
Other revenue	2,81,83,313	2,85,47,000	2,92,33,000
Total Expenditure	3,15,59,375	3,36,12,000	3,40,03,000
Closing Balance	1,91,64,137	1,55,63,000	1,22,54,000
Central Provinces—			
Balance on April 1st	90,72,033	1,09,53,000	95,00,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	10,34,000	9,14,000	9,14,000
Other revenue	2,96,49,750	2,82,94,000	2,83,75,000
Total Expenditure	2,88,02,505	3,06,61,000	2,93,52,000
Closing Balance	1,09,53,278	95,00,000	89,35,000
Assam—			
Balance on April 1st	78,06,494	55,89,000	31,43,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	5,12,500	4,48,000	4,48,000
Other revenue	1,55,94,449	1,40,53,000	1,45,59,000
Total Expenditure	1,83,24,640	1,69,47,000	1,61,07,000
Closing Balance	55,88,803	31,43,000	20,43,000
Total—			
Balance on April 1st	15,83,57,168	14,41,13,000	11,08,65,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	1,76,29,600	1,74,55,000	1,54,17,000
Other revenue	44,72,07,168	43,59,79,000	44,49,62,000
Total Expenditure	46,90,80,061	43,66,82,000	47,63,17,000
Closing Balance	15,41,13,875	11,08,65,000	9,49,27,000
Total (in sterling)—	£	£	
Balance on April 1st	10,557,144	9,607,600	7,391,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	1,175,307	1,163,700	1,027,800
Other revenue	29,813,811	29,065,200	29,664,100
Total Expenditure	31,272,004	32,445,500	31,754,500
Closing Balance	10,274,258	7,391,000	6,328,400

* The figure here given for the opening Provincial balance of 1914-15 differs from that given for the closing Provincial balance of 1913-14 owing to the surrender by the Government of the Punjab of ₹1 crore of its balance in lieu of a recurring contribution from Imperial revenues of ₹3,50,000 per annum with effect from 1st April 1914.

R. A. GAMBLE,
Comptroller General.

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secy. to the Govt. of India.

DELHI,

FINANCE DEPARTMENT;

March 2, 1915.

E.—Abstract Statement of the Receipts and Disbursements of the Government of India, in India and in England.

REVENUE AND EXPENDITURE.	ACCOUNTS, 1913-1914.				REVISED ESTI-MATE, 1914-1915.		BUDGET ESTI-MATE, 1915-1916.		
	Revenue.	EXPENDITURE.		Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
		Refunds and Assignments.	Cost of Collection and Production.						
	£	£	£	£	£	£	£	£	£
Revenue Heads.									
Land Revenue (excluding that due to Irrigation)	21,391,575	770,094	3,986,422	16,635,059		16,491,200		17,117,900	
Opium	1,624,878	6,090	1,012,440	606,348		893,000		881,500	
Salt	3,445,805	262,804	365,373	2,817,128		3,059,600		2,728,200	
Stamps	5,318,293	58,173	173,143	5,086,977		4,856,100		4,896,400	
Excise	8,894,300	103,523	437,529	8,353,248		8,193,800		8,197,000	
Provincial Rates	180,210	522	...	179,688		36,800		30,400	
Customs	7,558,220	147,374	261,252	7,149,594		5,874,500		5,527,400	
Assessed Taxes	1,950,250	13,478	81,254	1,905,518		1,958,000		1,829,600	
Forest	2,229,872	9,936	1,174,488	1,045,448		753,200		816,600	
Registration	518,962	986	255,453	262,523		229,600		247,900	
Tributes	616,881	204,263	...	412,618		399,600		409,000	
TOTAL	53,728,746	1,577,243	7,697,354	44,454,149		42,745,400		42,681,800	
Total deduction from Revenue			9,274,597						
Expenditure Heads.									
Debt Services { Interest	1,352,119	1,515,653			163,534		472,600		408,500
{ Posts and Telegraphs	3,593,519	3,272,984		325,535		229,200		284,800	
Commercial Services { Railways	17,625,634	12,836,101		4,789,533		1,913,600		1,179,300	
{ Irrigation	4,713,159	3,531,867		1,181,292		984,300		1,144,500	
Other Public Works { Civil Works, etc.	293,640	7,010,088			6,711,398		6,749,800		5,562,300
Mint { Mint	339,841	132,630		207,211			81,500		30,700
Civil Departments { Civil Departments	1,408,286	17,934,199			16,525,913		17,407,200		17,596,100
{ Superannuation	206,810	3,399,487			3,192,677		3,294,600		3,353,700
Miscellaneous { Exchange	119,741	...		119,741		71,700			
{ Miscellaneous	352,612	602,235			249,623		170,100		212,100
{ Other heads	93,416	1,402,062			1,308,666		1,239,900		959,400
Famine Relief and Insurance { Famine Relief	...	157,511			157,511		289,900		7,100
{ Other heads	...	842,489			842,489		710,100		992,900
Military Services { Army { Effective	1,080,631	16,542,871			15,462,240		15,979,200		15,584,400
{ Non-effective	122,875	3,246,368			3,123,493		3,146,500		3,171,600
{ Marine	89,542	512,345			423,303		395,500		555,600
{ Military works	76,604	947,297			870,693		942,000		667,300
{ Special Defences (1902)	...	16,384			16,384		23,500		21,100
TOTAL	85,207,175	83,177,638		2,029,537			4,958,200		3,832,900
Provincial Adjustment { Surplus									
{ Deficit		282,886		282,886		2,216,600		1,062,600	
TOTAL	85,207,175	82,894,752		2,312,423			2,741,600		2,770,300
Capital Account { Surplus				2,312,423					
{ Deficit							2,741,600		2,770,300
Railway and Irrigation Capital not charged to Revenue:—									
Capital raised through Companies towards outlay on State Railways			34,667			2,367,500		6,533,300	
Capital contributed by Native States towards construction of State Railways			200,000			66,700		66,700	
Capital raised and deposited by Railway Companies (net)			4,717,480			2,044,000		320,600	
Outlay on Irrigation Works				1,282,262			1,166,400		1,100,000
Outlay on State Railways				10,483,200			10,666,600		7,620,200
Initial outlay on new Capital at Delhi				447,134			863,400		266,700
Outlay of Railway Companies (net)				2,002,303			1,450,700		701,200
Permanent Debt (net)				118,200			2,727,200		2,008,700
Temporary Debt (net)							14,333,300		
Unfunded Debt (net)				2,201,970			5,070,900		219,900
Loans and Advances by Imperial Government (net)				213,183			4,700		153,700
Loans and Advances by Provincial Governments (net)					797,937		131,600		405,000
Loans to Local Boards for Railway Construction (net)				7,124		7,400		7,700	
Deposits and Advances (net)				67,762			1,483,600		1,358,000
Remittances (net)							1,088,500		308,200
Secretary of State's Bills drawn				29,050,827		6,900,000		7,700,000	
Secretary of State's Bills paid						29,050,757		6,857,200	
Cash Balance { Opening Balance				38,923,636	44,240,416	28,446,100	31,035,200	17,348,200	21,850,000
{ Closing Balance				29,082,765		23,765,985		21,186,885	16,685,085
TOTAL				68,006,401	68,006,401	52,212,085	52,212,085	38,535,085	38,535,085

R. A. GAMBLE,
Comptroller General.

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

DELHI,
FINANCE DEPARTMENT;
March 2, 1915.

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 to 1909
(24 & 25 Vict., c. 67, 55 & 56 Vict., c. 14, AND 9 Edw. VII, c. 4).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on
Monday, the 8th March, 1915.

PRESENT :

The Hon'ble SIR HARCOURT BUTLER, K.C.S.I., C.I.E., Vice-President, *presiding*,
and 49 Members, of whom 42 were Additional Members.

FINANCIAL STATEMENT.

FIRST STAGE.

The Hon'ble Sir William Meyer:—"I beg to open the first
stage of the discussion on the Financial Statement for 1915-16."

**RESOLUTION RE REDUCTION OF RAILWAY ALLOT-
MENT AND INCREASE OF ALLOTMENT FOR
EDUCATION AND SANITATION.**

The Hon'ble Mr. Dadabhoy:—Sir, I beg to move the following
resolution:—

'This Council recommends to the Governor General in Council that the allotment for
Railways in the coming year be reduced by Rs50,00,000, and that the amount so freed be
allotted to the Provincial Governments for the development of Education and Sanitation.'

"Sir, I should have been reluctant to suggest any change in the Budget
Estimate for 1915-16 but for the conviction founded *inter alia* upon the
authoritative pronouncements of Government that the claims of Education
and Sanitation are paramount, and that there is almost an unlimited scope
for the employment of funds, both public and private, for the promotion of
Education and Sanitation. The most important pronouncement about the
need of Education, and the pronouncement that Educated India treasures in
her heart, is that of His Most Gracious Imperial Majesty the King-Emperor,
made on 6th January, 1912. In the now celebrated Resolution of the Govern-
ment of India in the Department of Education of 21st February, 1913, an
appeal is made to the public for donations for the support of Education in
which 'there is a wide field and a noble opportunity for the exercise on modern

lines of charity and benevolence.' The inference necessarily is that for an adequate progress the efforts of Government must be supplemented by those of private individuals, and that Government alone is unable to do all. In the whole discussion in this Council on my lamented friend Mr. Gokhale's Resolution of Free Primary Education and on his Education Bill, the one fact which was not challenged was that the question of the development of Education was one mainly of funds; in other words, without an unstinted supply of money assured, that adequate progress of the people in Education, about the necessity of which all are agreed, cannot be secured. In presenting the Financial Statement for 1912-13, Sir Guy Fleetwood Wilson referred to 'the growing demand for more schools and healthier homes.' In 1911-12, a large amount was spent by the provinces for the support of Education and Sanitation, and yet an Imperial reserve of £97,000 recurring and £433,000 non-recurring for Education alone was entered in the Budget for 1912-13. In the Revised Estimate for 1912-13, the bulk of the large Imperial surplus was distributed 'in grants to secure a steady progress in Education and Sanitation, an object which has the support of both official and non-official opinion,' and 2½ crores were allotted 'for non-recurring expenditure on Education' and 1½ crores 'for urban sanitation'. In the following year again, *i.e.*, 1913-14, according to the Hon'ble Finance Minister's explanation of the Budget Estimate, 'the Provinces anticipate that they will spend £3,203 more than in the current year, the great bulk of the increase being accounted for under Education, Sanitation and Public Works.' In all these years there was never any complaint that the grants had lapsed through the inability of the Provinces to spend them. It was last year, when the Revised Estimate for 1913-14 was presented by the Hon'ble Sir William Meyer, that there was just a reference in his exhaustive speech to 'the experience of the current year' to justify his scepticism about the ability of the Provinces 'to spend as much as they anticipate, and notably under Education and Medical.' In the absence of more complete data, it would be unfair to base any general conclusion on this experience about the spending capacity of the Provincial Governments. They were sanguine about their ability, and in the Budget Estimate for 1914-15 the Hon'ble Finance Minister, with a statesmanlike appreciation of the needs of the situation, made 'recurring grants of £60,000 for Education and £40,000 for Sanitation' in addition to a substantial non-recurring grant. Even then he was not satisfied, and he regretted his inability to go further in view of the other calls upon Imperial funds. He observed :—

'I need not say that it would have been a great satisfaction to the Government of India if financial conditions had permitted of a larger grant-in-aid of these primary objects of our policy. We fully recognize the necessity of adequate provision for the increase in expenditure which the great advance now being made in Education and Sanitation must inevitably entail. But Hon'ble Members will recognize, I think, that in a year like the present it is not practicable to go further than is now proposed as regards Imperial allotments.'

"Unless, Sir, there was a large scope for the utilization of more money in this direction, these observations lose point. We now have it, however, from the same high authority that provincial expenditure under Education and Sanitation and other Medical heads has been less by £1,090,000 in the current year as against the Budget provision. And we are not left to speculate about the causes. With characteristic fairness the Hon'ble Sir William Meyer has attributed the reduced expenditure, partially at least, to certain instructions issued by the Government of India. Certain other facts connected with provincial expenditure on Education which must be within the knowledge of this Government would prove the inaccuracy, and one might say the injustice, of the suggestion against the Provincial Governments. The Hon'ble Financial Secretary admits in his Memorandum that, 'in spite of the financial situation, most of the Provincial Governments have allotted larger funds from their ordinary provincial resources for the development of Education in various directions.' This does not indicate any slackness on the part of the Provinces to utilise the Imperial grants for Education. It is only fair to assume that any failure to employ the grants must have been due to unavoidable causes. In view of the Budget grants, the Provincial Governments try to put through their schemes as expeditiously as possible, but, as must be well known to all,

the execution of individual schemes is delayed beyond the expected time limit by unforeseen circumstances. The delay over land acquisition proceedings alone would account for much of the so-called inability of the Provincial Governments to spend the whole of the non-recurring grant within one year. Moreover, the settlement of the preliminaries involves a good deal of labour and time. Building sites have to be selected, maps and estimates have to be prepared, land has to be acquired, tenders have to be called and so on. All this means time. It thus happens that the Provincial Governments have to their credit a large amount of cash early in the year, the useful employment of which can only be undertaken towards the close of it. And if the supply is suddenly withdrawn in the following year, when the Provincial Government has, after laborious effort, got the machinery into action, the result must prove disastrous to progress, the blame for which cannot in fairness attach to the Provincial Government concerned. It is worse than useless to place funds at the disposal of the Provincial Governments for schemes which cannot be carried through forthwith, and then to cut off the supply at a time when they can be. The Hon'ble Sir William Meyer would seem to have realised the unfairness of the present arrangements himself, as he has referred in his introductory speech to the risk of interference 'with quasi-commitments into which Local Governments have entered in carrying out a programme of special expenditure on these objects which they had every reason to expect to be able to maintain.'

"It is true that the budgetted grant to the Provinces shows a slight advance upon the Revised Estimate for the current year (Rs. 4,79,80,000 against Rs. 4,64,71,000), but the unfortunate circumstance is that it is insufficient for any reasonably large progress, and that the large number of schemes that have been got ready within the year will be hung up indefinitely. And this must cause not only serious inconvenience but actual loss. Sir, even in the present Budget, overshadowed as it is by war, forty lakhs of rupees have been provided for the New Capital at Delhi, and the Hon'ble Finance Minister has rightly justified his position by the statement that the amount is just 'which will suffice to carry on in some degree the work already in progress, and so obviate the deterioration of material and the disbanding of establishments.' The same line of reasoning will satisfy the Council that a larger grant is necessary in 1915-16 for the support of Education. The risk of deterioration of building and other materials is, and the consequences of the disbanding of extra establishments like special land acquisition offices are, as great in this department as in any other. It is a poor consolation to the Provincial Governments that 'with this restricted programme the Provincial balances on the 31st March, 1916, will amount to £6.3 million,' and 'of this, £2.5 million may be taken as accruing from special grants, mainly non-recurring, which have been made by the Government of India, mostly for expenditure in connection with Education and Sanitation.' The application of the closing balances of the coming year is uncertain, and it is by no means unlikely that unforeseen factors will come into play to thwart the anticipations of the Hon'ble Finance Minister. The fairly large balances at the end of the current year can only be drawn upon up to a certain limit, namely, one million pounds sterling. I must admit my recommendation is not founded upon any accurate knowledge of the schemes that are ready and that will be starved without the additional grant; but I feel sure the number is large, and a reference to the Education Department will doubtless elicit the fact that I do not exaggerate the necessities of the situation. There is under the circumstances no just cause for the apprehension that if the Budget provision for Education and Sanitation be increased by fifty lakhs, the money would remain idle. That provision for Education alone is less than that made about this time last year by £676,200.

"Sir, the next year's provision for Medical expenditure is less than the Budget provision of the current year by £395,000, and is less than the Revised Estimate for the current year by £18,600. The deputation to military duty out of India of a large number of medical men undoubtedly explains a great deal of this diminished expenditure, but this is not the whole explanation. A heavy reduction in the allotment for Sanitation has much to do with it.

From the Hon'ble Financial Secretary's Memorandum we find that a non-recurring grant of only 15·15 lakhs has been made in aid of Sanitation and Medical expenditure out of the Imperial revenues as against 106·88 lakhs in 1913-14 and 41·36 lakhs in 1914-15, leaving an unspent balance of R95,11,000. This cannot be satisfactory. What is even a grant of 15 lakhs to the whole of India? How many schemes of sanitary improvement could it finance? It is not correct to suggest that that is all that the Provinces can usefully spend next year. With our knowledge of the urgent needs of the local bodies and of sanitary improvement in both urban and rural areas, we can confidently assert that there is just at the present moment in India an almost unlimited scope for the profitable employment of funds. It is money alone which is wanting, and not field for its employment. The insanitary conditions of India, Sir, are notorious; and what with malaria, plague, cholera, small-pox, tuberculosis and other diseases, the mortality among the general population is abnormally high. According to the Statistical Abstract relating to British India, out of a registered population of 238,688,119 so many as 7,639,544 died in 1911 from all causes, or a mean death-rate of 32·01 per mille of population. During the decade 1902-1911, the rate oscillated between 30·91 and 38·21. Of this the mortality from fevers alone was between 17·63 and 23·96 per mille. The average rate improved, it is true, to 29·71 in 1912 and to 28·72 in 1913, and that from fevers to 16·49 in 1912 and to 16·71 in 1913. Still the rates are very high. As pointed out last year by Dr. C. V. Drysdale before the Royal Colonial Institute, in his masterly survey of 'The British Empire and Birth-rate,' it is India with the highest birth-rate which pulls down the average of increase in population in the whole Empire. In Australasia the average death-rate is 10 per mille of population. As it is, even with a phenomenal birth-rate of 38·59 per mille of registered population, the net addition to population in British India was not more than 6·58 per mille in 1911, and 'only 4·3 per mille per decade over the whole period from 1861 to 1911.' During the last decade the number of towns and villages also dwindled from 730,753 in 1901 to 722,495 in 1911. Sir, I belong to a city which is now in the terrible grip of the most virulent epidemic of plague that we have ever seen, and the people there are dying by the hundreds every day. And can it be that the conditions of life cannot be made healthier and more agreeable at Nagpur by opening out congested areas and adopting other methods of scientific sanitation? And what is true of Nagpur is true, with variations in degree only, of all urban and rural areas in India. Yet, how many Municipalities and District Councils have got the means to undertake a reasonably comprehensive programme of scientific sanitation? With funds forthcoming, what cannot be done to clear jungle, to fill up tanks, to improve the water supply, to provide a proper system of drainage, and to open out congested areas? And schemes of sanitation cannot be wanting. This question of special non-recurring grants for sanitation has been to the fore now for about five years, and it would be a wonder if a fair number of schemes be not ready by this time. The Department of Education, which has the oversight of sanitary matters, will be able to enlighten us on this point; but *prima facie* it appears unconvincing that within three years we have reached a point in sanitary improvement when we cannot profitably employ in 1915-16 more than a seventh part of our actual expenditure to end of 1913-14, R15,15,000 against R1,06,88,000. No, Hon'ble Members may be sure that an increased non-recurring grant of fifty lakhs of rupees for the support of Education and Sanitation will be usefully spent in the provinces in the coming year, and the fear of any portion of it lapsing at the end of it is groundless. It is furthermore necessary, as the foregoing statement of facts will show, that the additional grant should be made. The only relevant question that remains to be discussed in this connection relates to the source from which the money is to be found.

"Sir, an examination of the Budget will show that, out of the total allotment of eight million pounds sterling for capital outlay on Railways, rupees fifty lakhs have been provided for the construction of new lines made up, according to the Hon'ble Financial Secretary's Memorandum, of four items,—R15,00,000 for the Vishnupur-Santragachi Branch of the Bengal-Nagpur Railway, R5,00,000 for the Dholka-Dandhuka Branch of the Bombay, Baroda and Central India Railway, R15,00,000 for the Southern Shan States Railway,

and Rs. 15,00,000 for Reserve. The Hon'ble Sir William Meyer has explained his position with regard to these railways, but, with all his able advocacy, he will permit me to say that we remain unconvinced both about the urgency and the expediency of these allotments. It is a debatable point if a programme of new construction must always form a feature of our annual Budget. Either view has powerful advocates, but the one outstanding fact in the controversy is that the profitable nature of railway enterprise in India is doubtful. In good years there is a small margin of profit, but, as pointed out by Sir Guy Fleetwood Wilson two years ago, 'so recently as in 1908-09 our railway system was worked at a net loss to the State.' The policy of the Government of India was also laid down by him on that same occasion 'We must never allow our railways to become again, even temporarily, a net burden on the general taxpayer.' The Hon'ble Sir William Meyer, speaking last year on the Budget, shared his predecessor's poor opinion about the profit-earning capacity of our railways, and observed with his accustomed force and directness: 'Briefly, although the net profits we have derived from railways in recent years are *per se* imposing, they represent but a small margin of profit on the total capital involved, and that margin may be materially affected by trade or climatic circumstances beyond our control.' This year the net profit after meeting interest charges has reached almost the vanishing point (53 per cent). These circumstances only demonstrate the fact I wish to emphasize that our annual programme of new lines must be reduced to a minimum, especially because every addition to the mileage entails an increasing financial responsibility of Government for renewal and improvement which must be discharged irrespective of the state of its finance. It is true that weighty considerations, economic and political, would justify railway expansion; but the point I wish to impress upon Hon'ble Members is that this expansion must in future proceed upon extremely cautious lines, and should only be financed by Government in a lean year when it is unavoidable. It does not matter much if new construction is financed out of our surpluses, provided no indication of a subsequent deficit is present at the time the allotments are made. But when it comes to the question of finding the funds for it in a year of heavy deficit and of uncertain future like the present, the policy is certainly open to criticism. And when added to this is the fact that the allotment for construction of new lines is made, if not directly at the sacrifice of, but simultaneously with a heavy curtailment of, the programme of Education and Sanitation, which are admittedly 'the primary objects' of British Indian Administration, the impolicy of the capital outlay becomes obvious.

"Sir, last year, *i.e.* in 1913-14, the capital expenditure on railways was over twelve million pounds sterling, and a trifle less than the scale of £12½ millions recommended by the Mackay Committee, and in the current year, a year of great anxiety to Government, when all expenditure has had to be cut down, it exceeds £11½ million pounds sterling. Now, after the two years' heavy outlay, would it be wrong to claim a respite, at least in the matter of the construction of new lines? And what is the special urgency about the three new lines for which the Hon'ble Finance Member is anxious to provide fifty lakhs of rupees next year? The Administration Report on Railways in India for 1913-14 shows that the Vishnupur-Santragachi Railway was not even surveyed in that year. It may be that it is 'primarily intended for the relief of the existing lines between the coal-fields and Calcutta,' but the point that demands examination is, how is its construction so very urgent that it cannot be delayed for one year? There is nothing to show that a year's delay would be injurious to the interests of the country as a whole. The Dholka-Dandhuka Railway, again, was surveyed as far back as 1906-07. The construction could be put off so long, although we have passed through very prosperous years in the interval. Last year provision was made for it, but it could not be taken in hand for unavoidable reasons. Supposing there is a further delay of a year, how will the consequences be serious? That the urgency cannot be great is evident from the fact that only five lakhs of rupees have been allotted for the construction of this line against an estimated expenditure of 23 lakhs. The Southern Shan States Railway, with a length of 105.04 miles, is being constructed in sections. On 31st March, 1914, it had

an open length of 23 miles and the capital outlay amounted to ₹1,32,95,785. The remaining portion was sanctioned on 23rd July, 1909. In the current year there was a budget provision of 15 lakhs for further construction. Presumably, the amount has been defrayed in the way intended. Substantial progress has thus been made, but it is not expected that the whole length will be constructed at once. And if that is not the case and if the construction be a question of years, it is not clear to my mind how 'the further development of the Southern Shan States will be seriously hampered if this extension is not carried out at once.' Sir, to the lay mind the representation about the urgency of the construction to which the Hon'ble Finance Member has referred, would appear to lack special merit. It should be borne in mind that there was an actual loss in 1913-14 on the open length of 23 miles for which we have statistics, the proportion of expenses to earnings being 118:31. If these lines disappear from our next year's Budget, the reserve of ₹15 lakhs becomes unnecessary; even with the construction provided for, a 43 per cent reserve must strike one as wholly unnecessary.

"Sir, on the strength of the above analysis of the needs of Educational and Sanitary progress, and in the absence of special urgency about the construction of the three new lines of railway for which provision is made in the Budget, I claim a re-adjustment, and suggest that the allotment for Railways should be reduced by the sum of rupees fifty lakhs set apart for fresh construction, and the amount thus freed should be employed for the support of Education and Sanitation. I take Education and Sanitation together, as with my insufficient knowledge of the schemes under each head which are ready, or are likely to be ready shortly, it is far better that I should plead for a further grant of fifty lakhs for both, leaving it to the Department of Education, with its fuller grasp of details, to apportion the amount between the two."

The Hon'ble Sir Gangadhar Chitnavis :—"Sir, any reasonable proposal, as that made by the Hon'ble Mr. Dadabhoy, for strengthening the resources of Local Governments and for increasing non-recurring Imperial grants for the promotion of Education and Sanitation, in addition to the liberal grants that have been made in recent years by Government, will have the cordial support of Hon'ble Members. It is for this that last year I invited the attention of the Hon'ble Finance Minister to the urgency of a liberal revision of the rules regarding 'lapsed grants' in the case of these and other necessary objects. But apart from the question of 'lapse,' I think the Hon'ble Mover has successfully indicated the way in which the budgetted grants for these important heads of expenditure can be substantially increased without prejudice either to the interests of the general administration or to the special interests of the Railway Department.

"Though I do think that the Budget as it is has been very carefully prepared and that there should be as little interference with it as possible in times like these, the question of the construction of new lines of railway should be examined and decided in view of the necessary recurring expenditure involved. It is not the initial outlay alone that has to be provided, but in addition the annual renewals of each line constructed have to be financed. The financial responsibility of Government is thus of a twofold nature, and this should impose on us extra caution in the matter of extension. And it follows that only unavoidable expenditure should be incurred in this direction, especially when the State is not flush of cash.

"I may also point out that the allotments to the Provinces that are now suggested may be utilised by this Government if the necessities of a sudden situation in the course of the war so demand. There will never be any unwillingness on the part of the Provincial Governments to come to the relief of this Government in such a contingency. This year they have responded promptly to the appeal of the Government of India, and there is no reason to suppose that they will not be equally reasonable in future.

"One suggestion more. The additional grants for Education and Sanitation should only be made to Local Governments that have got schemes ready, and are therefore in a position to employ the funds within the year to the best advantage.

“ My friend the Hon'ble Mr. Dadabhoy has just alluded to the state of Nagpur at the present time, but I will not be doing my duty if I do not acknowledge the great help that has been given by the Local Government during the last ten years in improving the town, and if plague is at its worst this year, it is a mere accident and not in any way due to lack of help on the part of Government and, for the matter of that, of the Municipality. I must, however, say that there is still room for much sanitary improvement, and any increased grant made for the improvement of the town will be most thankfully received and most usefully spent.”

The Hon'ble Mr. Clark:—“ I think, Sir, it might be useful to the Council if I were to intervene at this juncture to say a few words about our proposals for expenditure on new railways, an expenditure which the Hon'ble Mr. Dadabhoy appears to regard with disapproval. I will leave the question of general policy to be dealt with by my Hon'ble Colleague the Finance Member, and will merely lay before the Council a statement of the main railway projects which we have in hand. I had hoped that my Hon'ble Colleague the President of the Railway Board, who knows, of course, much more about the details of these projects than I do, could have done this; but unfortunately he is indisposed. However, for the purpose of this debate, probably the general outlines will be sufficient. I can hardly hope perhaps to carry conviction to the Hon'ble Mr. Dadabhoy, who has told us that my Hon'ble friend the Finance Member has already failed to convince him; but it is clearly my duty to try. The Hon'ble Mr. Dadabhoy has told us that if more money is not available for education and sanitation, many schemes will be hung up and much money will be wasted. I do not know how far this is really applicable to education and sanitation, but I am quite sure that it is particularly applicable to railways. It will be most uneconomical to proceed, as the Hon'ble Member said we ought to proceed, by merely taking up new construction when there happened to be large surpluses, possibly spaced out by considerable periods, during which all the work previously done had been lying idle and all the capital employed had been lying idle. If the Hon'ble Member will forgive my saying so, he seems to regard the building of a new line of railway in something of the same way as buying a new hat, as an individual piece of extravagance which can or cannot be committed and which stands by itself. This is not at all the case with railways. A so-called new line is really an extension of or connection between existing lines. It is often required for the development of existing lines and means increased revenue and increased traffic.

“ Of the actual construction which we have in hand at present there are six lines, which I may describe as minor projects. On these we propose to spend in all a sum of between 15 to 16 lakhs only. I need not describe these projects in detail, but I should like to point out that if we fail to incur this expenditure during 1915-16, not only shall we incur a very substantial loss of revenue due to failure to open these lines as early as we might, but hereafter when construction is resumed—for if we spend less than is proposed, work will have to be shut down,—we shall have to incur very considerable unnecessary expenditure in making good the damage caused by weather in the intervening period. Excluding the Hardinge Bridge, which has practically ceased to make a call upon our resources, we have in hand four projects, which I may describe as major projects. A word in regard to each of these is perhaps desirable. They are the four projects to which the Hon'ble Member referred. The Southern Shan States Railway has now been practically completed for the 72 miles between Thazi, the junction station, and Aungban, which is perhaps best described as a point on the map, for there is there neither a town nor a village worth considering so far as railway traffic is concerned. The Hon'ble Members from Burma, should they care to intervene in the debate, will be able to inform the Hon'ble proposer of the resolution of the state of feeling in Burma regarding the proposed further extension of this line. I was myself in Burma last year, and it was most strongly pressed on me by the commercial community there. I am not in a position

to say anything definite on the subject of the extension at present, but I am quite sure we should have to meet very strong criticism and opposition from Burma if we were to drop our proposal to reserve funds for this project. Two other large projects—the Burdwan Howrah Chord and the Bombay Harbour Branch extension—though they are new railways, fall within the category of works of open line improvement, since each of them is designed primarily for the relief of congestion on existing lines. Each is both an important and an expensive project on which work is at present in full swing, and we cannot give less than the allotment proposed without involving eventually additional outlay on establishment and so forth, by prolonging the period of construction. The last of these four projects is the Itarsi-Nagpur Railway with a branch to the Pench Valley. This project has already been under construction for over six years, and the section from Nagpur to Amla is not yet half completed. No one, I am sure, knows better than the Hon'ble proposer himself, the strong feeling which exists in favour of this railway being completed in his Province, and I am sure that neither he nor Sir Gangadhar Chitnavis would wish to see this project discontinued. There remains a great deal of work to be done including heavy earth work and tunnelling, and the delay in tackling it has, as the Hon'ble proposer of the motion probably knows better than most of us, been a cause of very great complaint in the Central Provinces. After carefully considering the matter we have come to the conclusion that it is not worth while taking up this work piecemeal, but that the time has come when a special effort should be made to get this important line open for traffic throughout. As I have said, it has already been six years under construction and if we give money in dribblets the total period of construction may well extend to ten years with a very large loss of revenue on the outlay already incurred. A full allotment is I hold extremely desirable, in fact almost a necessity, for this particular line.

“We have also proposed to reserve funds for three new projects. The first of these—the Vishnupur-Santragachi Chord—has not yet been sanctioned by the Secretary of State, but it has already been recognised as a most important work on account of the relief it will afford to the Bengal Nagpur Railway Company's main line between Calcutta and the coal-fields. If the commencement of work is postponed until the end of the war the opening of the line for traffic will be considerably delayed. Unless we begin work at once all hope that the Bengal Nagpur Railway will be relieved in this way before the next boom occurs must be abandoned.

“The Hon'ble Members from the Madras Presidency would I am sure strenuously support our action in reserving funds for the construction of the Panruti-Trichinopoly Railway. The delay in the commencement of work on this project has been a chronic cause of complaint for the best part of two decades. We hope, though the matter is still under discussion, to be able to commence work during the forthcoming year, and it would be very short-sighted if we were to fail to take advantage of this opportunity.

“The only other new project is a comparatively small one—the proposed Dholka-Dandhuka Railway. It is in fact but part of a larger project for a railway from Ranpur to Dholka of which the Ranpur-Dandhuka section will be constructed at the expense of the Bhavnagar Durbar. We are under agreement with His Highness and the Bombay, Baroda and Central India Railway Company to undertake the construction of the two sections simultaneously and unless we reserve funds for commencing work upon the British section we shall run the risk of failing to carry out our part.

“In the circumstances which I have explained, I submit to the Council that it would be most inexpedient to fail to proceed with the construction of these new railways. Apart from the particular considerations which I have placed before the Council, we have to look forward to a great revival of trade when the war is over. And there is the question of employment in India. At

the present moment it is very undesirable that we should do anything to lead to greater unemployment than must inevitably be the result of the war. That to my mind is a very strong additional reason for carrying out these works."

The Hon'ble Mr. Ghuznavi :—"Sir, I have great sympathy with the object which it is desired to obtain by the resolution moved by my friend, namely, that more money may be allotted to the Provincial Governments for the development of education and sanitation. While I yield to none in my desire that considerably more money should be spent by the State in furtherance of education and sanitation than is being done at present, while I consider the claims of Education and Sanitation to be most supreme, while I am of opinion that from the point of view of the people of this country nothing is more urgently required than education and sanitation, I am afraid I cannot see eye to eye with my friend in regard to the means which he proposes to be employed for the desired end in this instance. It is true that malaria is increasing in virulence year after year. Certain portions of Bengal which were, comparatively speaking, free from malaria have suffered untold miseries owing to this scourge this year, and although we are nearly coming to the end of the cold weather, malaria has not abated to any appreciable extent in the major portion of East Bengal.

"It is also true that education must be the future watchword of our country. Our greatest public man, who has just passed away, made that his principal cry, and I entirely share his view that primary education must gradually be made free and, if possible, compulsory. It was with intense satisfaction that we in Bengal hailed the gracious announcement made by His Excellency only last Saturday at the Convocation meeting that the Government of India were going to grant ten lakhs of rupees to the Calcutta University. Therefore I should personally welcome any proposition that may help us to obtain more and more money for the cause of Education.

"In this instance, however, my friend proposes that the allotment for Railways in the coming year be reduced by fifty lakhs. Now there is no question that of all our wants, the cause of Sanitation takes precedence, for it is only natural that the requirements of our health must receive our first consideration, and the increasing mortality due to malaria and other diseases due to insanitary conditions and particularly the want of pure drinking water must be checked. Next to this certainly comes the claim of Education of the right sort without the immediate and increasing development of which no hopes for the betterment of this country can be entertained. But immediately after this, I am inclined to advocate the cause of Irrigation and Railways. Our country is very badly served as regards railways. In some parts, especially in Bengal, our great waterways are gradually being silted up. Communications in the interior are extremely difficult, and in a great many they do not exist at all. Besides, I am strongly of opinion that railways carry in their wake a kind of Education and Progress. My friend the Hon'ble Finance Minister has already effected a very large curtailment with regard to railway expenditure for the coming year while he has maintained the entire amount, namely, one million one hundred thousand pounds, which would be required for the purpose of irrigation as advised by the Public Works Department, he has cut down railway expenditure by one-third of the total amount. Where originally 12 millions were provided he has cut them down to 8 millions. Therefore, a further reduction seems hardly to be possible and is likely to impede the working of our railways

"I had the extreme pleasure the other day of witnessing the opening ceremony of the Hardinge Bridge on the Lower Ganges at Sara, which is one of the greatest Engineering works in the world. Although this has, during the past years, made a heavy call upon our resources, now that it is completed, it will no doubt give a great impetus to trade and commerce. Expenditure in irrigation and railways is never wasted, for railways and irrigation are always paying concerns. The total interest charges on our public debt amounted to

some 9½ millions in the year 1913-14, while our railways and irrigation works in the same year yielded us a return of 15½ millions. Thus, there was still left some 6 millions of clear revenue from these great undertakings. In spite of this, however, if my Hon'ble friend the Finance Minister had not already proposed to make a sober curtailment of 4 millions in our railway expenditure, I would have been very glad to have supported a motion in favour of a reduction in the allotment for railways. Under the careful and wise guidance of my friend who is unfortunately absent to-day, I mean the Hon'ble Sir Henry Burt, the present head of the Railway Board, I have no doubt that our railways have a great future before them. The cause of Education and Sanitation are certainly paramount, but I am sure there are other means and ways whereby more money can be found for the furtherance of these objects and I shall be glad to offer my humble suggestions on another occasion."

The Hon'ble Maharaja Manindra Chandra Nandi:—"Sir, I beg to support this resolution. I think the Hon'ble Mr. Dadaboy has made out a good case for reducing the allotment for railways in the coming year by rupees fifty lakhs and allotting that amount to Provincial Governments for the development of Education and Sanitation. Sir, it is true that in view of the strain caused by the war the allotment for railways for the forthcoming year has been reduced from 12 to 8 millions sterling, but the fifty lakhs mentioned in the resolution is intended for the construction of new lines for which there is no urgency and which may well be put off for some time. The Government have always had at heart the promotion of Education and Sanitation and this principle may be well affirmed by the Government accepting the resolution moved by my Hon'ble friend."

The Hon'ble Mr. Marshall Reid:—"Sir, I entirely sympathise with my Hon'ble friend in his desire that education should progress, and I think he will also appreciate our desire that railway and other developments should also progress. I think we must realise that this Budget is essentially a business one, and there is no room for a great deal of sentiment in it; I think probably it is the most businesslike Budget which has ever been presented to this Council. We have all had to realise that the Finance Minister's first duty has been to cut down expenditure in every way. We have our own particular fancies in the way of education, railways and other things, but we have all had to realise that we must accept a great deal less than we asked for and a very great deal less than we could usually expect to get. In reducing the railway grant from 12 millions to 8 millions, I think my Hon'ble friend should realise that the reduction is one-third or 33 per cent. It has been pointed out frequently that 12 millions was some years ago considered to be the minimum on which the railways could work in this country. My own opinion is that we should require now, to go ahead properly and to maintain the railways, something more like 15 or 16 millions. Sir, seeing that we have agreed, and cheerfully agreed, to accept, under present conditions, a sum of 8 millions, which is about half of what we consider is the least we ought to have, I think that those whose particular province is education should be well pleased that they have got almost as large a grant as they have ever got before. In saying that we willingly accept this grant of 8 millions for railways, we realise that it is the very least by which existing railways can be kept up to any state of efficiency, and if railways do not progress, they must go back. It must also be borne in mind that there are a large number of unproductive works in this country now on which enormous sums have been spent. Until they become productive, the country is suffering severe losses, and I know well that the Finance Minister in framing this Budget has borne in mind the urgent necessity of bringing these works to a productive stage. I therefore regret that, though I sympathise entirely with my Hon'ble friend's desire that education should be well supported, I cannot support his proposition."

The Hon'ble Sir William Meyer:—"Sir, this resolution is, strictly speaking, not in order at all at this stage of the discussion, with reference to No. 3(2) of the Rules which regulate our discussion of the Financial Statement, since the resolution does not specifically refer to any additional grant to Local Governments proposed or mentioned in the Financial Statement or in the Secretary's supplementary Memorandum. Since, however, it is the only resolution that has been put forward at this first stage, we have decided not to challenge it; but this must not be taken as a precedent for the future.

"Well, the Hon'ble Mover made it clear that what he desires is to cut out the whole of the 50 lakhs allotted for new lines in the coming year's railway programme and present this amount to the Provinces for further expenditure on education and sanitation.

"Taking first the effect of this proposal on our modest railway programme, I need not add much to the remarks already made by the Hon'ble Commerce Member and by my friend, the Hon'ble Mr. Marshall Reid. I may once more remind the Council that our proposed railway programme of 8 millions means a very drastic curtailment, a curtailment of one-third, from what has been accepted for the last two years as the standard. It is also nearly two million less than the expenditure in 1912-13. A large amount of the railway outlay is spent in India and, as the Hon'ble Mr. Clark has brought out, further restriction of this amount beyond what we have already proposed will reduce the demand for labour which, in the present circumstances, it is desirable to interfere with as little as possible. To make a further curtailment by wiping out the whole of such small provision as we have been able to make for new lines, I regard as absolutely inadmissible. As I pointed out in my Budget speech last year, we must not regard the economic benefits to the community which the Government are able to bestow as confined to education and sanitation, valuable as these are.

"The people are equally benefited, as I then said, by an extension of railway facilities, which expands trade, mitigates the effects of famine or scarcity, and adds to the personal convenience of Indian travellers. I do not in the least undervalue the benefits of education and sanitation, which press so upon the mind of the Hon'ble Mover, but we must try and hold the scales more even than he proposes.

"Then, I would draw attention, as the Hon'ble Mr. Ghuznavi has already done, to what I said in paragraph 98 of my recent speech introducing the Financial Statement now under discussion. As I there brought out, our capital outlay on Railways and Irrigation is in ordinary circumstances of so productive a character that it yields us a very large balance—in 1913-14 it amounted to some six million pounds—to meet ordinary general charges after paying all the expenses connected with our debt. But for this source of income, I would ask the Hon'ble Mover to remember, the Government of India could not have embarked on the large schemes of education and sanitation that have distinguished recent years. I hold that it is a most short-sighted policy to discount future benefits of a similar character by an unnecessary curtailment of beneficent capital outlay. My Hon'ble friend, for a little gain to education and sanitation at present, is proposing to throw away possibilities of much larger gain in the future.

"The Hon'ble Mover also quoted some remarks of mine as to the small percentage of profits on railways. I do not withdraw a word of what I said in those remarks. It is my duty to look at both sides of every case, and I pointed out that although our profits are large—millions of pounds—they are small as compared with the capital charges outstanding, which will soon amount to about 368 million pounds. That shows, as I have always said, the necessity for caution,—that is, to be quite sure that works will be productive—or as sure as we can be—before we start upon them. But because, in the abnormal circumstances of the present year, the percentage of profit on railways taken to the whole sum outstanding is only 53 per cent after meeting interest charges, and because in 1915-16 we estimate it only at 32 per cent, the

Hon'ble Member treats these as despicable quantities. He took these figures from the table in paragraph 77 of my recent Budget speech. I would like to draw his attention to the figures which immediately precede them. He will see that, even on these small percentages, the net profit on railways, after meeting all working and interest charges, is expected to be £1,914,000 in 1914-15, and £1,179,000 in 1915-1916. These despicable figures (as the Hon'ble Mover seems to hold them) come together to over 3 million pounds. Without those 3 million pounds my Hon'ble friend would have had to face the necessity of fresh taxes. It is the railway profit, of which he is scornful, which has stood between the country and increased taxation.

“I now come to the effect of the resolution on education and sanitation outlay. What the Hon'ble Mover desires is to expand the million pounds, by which we propose to allow the Local Governments to exceed their current revenues in 1915-16, by another $\frac{1}{3}$ million pounds. The financial effect of this proposal would be not merely to add to our Imperial revenue deficit, but to diminish our cash balances and to increase *pro tanto* the amount of next year's borrowings on account of the unproductive debt, the productive borrowing being decreased in like proportion. From a financial point of view this is a most unsound proposal. As I indicated in the concluding part of my recent Budget speech, our present wholly satisfactory financial position has been built up by the wise caution of our predecessors, and although the circumstances now existing have justified us, for this year and the next, in having recourse to unproductive borrowing rather than increased taxation, I am not prepared to add to such borrowing more than is necessary. Nor is there any reason for overriding this general proposition in order to buttress expenditure on education and sanitation.

“The Hon'ble Mover spoke as if the financial position in the coming year was such as to involve disastrous stoppage of educational and sanitary projects and what not. I will just give a few figures to rebut that. Taking the total outlay on education and sanitation financed from grants given by the Government of India, including the expenditure connected therewith under the Civil Works head—in 1913-14, the aggregate expenditure amounts to 257 lakhs; in 1914-15 (according to the Revised Estimate) to 280 lakhs; in 1915-16 (according to the Budget) to 224 lakhs, to which we must now add 10 lakhs on account of the grant to hostels recently announced by His Excellency the Viceroy. Well, there is a diminished outlay no doubt in 1915-16 as compared with 1914-15; but it is not nearly as much as the diminished outlay on railways. Moreover, these figures take only the special grants into account. If we look at the total Provincial expenditure on education, what do we find? The Budget provision for 1915-16 is £3,198,000 actually £100,000 more than the Revised Estimate for 1914-15 and a little more, too, than the actuals of 1913-1914—£3,056,000. Under ‘Medical’ again, we have for 1913-1914 (in round figures) £1,200,000; for 1914-1915 (Revised Estimate) £1,349,000; for 1915-1916 £1,299,000—a little falling off, but not much. To be quite fair I must admit that the large falling off in the Civil Works grants to which I referred in my Budget speech will probably to some extent affect Education and Sanitation buildings. But taking all the figures together, the diminished outlay under these two great heads of expenditure is trifling compared to the reduced provision that has been made under Railways; and with this war upon us and the possibility of its continuing for a long period, we cannot undertake to keep outlay on Education and Sanitation fully up to the specially high standard attained in 1914-1915 and 1913-1914. We do not go back on our previous policy. We must, however, move somewhat more slowly: there must be a little stoppage of the speed here, as under other heads. I cannot therefore accept the resolution before the Council. My Hon'ble friend the Mover must not however be discouraged: when my Hon'ble Colleague, the Member for Commerce and Industry, next lays proposals before me for new railways in the Central Provinces, it will be my duty to bear in mind that the elected Members from those Provinces do not want those railways.”

The Hon'ble Mr. Abbott:—"Sir, I beg to oppose any reduction in the construction of railways in India or Burma."

The Hon'ble Mr. Dadabhoj:—"Sir, I wish to express my gratitude to my non-official colleagues for the support they have given to my resolution. As I expected, from official quarters I have not received the same measure of support. Nor did I anticipate it. My Hon'ble friend Mr. Marshall Reid has rightly pointed to the most businesslike Budget presented by the Hon'ble the Finance Minister. Nobody disputes the excellence of the Budget, and I shall have another opportunity in common with the other Hon'ble Members, at the proper time, to pay my tribute of admiration and gratitude for the generally very well-intentioned Budget which has been framed. But the only issue before the Council, and a very important issue it is, is entirely different; and I regret to say that I still remain unconvinced after what I have heard from the Hon'ble the Finance Minister and my friend the Hon'ble Mr. Clark. It is a mistake to suppose that non-official members of this Council do not attach importance to the expansion of the railway programme. That is not the point at all. I have been in this Council for several years; I have made it clear in this Council and outside this Council that the railway programme should be supported; but the point which claims our attention at this particular juncture is the propriety, the wisdom, the expediency of allocating a large sum of money for it in a lean year when a heavy deficit is expected. I share the view which the representative of the Bombay Chamber of Commerce entertains, in common with some other members, as regards the general utility of the Railway programme. But the question is, are we justified, are we entitled to use the tax-payers' money in the further expansion of railway programme in a year of deficit? I say, Sir, that strategic railways, railways that are required for political purposes, are absolutely necessary, and must be constructed at all cost, even when our finances do not permit of it; I go further and say that protective railways, railways that are required for the mitigation of famine and find suitable employment in times of famine, should also be undertaken. But, Sir, protective railways as well as strategic railways and railways that are required for political purposes stand on an entirely different footing from railways that are required for the promotion of trade and commerce. The Hon'ble the Finance Minister has spoken about the profits of our railways, and has pointed out that, but for these profits on railways, the necessity for additional taxation would have been self-evident. But when one applies his attention to the enormous capital that has been laid out in building railway lines in India, the profits after paying interest are absolutely small and do not appeal to our consideration. I submit I should not be misunderstood. I have not run down railways; I am a cautious supporter of railways, and all that I have stated is that the Government have not made out a case for spending this year 50 lakhs of rupees on the construction of new railways. Sir William Meyer says that we have reduced our expenditure from 12 crores to 8 crores,—a very drastic curtailment. I note further that the bulk of these 8 crores will be spent on renewals and repairs, and a very small percentage of it will be spent in the construction of new railways. But all this is inconclusive. Reference was made to the Nagpur-Itarsi railway. In my speech I did not at all allude to the expenditure under that head being dropped for the reason that that scheme had been shelved for a period of three years after the construction had been started. It is, therefore, not surprising that it should find a place in the next year's railway programme. But I must submit that there has been no explanation about the other railways forthcoming. I was very anxiously expecting an explanation of some sort as regards the urgency of these three new lines, which are now contemplated to be constructed, and neither the Finance Minister nor Mr. Clark has thrown any light on the absolute necessity of spending money this year on those lines. It has not been at all pointed out that the postponement of this programme for a year would cause any serious inconvenience either to the State or to the country. Sir William Meyer, with his characteristic force, has also stated that he will bear in mind when a

suitable opportunity comes, about the construction of railways in the Central Provinces, and that he would then remind me of my utterances to-day. I am prepared. I may say that I am not a man likely to be discouraged by that. These discussions have their moral effect, and I have no doubt that, though the Hon'ble the Finance Minister has not accepted my resolution to-day, it will have a great deal of effect in the future, and I feel confident that in the succeeding year's budget we shall have a larger sum under the heads of Sanitation and Education. Sir, I know the ultimate fate of my resolution. It is not likely to be passed, but I feel the moral importance of it; and though I do not press for a division, I still request you, Sir, to put it to the vote."

The resolution was put and rejected.

The Council adjourned to Tuesday, the 9th March, 1915.

W H. VINCENT,

*Secretary to the Government of India,
Legislative Department.*

DELHI;

The 12th March, 1915. }

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 to 1909
(24 & 25 Vict., c. 67, 55 & 56 Vict., c. 14, AND 9 Edw. VII, c. 4).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on
Tuesday, the 9th March, 1915.

PRESENT :

The Hon'ble SIR HARCOURT BUTLER, K.C.S.I., C.I.E., Vice-President, *presiding*,
and 50 Members, of whom 43 were Additional Members.

FINANCIAL STATEMENT.

SECOND STAGE.

The Hon'ble Sir Robert Carlyle opened the second stage of
the discussion on, and introduced the following heads of, the Financial State-
ment for 1915-16:—

<i>Revenue.</i>	<i>Expenditure.</i>
Land Revenue.	Land Revenue.
Provincial Rates.	Provincial Rates.
Forest.	Forests.
Scientific and other Minor Departments.	Scientific and other Minor Departments.
Irrigation.	Famine Relief.
Civil Works.	Protective Works, Irrigation.
	Irrigation.
	Civil Works.
	Capital outlay on Irrigation.

He said :—“ I rise to introduce the heads of the Financial Statement of
1915-16 standing against my name.

“I have nothing to add to what has been said in the memorandum regarding the Land Revenue and Provincial Rates heads.

“Our Forest revenue has suffered from the War and on the expenditure side also the amounts provided have in several provinces had to be curtailed on this account. But the aggregate grant, though lower than this year's budget figure, is higher than in any previous year, while the surplus, if less than a million sterling which was reached in 1912-13 and 1913-14, is expected to exceed that of the current year and is taken at the substantial figure of 124 lakhs.

“But although purely from the revenue point of view, our Forest property is of great and increasing value and although, with the development of Forest industries and the exploitation of our reserves, we may look forward with confidence to an increased income; the commercial is not the only object in view. We have also to conserve and improve the forests.

“I do not propose on this occasion to describe what is being done both on the commercial and on the Sylvicultural side, as we hope this year to publish a quinquennial review of our forest administration and in this the policy which we are following will be fully set out.

“Hon'ble Members may have noticed a new feature in the form of the budget. Agriculture, I am glad to say, is no longer treated as a minor department but has been given the dignity of major heads of its own and these heads include receipts and expenditure under agriculture, veterinary and co-operation. In this way it will be possible to tell without difficulty what is being spent on the improvement of agriculture and allied objects. Next year's grant of 91 lakhs will be nearly half as much again as the expenditure four years ago and it is gratifying that at a time like the present many of the Provinces have found it possible to increase their expenditure under this head. Both at the Imperial Research Institute at Pusa and in the various Provincial Departments of Agriculture, the work of improving Indian agriculture is being steadily carried out on scientific lines—a work which has already borne fruit. Here, too, I do not propose to describe what is being done as we are preparing and will shortly publish an historical account of the work of the Agricultural Department in India.

“On the veterinary side also admirable work is being done and I cannot allow this opportunity to pass without referring to the sudden death of Colonel Holmes, the Imperial Bacteriologist. To his brilliant research work and his capable administration of the Imperial Laboratory at Muktesar we owe a great advancement in the treatment of cattle diseases in India and by his death the Department has sustained a serious loss.

“Under the other heads which concern the Revenue Department I have nothing to add to the remarks contained in the memorandum.

“Turning to the working of the Department of Public Works, our splendid productive system, after meeting all charges for maintenance and repairs, and for interest, has returned a net profit amounting to 292 lakhs of rupees during 1914-15 exceeding the forecast by 21 lakhs. We anticipate for 1915-16 a net profit of about the same amount as realized in the current year.

“The total provision in the revised and budget estimates respectively for new major works, both productive and protective, is 260.4 lakhs for the current year, and 239.1 lakhs for 1915-16. The latter will be the third year in succession in which there has been a diminution of capital outlay on major works as a whole. The reason is the same I gave last year, namely, that while the great triple canal project in the Punjab is rapidly approaching completion and therefore absorbing a considerably smaller amount of funds than formerly, no new project of anything approaching the same importance has yet been sanctioned to take its place in the construction programme. A number of projects of the

first magnitude have been, or are at present in course of investigation; but for one reason or another they cannot yet be advanced for sanction. As the Council is aware, the Secretary of State decided last year to withhold sanction to the great Sukkur Barrage and Rohri project as designed. In the United Provinces another large project—the Sarda-Ganges-Jumna Feeder—has been delayed in consequence of the decision of the Local Government to revise it. The Cauvery Reservoir project in Madras is necessarily held up pending the final orders of the Government of India on the award of the arbitrator who was appointed to pronounce upon the dispute between the Governments of Madras and Mysore respecting the division of the waters of the Cauvery river. The orders of the Government of India have been held over pending receipt of a representation which the Madras Government propose to make in the matter. The Kistna dam scheme in Madras, and the Sutlej scheme in the Punjab are under investigation. During the current year a scheme for the construction of a large protective work in the Bombay Presidency, known as the Gokak Canal extension project, was submitted to the Secretary of State, whose orders are awaited. The estimate for this work amounts to 197 lakhs.

“The outlay on protective works has increased of recent years. The amount spent in 1912-13 was 63·98 lakhs and rose to 86·27 lakhs the year following. This includes about 11 lakhs from the general reserves of Government over and above Rs. 75 lakhs chargeable to the Famine Insurance grant. The revised estimate of the current year places the outlay at 85·24 lakhs and we are budgeting for 75 lakhs for next year as we cannot in a year seriously affected by war ask for any grant from loan funds beyond what is chargeable to Famine Relief Insurance.

“It may be of interest to compare the expenditure that has been incurred on capital works since the Irrigation Commission's Report was published with the programme of outlay recommended by that body. If a reference be made to paragraphs 123 and 139 of Volume I of the Report in question it will be seen that the Commission advocated the expenditure on productive and protective works of 44 crores in a cycle of 20 years, or an average of 220 lakhs per annum. During the ten years that have since elapsed, that is to say, in the period 1905-06 to 1914-15, we have spent 1625 and 633 lakhs, respectively, on productive and protective works; or 2258 lakhs in all. This gives an average annual expenditure of nearly 226 lakhs or about 6 lakhs beyond the rate of expenditure contemplated in the Report of the Commission. The expenditure during the last six years is still more largely in excess of the average annual expenditure recommended by the Commission.

“As regards Civil Works, I have nothing to add to what is stated in the Financial Statement regarding capital expenditure on the New Capital. So far as expenditure from Revenue is concerned, the total grant provided next year is 100 lakhs, that is, 19·50 lakhs less than the Budget grant for 1914-15. This reduction has been found necessary owing to the curtailment, generally, of ordinary administrative expenditure consequent on the war. The grant of 100 lakhs includes, (a) a reserve provision of 1·28 lakhs for Archæological works, inclusive of ·25 lakhs to be allotted to meet lapses from the grant of 1914-15; (b) 11·30 lakhs for the Delhi Province, ordinary; and (c) Rs. 3·18 lakhs payments in England on account of stores, furlough allowances, etc.

“Of the provision made in 1915-16, Rs. 36·46 lakhs represents the amount it is proposed to spend on Major Original Works, excluding Rs. 3·28 lakhs provided for Delhi Province, to meet the requirements of the Customs, Currency, the Post Office and Telegraph and other Departments. I would again draw attention to the fact that the Public Works Department is practically in the position of an Agent for other Departments, and that the provision made depends on the demands put forward by them. The provision for repairs, excluding Delhi Province, has been slightly reduced to Rs. 20·96 lakhs on account of the reduction made in the total grant.”

RESOLUTION *RE* INCREASED GRANT FOR IRRIGATION.

The Hon'ble Pandit Madan Mohan Malaviya:—" Sir, I beg to move that—

'This Council recommend that the Budget allotment for productive irrigation works be increased by 15 lakhs of rupees.'

" It is hardly necessary—or rather, it should hardly be necessary, for me to draw the attention of the Council to the importance of irrigation works. The Government have acknowledged it and they have followed a systematic policy of developing irrigation, which has led to the most beneficial results for which the country is grateful to the Government. But, Sir, there has been a feeling for a long time that the amount that should be spent on irrigation is not being spent, and more than once the attention of the Government has been drawn in this very Council during the last few years to the need for spending more on irrigation. The position at present is this. The last Irrigation Commission recommended that practically the whole amount of the Famine Insurance grant should be devoted to irrigation *minus* such sum as may be needed for the actual relief of famine when it should occur; but we find that even that figure has not been kept up to. The statement before the Council shows that in 1913-14 the amount spent was Rs. 1,92,33,927. In the budget for last year Rs. 1,80,00,000 was provided; the revised estimates show that Rs. 1,74,96,000 was spent; and in the budget for the coming year only Rs. 1,65,00,000 is provided; that is, that while even last year the budget provided for £1,200,000, or Rs. 1,80,00,000, this year it has been reduced by a further £100,000 or 15 lakhs of rupees. In view of the repeated demands that have been made for an increase in the grant for irrigation, this seems to me to be very unsatisfactory.

" Now, Sir, if it were that irrigation did not bring in sufficient receipts one could understand the unwillingness of Government to spend more on irrigation; but a glance at the figures given in this very statement would show that this is not so. By comparing the receipts from irrigation with those from railways, we get some very instructive figures. Railways for instance in 1911-12 brought in a net profit of 1·14. In the same year irrigation gave us 4·70. In 1912-13, the net profit from railways was 1·41. In the same year irrigation gave us 5·40. In 1913-14 railways returned 1·36, irrigation 5·87. In 1914-15, as the Hon'ble the Finance Member has explained, according to the revised estimates, railways will bring us only ·53, whereas irrigation gives us 5·44. In the budget before us the net profit from railways is shown as ·32 : in the same year irrigation is shown as likely to yield 5·30.

" It seems, then, that as irrigation is ever so much more profitable and as it is so much more beneficial in many other respects, the Government ought to explain to the Council and to the country why it is that it is not able to provide for the amount recommended even by the Famine Commission; and if there are any temporary causes which stand in the way, it ought to take steps to remove those causes, so that at the very least the carrying out of irrigation works to the extent of the Famine Insurance grant should be provided for in every year's budget. In March, 1912, my friend the Hon'ble Mr. Mudholkar urged that the allotment for protective irrigation works should be increased by 50 lakhs. In the course of that debate the Hon'ble Sir Robert Carlyle said: 'I would ask the Council to accept my assurance that while the Government must oppose the resolution, they fully appreciate the importance of the matter, and so long as I fill my present post, I will not relax my efforts to develop irrigation whether protective or productive.'

" The diminishing figures provided every year for irrigation would lead one to think that if there has been no relaxation of effort on the part of the Hon'ble Member, there has not been that keenness which we desire to see to provide for that amount which should be provided for irrigation. I therefore commend this resolution to the consideration of the Government, and I hope that they

will be able to add at least £100,000, which has been cut down from last year's Budget, to the allotment for irrigation."

The Hon'ble Sir Robert Carlyle :—"Sir, I must begin by explaining that my Hon'ble friend is under a misapprehension as to the recommendations of the Irrigation Commission. The recommendation was not that 220 lakhs should be spent on productive works alone, but on irrigation works of all kinds, and we fully acted up to their recommendations under this head, as I have already mentioned."

The Hon'ble Pandit Madan Mohan Malaviya :—"May I inquire, Sir, where this is shown in the statement?"

The Hon'ble Sir Robert Carlyle :—"It is shown under various heads, not all under one head. I will show them to the Hon'ble Member after the debate."

The Hon'ble Pandit Madan Mohan Malaviya :—"I would suggest that—"

The Hon'ble the Vice-President :—"Order! Order!"

The Hon'ble Pandit Madan Mohan Malaviya :—"May I explain—"

The Hon'ble the Vice-President :—"There is no question of explanation; the Hon'ble Member has said that he would explain it later; the matter is therefore disposed of. The Hon'ble Member can reply."

The Hon'ble Pandit Madan Mohan Malaviya :—"I was going to make a suggestion, if I may with your permission, Sir, that it would save the time of the Council if the allotments for irrigation were all shown in one place; it might then not have been necessary for me to bring up the resolution."

The Hon'ble Sir Robert Carlyle :—"I will consider that suggestion with regard to the next year's budget and will lay on the table at another meeting a statement showing the year's figures. While I welcome the resolution now before us as an indication of the interest taken by the Council in a matter of vital importance to the welfare of India, I cannot accept the additional sum it is proposed to grant as we have already provided in the Budget for the full amount we believe we can spend. We have met the demand of all Local Governments in full; in fact in some cases we have allotted somewhat more than we were asked for. Over and above this we have kept an unallotted sum of 10 lakhs on our hands as a reserve. The only effect of increasing the grant would be a lapse at the end of the year. There are very great difficulties in preparing large irrigation schemes. It is very disappointing, for example, that we are unable to commence work on the Sind scheme which took so many years to prepare. Some of our most distinguished irrigation engineers took part in the preparation and examination of the scheme, and the fact that it has failed to pass the scrutiny of the Secretary of State shows how difficult it is to prepare a completely satisfactory scheme when some of the conditions are unfavourable. I have already to-day, when introducing the budget heads with which my department is concerned, mentioned the unavoidable delays that have occurred in the case of other important projects. While I regret that in 1915-16 we cannot spend more on productive works, I foresee much larger expenditure in future, when the great works still under consideration have been put in hand. Independently of these large projects, other measures, involving heavy expenditure, are very likely to materialise in the near future. Experiments are going on regarding the water-proofing of channels, which, if successful, will lead to a considerable economy of water and enable us to extend largely the scope of our irrigation works. I can assure the Hon'ble Pandit Madan Mohan Malaviya that I have done all in my power to spend the largest sum possible on productive irrigation works. In these circumstances the Hon'ble Member may see fit to withdraw the resolution, as we could not spend the money if it were given to us."

The Hon'ble Pandit Madan Mohan Malaviya :—“ While I thank the Hon'ble Member for the explanation that he has given and the assurance that all that could be spent is being spent, I think, Sir, it is still my duty to request the Government to see if more money cannot be spent than is being spent on irrigation. We find that so far as railways are concerned, there is no lack of demand for increasing expenditure on railways ; any amount of money that can be secured is, as a rule, utilized during the year. I think, Sir, that if the Department will devote closer attention to finding out whether more money could be spent on irrigation, probably the Hon'ble Member would be able to ask the Council for a larger grant than he has done to-day. I do not think it necessary to press the resolution to a division, but I hope the matter will be borne in mind when the next Budget is prepared.”

The resolution was put and rejected.

FINANCIAL STATEMENT.

SECOND STAGE.

The Hon'ble Mr. Porter :—“ Sir, I beg to introduce the following head of the Financial Statement :—

‘ Medical (Sanitation).’

“ As regards Sanitation there is nothing to add to the information contained in paragraphs 105, 106, 109 and 224 of the Statement of the Hon'ble the Finance Member. No fresh grants for Sanitation are being made. The grant of 5 lakhs per annum to the Indian Research Fund continues, and during the year a sum of Rs. 4,42,000 has been expended by the Governing Body on the various inquiries in progress, and on anti-malarial projects.”

The Hon'ble Mr. Sharp :—“ Sir, I beg to introduce the head ‘ Education.’ It is usual on these occasions to lay on the table statements shewing the distribution of grants during the forthcoming year, principal developments in the past year and figures of progress. This year no statement of new grants is possible because there are no new grants to distribute. It is at least satisfactory that, in a period of stress and strain, so far from any curtailment of our educational expenditure, the total budget estimate for all India in 1915-16 exceeds the revised estimate of 1914-15 by 15 lakhs of rupees. As for progress, it has been thought that the time has come when the general interest evinced in education both by members of the Council and by the public, will best be met by the publication of a short annual report. It is hoped to lay such a report on the table before the session closes. If this cannot be done, it will at least be ready next month.

“ It is here necessary only to add that during the past two years the effect of our grants has been visible in statistics. Between March, 1912, and March, 1914, the number of those at school has advanced by 737,426 and expenditure has risen by about 216½ lakhs. The details of improvement will be found in the forthcoming report.”

The Hon'ble Mr. Clark introduced the following heads of the Financial Statement for 1915-1916 :—

<i>Revenue.</i>	<i>Expenditure.</i>
Salt.	Salt.
Excise.	Excise.
Post Office.	Customs.
Telegraphs.	Post Office.
Stationery and Printing.	Telegraphs.
State Railways.	Stationery and Printing.
Subsidised Companies.	Protective Works, Railways.
	Subsidised Companies.
	Miscellaneous Railway Expenditure.
	Capital outlay on State Railways.

He said :—“ Sir, I have to introduce the heads of Excise, Customs, the Post Office and Telegraphs, Stationery and Printing, and Railways. The

only subjects which require any remarks from me, over and above what appears in the memorandum explaining the details of the estimates, are Customs, the Post Office and Telegraphs and Railways.

“As regards the first of these, my Hon'ble Colleague the Finance Member has already explained the effects of the war upon our customs revenue and the various causes underlying the serious diminution of receipts under this head. At the present moment the specially prominent factor is the lack of shipping and the consequent high level of freights. Government have endeavoured to remedy this by the utilization of enemy vessels to carry private cargoes, and I think I am right in claiming that India was the first country in the Empire to employ detained vessels in this manner. While there has been this decline in business at the ports and a decline therefore in the normal work of the Customs Department, new duties have fallen upon the officers of the Department of a specially onerous and responsible kind. As soon as hostilities broke out, a strict watch had to be maintained over enemy vessels and over their cargoes which happened to be in port. The Department has now been relieved of this responsibility, but a great deal of other novel work has been thrown upon it through the necessity for the supervision of exports, in order to prevent supplies reaching the enemy not merely directly but also through neutral countries. Various prohibitions and restrictions of trade have had to be imposed in this connection and also to ensure the retention in this country of military and medical stores of which abnormal supplies are required in time of war. It has also been necessary to prohibit or restrict the export of certain commodities, especially wheat and wheat flour, which are necessary for local consumption and which might be tempted abroad by the high prices offered elsewhere. The duty of seeing that effect is duly given to the various notifications concerned falls upon the officers of the Customs Department, and I am very glad of this opportunity of paying a tribute to the efficient manner in which this work has been carried out. I can speak with personal knowledge of the admirable way in which control has been maintained at the ports, while at the same time the fullest possible consideration has been shown to the mercantile public, who, on their side, have accepted the various restrictions in a very willing and patriotic spirit.

“As regards the Post Office and Telegraphs, the scheme of amalgamation, the most important administrative measure ever undertaken in the Post Office, or Telegraph Department, has now been fully introduced. Thanks to the able administration of my Hon'ble friend Mr. Maxwell, and to the thorough and tactful manner in which he has dealt with the question, this great change has been effected without any dislocation of departmental business or inconvenience to the public, and the new system is now in satisfactory operation. As a natural result of the amalgamation, the Budget Revenue heads 'XIII—Post Office' and 'XIV—Telegraph' have been replaced by the head 'XIII—Posts and Telegraphs,' and the Expenditure heads '15—Post Office' and '16—Telegraph' by the head '15 Posts and Telegraphs'. The total revenue for the year 1913-14 was £3,432,600. According to the Revised Estimate the amount for the current year will be £3,436,400, and for the coming year we cannot expect to realise more than £3,464,300. This is exclusive of the rebate of £69,000 which is to be allowed to India in respect of the payments due under the P. & O. contract. The very small increases represented by these figures are attributable entirely to the general depression caused by the war. The total expenditure for the year 1913-14 was £3,142,000 and the Revised Estimate for 1914-15 is £3,209,700. For next year we have budgetted for a sum of £3,276,300. For the year 1913-14 the Revenue exceeded the expenditure by £290,600, and if our predictions are fulfilled the corresponding amounts for 1914-15 and 1915-16 will be £226,700 and £257,000 respectively. In the matter of Capital outlay on the telegraph service the Budget Estimate for 1915-16 is £179,000, exclusive of the share of establishment charges, as compared with a Revised Estimate of £174,600 for the current year and a sum of £174,200 actually spent during 1913-14. The revenue of the Department is a matter that we cannot control, but every effort has been, and will continue to be, made to keep the

working charges as low as possible. No increase of expenditure that is not urgently necessary in order to maintain the services at an efficient standard will be incurred.

“The war has imposed a great deal of extra work on the Post Office and the Telegraph Department in regard to censorship, the provision of staff to accompany the forces, and the sorting of mails for the various expeditions. These additional duties have been performed in a thoroughly efficient manner.

“On the engineering side, considerable progress has been made during the current year in extending the wireless system throughout India, the stations at Madras, Rangoon, Secunderabad and Diamond Island being completed. By the opening of the two first named installations, a ship in practically any part of the Bay of Bengal is in wireless communication with India. I should also like to draw attention to the enterprise of the Department in introducing automatic telephones into India. These were brought into use in Simla in the beginning of the year and have worked with complete success. In view of this it is under consideration to extend this system to other parts of India when prices are favourable. Another most successful engineering undertaking has been the erection of the Simla-Delhi trunk telephone connection, which has been of the greatest service to the Government of India and especially to those Departments upon whom abnormally heavy work has been imposed by the war.

“Turning now to Railways, my Hon'ble Friend, the President of the Railway Board, would in ordinary circumstances have shared with me the task of rendering some account of our administration during the year. I regret to say that he is prevented by illness from attending Council, and I must therefore deal myself with the subject on which it was proposed that he should address Council to-day, namely, the question of railway working expenditure charged to revenue during the current and the coming official year. I may say that in so doing I shall follow very closely the lines on which Sir Henry Burt had proposed to speak. But I will first mention a few other matters which I hope will be of interest to Council.

“During the first few months of the war the railways of India were subjected to a very severe test in being called upon at extremely short notice to concentrate at the ports of Bombay and Karachi troops of all arms with their full equipment and supplies, for the despatch overseas of by far the largest expeditionary force that has ever left this country. That the task thus entrusted to the Railways was carried through without a single hitch and to the entire satisfaction of Government, testifies to their preparedness for an emergency and to the resources at their command. Material assistance in respect of warlike operations was also rendered by individual Railways in certain other directions; notably in making available and facilitating the transport of coal for the purposes of the Royal Indian Marine, who required large quantities of fuel at short notice. Help, too, was afforded by some lines which lent the services of part of their workshop and other staff for special work in the dockyards. Normally a considerable number of Royal Engineers Officers is employed on railway work—mainly in the Engineering, Traffic and Government Inspectors Branches. Forty-five of these have been set free for military duty and in addition to these some thirty civilian officers have also joined the army. The railways, I think, may fairly claim that they have borne their part in this great crisis.

“To turn to finance, I suppose there is no country in the world, whether among the belligerents or the neutrals, in which railway expansion has received less of a set-back than in India. No attempt has been necessary to curtail the programme which we set about carrying out in the year 1914-15. In the year 1915-16 there will be a capital outlay of 8 millions sterling which, though it may compare unfavourably with outlay in the current year, is approximately the amount of capital expenditure annually incurred some 4 or 5 years ago. In certain ways the present falling-off of traffic is not altogether a disadvantage. The increase of the capacity of our railways was a matter of such urgency in recent years that speed as well as economy had to be considered when taking steps to secure it. The best possible way to

obtain relief is the provision of those open line facilities—additional tracks yards and so forth—which will make not only for expedition but for economy in future working for more efficient utilisation of rolling stock and for the elimination of unnecessary expenditure when trains are delayed upon their journey. The construction of such additional facilities takes time, however—in many cases a very long time—while the provision of additional rolling stock is an obvious and rapid method of removing the immediate pressure, and for this reason it has been resorted to very freely during the last few years. In the forthcoming year we propose to continue progress on all the open-line works of improvement which have already been taken in hand in addition to beginning a certain number of new ones, while still making a moderate provision for additional stock. There will remain over a million sterling for expenditure on lines under construction and for new lines not yet begun. This enables adequate provision to be made for all the projects which we have at present in hand, while retaining a reserve to be devoted to certain projects which we have under discussion, should it prove—as I hope that it may—possible to begin work on some of them during 1915-16.

“In connection with the allotment of funds for lines in progress, there is one point which I should especially mention. Now that the Hardinge Bridge, which was opened by His Excellency a few days ago, has been completed, we are left with only one really large project in hand, that is the Itarsi-Nagpur Railway. The northern section from Itarsi to the Pench Valley Coal Field has been completed, but the southern section from Nagpur to Amla is still less than half way towards completion. It is now over 6 years since this large project was begun but the rate of progress has been retarded by the necessity for dealing first with the still more urgent demands on our open lines. This year we propose to devote a sum of no less than 50 lakhs of rupees to the Itarsi-Nagpur Railway. This will not be enough to provide for the completion of the line and the provision of the necessary rolling stock. At the same time it will go a very long way towards making the whole of the project ready for opening to public traffic, and in future years this long and expensive line will cease to be such a heavy drain upon our available resources. This is a matter for sincere congratulation.

“While it is satisfactory that we have been able to arrange for the financing of a very considerable programme from Imperial funds, it is no less satisfactory to find that the war has not put an end to the financing of new lines of railway through the agency of private enterprise. The Hon'ble the Finance Member has informed you of the progress which has been made in this direction during the year. I think that we must all agree that it speaks well for the confidence which the Indian public place in investments in branch railways. Not only has a new company been floated since the declaration of the war, but, in addition to this, further capital has been raised by companies already in existence. We have at present applications for the immediate flotation of several new branch line companies, one of them a very important venture, and I believe that it will be found that any set-back which may have been caused by the war is only temporary and that a progressive increase will occur in the amount annually forthcoming for the construction of new railways outside our ordinary programme.

“The question also of district board railways has in Madras attracted great attention and indeed in one case—in that of the Dindigal-Pollachi-Palghat line—has given rise to an acute controversy. I take this opportunity of saying that on the general question of policy there is no difference of opinion. We recognise the prior claim of District Boards, to which the Hon'ble Sir Harold Stuart recently gave expression in the Madras Council, and we trust that not only in Madras but in other parts of the country District Boards will take a large and increasing share in the work of railway development. At the same time District Boards—like all other bodies in whom financial responsibility is vested—must cut their coats according to their cloth, and we in the Government of India must depend upon the Local Government concerned for an opinion whether in any particular case the assets and potential

resources of the District Board, or District Boards interested, are sufficient to justify their undertaking the construction of any particular line.

“The difficulties which have hitherto stood in the way of railway extension in Assam are now, I am glad to say, in a fair way to be overcome. The special conditions of the province have been recognised and a Resolution was lately issued informing the public that the Government of India would in future be prepared to consider the grant of a special subsidy from the Assam Administration, which would for a fixed term of years increase the $3\frac{1}{2}$ per cent guarantee offered under the ordinary branch line terms to $4\frac{1}{2}$ per cent. There is every indication that the liberality of these terms has been appreciated and that within the next few years we shall have a rapid development of railway communication in the province of Assam. Apart from the great benefit which must necessarily result to the country as a whole, this is of special importance in view of the hitherto unremunerative nature of the Assam-Bengal Railway. This line was most expensive to construct and is most expensive to maintain. In a mountainous country, subject to torrential rainfall, this high expenditure on maintenance must necessarily continue, and our only hope of increasing the net earnings so as to show an adequate return upon the capital outlay lies in the direction of increasing the volume of traffic. This increase of traffic can only be brought about by the opening of areas to cultivation, while at the same time bringing them into direct communication with the Assam-Bengal Railway.

“In the various points on which I have touched, I think we find considerable grounds for encouragement. Especially is there cause for satisfaction in the growing interest shown by the public in railway matters, a feature which must be welcomed by all who are responsible for the administration of our railways and interested in the development of the country in which our railways play so great a part.

“I come now to the subject with which it had been proposed that my Hon'ble Friend the President of the Railway Board should deal, namely, the subject of what we have done and propose to do in regulating our railway business so as to conform with the exceptional conditions which have affected it, and which may be expected to continue to affect it during the forthcoming financial year. I shall take first the current year. As Hon'ble Members are aware, we budgetted this time last year for gross receipts amounting to 56.60 crores of rupees, that is for an improvement of nearly Rs. 30 lakhs over the gross earnings for the year 1913-14, our previous best. We have had to prepare a revised estimate for a decrease in gross earnings of nearly 3 crores of rupees as compared with the total reached in 1913-14. Hon'ble Members will, I think, recognise that in the abnormal circumstances of the year, this serious falling off of earnings, though to be lamented, is not a matter over which the administrations could exercise any effective control. They will desire to be informed rather of the extent to which it has been or will be possible to adopt measures to restrict expenditure on revenue account so that the fall of earnings may be counterbalanced by special economy.

“While we are now compelled to estimate for this very large reduction of earnings in the present year, there was until the beginning of August every indication that our budget anticipations would be fully realised and that record earnings would be secured in the present year. With that prospect in view, railway administrations adopted the policy, which is a perfectly sound one, of pushing forward the repairs of engines and rolling stock during the earlier months of the year, a period during which they were justified on the results of previous experience in supposing that traffic would be lighter than that which might be expected later in the year. Expenditure was therefore freely incurred on renewals and repairs generally so that railways might be in the strongest position to handle the anticipated rush. In a word they concentrated their expenditure into a period when it could be incurred with least detriment to the interests of themselves and of their constituents. Railways, moreover, stood committed to expenditure on new permanent way with a view to the carrying out of the programme of track renewal which had been arranged for. Orders for such

permanent way have, of course, to be placed in the early part of the year, if not before then, although the actual relaying is ordinarily carried out in the cold weather months.

“When the war came, its full effect upon our railway business was to some extent obscured during the first few months by the large volume of military traffic which railways were called upon to handle. Such traffic is not a source of any considerable profit, while adding comparatively little to receipts, it operated to maintain expenditure at a high figure, not only on account of the actual train mileage run, but also on account of the fact that it was impossible to effect any reduction of establishment at a time when it was impossible to say what urgent military traffic it might be necessary to handle. The causes to which I have so far referred as having operated against the possibility of reducing expenditure are special in the sense that they are dependent on the particular conditions which obtained both prior to, and for some months after, the outbreak of war. But apart from these special causes, whenever there is a sudden large decrease of railway business, it is impossible, as my Hon'ble Colleague the Finance Member pointed out in his recent speech on the Financial Statement, to effect anything approaching a proportional decrease in working expenses. This is a point upon which I desire to lay particular stress, as it is of importance not only in connection with our railway expenditure during the current year, but also during next year. Our railways have been equipped to carry a certain volume of traffic, and our scale of permanent staff and our other arrangements have been framed with a view to carrying that volume of traffic also. If it could be foreseen that for a period of several years a less volume of traffic would have to be handled, we could possibly effect a reduction of working expenses in proportion to the anticipated reduction of earnings. But such is not the present case. The expert advisers of Government on railway matters are confident that a great revival of our railway business will occur immediately upon the restoration of peace, that is after an indefinite period of slack traffic.

“I do not say that on our railways reductions cannot be effected. Some trains may be cut off and some reduction made in the operating staff, where local circumstances permit this, but it is clearly impossible to shut down any of our railways or to permit the maintenance of our way, works and rolling stock to be neglected. Even the alteration and reduction of train services, though it may appear justifiable on the returns of earnings, must be kept within the limits dictated by the convenience of passengers and trade.

“Since the exceptionally heavy military traffic ceased, railways have devoted the greatest attention to effecting economies in operating expenses. They have, where possible, reduced the train mileage and they have also reduced overtime in railway workshops and in certain cases the workshop staff. It would be idle to suggest that these economies have been brought about without causing inconvenience and in some cases hardship to individuals, but at a time such as this it was clearly incumbent on the Railway Board to see that every possible effort was made to reduce expenditure on the working of our railways, and I am glad to say that in this matter the Board have received the loyal co-operation of Railway Administrations, and of the Directors of Railway Companies.

“For the reasons which I have already explained we have only been able to show a reduction of R11 lakhs on the budget figures for expenditure during the current year. Turning to next year you will have observed that, while our gross receipts are estimated at 53 crores on the basis explained to Council by the Hon'ble the Finance Member, a reduction of 45 lakhs on our latest estimates of receipts for the current year, our estimated expenditure exceeds that for 1914-15 by 24 lakhs. I should like to explain to Hon'ble Members the reason why this increase of expenditure is proposed.

“In dealing with railway working expenses it has been found convenient to classify all expenses under two heads, the first ordinary working expenses, the second special expenditure. Under ordinary working expenses is included all expenditure on the operation of trains, the cost of ordinary maintenance,

repairs and renewals, the salaries of the permanent staff and many miscellaneous items of expense. Under special expenditure is included provision for the revenue portion of all these open line works of improvement upon which capital outlay has been, and is still being, incurred, also the cost of what I may call the heavy renewals, that is the renewals of engines of rolling stock and of the track.

“Notwithstanding what I have said about the difficulty of reducing working expenditure we actually propose to spend 46 lakhs of rupees less under the first head than the revised estimate of expenditure for the current year. We propose in fact to continue all efforts for effecting economy which have been exercised during recent months. In estimating that this reduction will be brought about we have assumed a uniformly low scale of receipts throughout the year, and on this assumption, I think, that we have on the whole been cautious and it may be that if the estimate of the traffic to be carried is not exceeded we may be able to effect a still larger reduction than this.

“The Council will readily understand that a considerable provision for special expenditure has not been made without a very careful examination of the position. In consultation with the Agents of railways, the Railway Board have lately examined the whole position in detail. It has been found that during recent years, when a special effort was being made to increase the capacity of our railways, the revenue funds which were made available for special expenditure had to be devoted first to the revenue share of these works of open line improvement, which we had sanctioned with a view to removing the very justifiable complaints made regarding the inadequate capacity of our railways. The sum which was left for the renewal of permanent way, rolling stock, bridges and the like was insufficient to meet the demand, which is naturally a growing one by reason of the facts, first, that the rolling stock and the permanent way which reaches a certain limit of age annually is increasing year by year, and, second, that the very heavy traffic handled recently has naturally added to the amount of wear and tear thereby reducing the normal life of tract and stock. We are in fact to some extent in arrears with what must be considered to be a normal programme of heavy renewals, and we have decided, therefore, to do our best to continue to put our house in order now, rather than to wait until the strain comes and the machine runs a risk of breaking down. I am convinced—and our technical advisers on the Railway Board are convinced—that it would be the worst possible form of economy to attempt to make a saving under the head of special expenditure, even during a single year; to do so would be to impair both the capacity and efficiency of the lines and would result in serious difficulty immediately on the revival of traffic. Of course all this, coupled with a cautious estimate of gross earnings, means that the nett return from railways is estimated to be much less during 1915-16 than during recent bumper years. At the same time I would remind the Council that even so the percentage of nett working profit (excluding interest charges) to capital, as quoted a few days ago by the Hon'ble Financial Member, is estimated at just over the respectable figure of 4 per cent, 1 per cent below the corresponding figure for 1913-14, and higher than the percentage of 3.18 calculated on the same basis, for the last year which can be described as a bad one, that is 1908-09. That this is so I do not think the Council can regard otherwise than as a matter for congratulation.”

RESOLUTION *RE* PROVISION FOR AIDING AND ENCOURAGING INDIGENOUS INDUSTRIES.

The Hon'ble Pandit Madan Mohan Malaviya :—“Sir, I beg to move—

‘That this Council recommend that a sum of Rs. 12,00,000 be provided in the Budget for aiding and encouraging indigenous industries.’

"I need not take up the time of the Council by dwelling upon the importance and the necessity of doing something more than is being done to aid indigenous industries. We had a recent discussion in this Council and the Hon'ble Member in charge of Commerce and Industry accepted a resolution in which it was stated that Government would afford such assistance and co-operation as would be practicable in the promotion of industrial enterprise in India. But I do not see any provision for it in the Budget. If there is, I should like to be corrected at this stage. And I submit, Sir, that the matter is of far greater importance than the language of the resolution to which I have referred would indicate. We have immense raw materials in this country, and we export them in enormous quantities. We have not been developing our industries to the extent that we should have done, considering the numerous other advantages which the country enjoys under the present Government. The Council is aware that the Famine Commission of 1878 reported that in order to guard against the suffering to which the people are exposed during times of famine, it was essential that industrial enterprise should be promoted. Speaking in 1908, Sir John Hewett rightly observed that there is no subject upon which more had been written and less had been done. The Government of India have recognised the duty of promoting industrial enterprise in theory, but, in practice, I regret to say, not much has been done up to this moment. The present war has emphasised the need for it and has also pointed out the advantages which would accrue to the country if the Government were to seize the opportunity. I do not know that there has been any provision made or that there is any intention to take up the matter seriously in order to promote such enterprise. I think in this matter Japan affords us a very instructive lesson. Japan was, like India, till 40 years ago, an agricultural country which used to export its raw produce in enormous quantities. In much less than 40 years its character has changed from an agricultural country into a country which exports manufactures in a larger measure than raw produce. While the percentage of raw produce exported from Japan has been steadily diminishing for the last twenty years, the percentage of manufactured articles exported has been steadily growing. I think, Sir, that no one will question that the Government of India are in a position, if they so desire, to promote as much industrial enterprise and development in this country as the Government of Japan have done for Japan, and it is earnestly to be hoped that in view of all that has been said in this Council on this subject, and of the importance of the subject which is recognised by Government, a serious effort will be made now, not merely to help such industries as may be existing by providing expert advice or by publishing bulletins or other information, for which we do certainly feel thankful, but by finding out whether the Government cannot by a systematic scheme promote such industries as would utilise the enormous quantities of raw products which have to be exported at the present moment. If this is done, Sir, a new era of prosperity will dawn upon India.

"The present War has brought its many evils, but it has shown the great value of wealth. It is expected that the greater wealth of England will in the long run tell against Germany and bring conquest to England. Here in this country we are unfortunately an extremely poor people. Having been under the otherwise excellent administration of Britain for such a long time, India should even now be put in such a position that it should be able to utilize its raw products, and should export only such as cannot be utilized with advantage in this country.

"In this connection, I must draw attention to one portion of the speech of the Hon'ble Mr. Clark, which he delivered on the occasion of the resolution for aiding industries. Speaking of the efforts which were being made in England to form new companies to manufacture dyes and other articles which had ceased to come from Germany and Austria, the Hon'ble Member is reported to have said :—' It is not essential for us, representing India, to make ourselves self-supporting so long as England is able to produce and supply to us the articles which we require.'

"I should be glad to know, Sir, that that report does not correctly represent what the Hon'ble Member said—."

The Hon'ble Mr. Clark :—" That is quite correct."

The Hon'ble Pandit Madan Mohan Malaviya resumed :—" But if it does, I must take strong exception to it. India should benefit and not suffer by its connection with England even in the matter of manufactures. It should do so to a greater extent than other countries not so connected with England. We need to be industrially independent in order that we should be able to turn to the best account the produce of our own country. The fact that England is able to produce certain articles is no reason why India should not, if it profitably can, produce the same articles, and that it should remain content to be merely the supplier of raw articles to England. We should not be content with our industrial condition until we are able to produce every manufactured article which our people use and for which nature gives us an opportunity and an advantage in the shape of raw materials. I hope that my Hon'ble friend, and the Government of India as a whole, do not really take that narrow view which was indicated in the remarks to which I have drawn attention, and I hope that, in view of the great need there is of increasing the national income in India and putting down poverty, of making it possible for the people to be able to live in these days of high prices in a better way than they are at present able to with their deplorably low national income, the Government will recognise the great importance of fostering indigenous industries and will provide the means for making a beginning for it in their present budget. The amount that I have asked for is a very small sum, a sum of 12 lakhs only. One might wonder why it is that, when I ask for a systematic scheme for the development of industrial enterprise, I ask for the small sum of 12 lakhs only. My reason is that I know the difficulties of the present year. In fact we fully recognise that, generally speaking, the Hon'ble the Finance Member has done the very best that he could in the circumstances of the year and we all feel deeply grateful to him for it. It is therefore that I have not asked for a larger sum. But I ask for this sum in order to indicate that the Government of India recognise that they should now actively take steps to find out what industries can be promoted, and to set their heart on promoting them and thereby earn the gratitude of the people."

The Hon'ble Mr. Ghuznavi :—" Sir, I have much pleasure in supporting the resolution which has just been moved by my Hon'ble friend Pandit Madan Mohan Malaviya. My friend has referred to another resolution which was moved in this Council a short time ago and which was accepted in an amended form. Such being the case, there ought not to be any difficulty in accepting the present resolution moved by my Hon'ble friend. What the Non-Official Members of Council were anxious to impress upon Government was that now or never is the time for giving an impetus to indigenous industrial development and that Government, as the chief custodian of all our interests, should avail themselves of this opportunity to pave the way for our industrial regeneration. On the occasion of the last debate that I referred to just now I particularly laid great stress on the fact that at present we need not worry ourselves with large concerns which require lakhs and lakhs of rupees. Such undertakings unfortunately are still beyond our capacity. It is the small industries to begin with which suit our people best, such as weaving, spinning, sugar manufacture, manufacture of salt, brass or other metallic articles. All of these can be fostered under judicious guidance and with a very small amount of capital. My Hon'ble friend the Panditjee is not asking for a crore of rupees, but he is only making a very modest request, namely, for only 12 lakhs of rupees, and if Government were not prepared to accede to our request for aiding our industries to any very large extent by making large grants, Government might still, for the sake of making an experiment, accept the present resolution which only requests that the small amount of 12 lakhs of rupees may be granted to that end. Sir, Providence has thrown a great opportunity in our way. Imports from foreign countries have ceased and therefore this is just the time when an experiment of the kind should be made. I have therefore very great pleasure in giving my whole-hearted support to this resolution."

The Hon'ble Rai Bahadur Sita Nath Ray :—“ Sir, I do not wish to take up the time of the Council by repeating the arguments which have been used by the Hon'ble Pandit Madan Mohan Malaviya, but as a member of the mercantile community it is desirable that I should speak, and I beg to support the resolution of the Hon'ble Member with all the emphasis I can command. As I propose to move a resolution somewhat analogous to the resolution now moved, I do not like to take up the time of the Council by repeating the arguments which I shall have to use on another occasion. But on all grounds, and considering the small amount which has been asked for, it is extremely desirable that Government should accede to our prayer. What can be more unfortunate than that such a large country as India should be dependent for every necessary, for every luxury, upon foreign countries. Even Japan, as has been pointed out by my Hon'ble friend, which was once an agricultural country, has now commenced to export her manufactured articles to India. Formerly India used not only to manufacture all the sugar that it wanted for its own consumption, but it used to manufacture a good deal more and to export it for the use of foreign countries. But what is the position now? Our sugar industry has not only in a manner received a check on account of the cheap sugar imported from Java and other places, but our whole market is glutted with sugar coming from Java, and we are not in a position to compete with the cheaper article of Java. Under all these circumstances it is desirable that something should be done, and, considering the small amount asked for, it is extremely desirable that the Government should do something to promote our industries ”

The Hon'ble Maharaja Manindra Chandra Nandi :—“ Sir, I beg to support this resolution. Inquiries are being already made in view of the discontinuation of trade with enemy countries as to the feasibility of reviving and restoring Indian industries and the exhibitions recently held of foreign articles have the same object. This seems to be an excellent opportunity for giving an impetus to indigenous industries in India and thereby helping to reduce the dependence of this country for a number of articles on countries with which the British Government are at war. There are many Indian industries which if properly guided and encouraged would be in a thriving condition in a few years, and it is fitting that provision for that purpose should be made in this Budget.”

The Hon'ble Maharaja Ranajit Sinha of Nashipur :—“ Sir, I have much pleasure in supporting the resolution which has now been moved by my honourable friend Pundit Madan Mohan Malaviya. The question has been fully discussed lately in this Council and the Honourable Member in charge of industries has in a manner accepted the resolution. He promised that the Government would do its best to promote and help indigenous industries as far as practicable.

“ But, Sir, in going through the Budget I have not been able to find any sum provided for this purpose, which has been recognised by the Government to be a most important one. Of course, it is very difficult this year to suggest any large expenditure under any item. The Budget has been very carefully prepared by the Honourable Member in charge of Finance, and we are grateful to him; but I think there will be no difficulty in providing such a small sum as has been recommended by my honourable friend in his resolution.

“ With these few observations, I have much pleasure in supporting the resolution.”

The Hon'ble Mr. Abbott :—“ Sir, I beg to support the Hon'ble Mover.”

The Hon'ble Mr. Clark :—"I would suggest to Council that it is important in the first place in dealing with this resolution to be absolutely clear what we are discussing. The Hon'ble Member has recommended that a sum of Rs. 12 lakhs should be provided in the present budget for aiding and encouraging indigenous industries; in other words that a sum of 12 lakhs of rupees should be spent in the coming financial year on this object. There has been a certain tendency instead of discussing this proposition to debate the much larger question of the general merits of Government providing money for encouraging indigenous industries. I should be the last person to deny the importance of that problem, and it is a question on which it is very natural that Hon'ble Members should hold opinions and on which they should wish to speak in this Council. But I do not think that we ought to be led to-day into a general discussion of the kind. Nor do I propose to follow the Hon'ble Pandit into the seductive vista of controversy as to how far India should be self-supporting, which he opened up by quoting a single remark of mine from a speech which I delivered the other day on the Hon'ble Raja Kushalpal Singh's resolution. I was there referring to the question as to whether, in view of the fact that there is a great shortage of dyes in India, we ought to take very special steps to replace that shortage. I pointed out the measures which had been taken at home for providing dyes there and what the Home Government had done in the matter of furnishing loans, and said that as the British Navy was fully capable of keeping the seas open, it would be most uneconomical for us to do anything of the same kind in India. The larger question of the general promotion of industries seems to me to be a question more for discussion under the rules which provide for debates on matters of general public interest. What is now under consideration is the budget of the year, and more especially, that side of it which deals with the objects on which the revenue of the year is to be expended. That being so, the question brought forward by the Hon'ble Member resolves itself into the proposition either that the 12 lakhs which at present are allocated to other purposes should now be allocated to the purpose of aiding and encouraging indigenous industries, or that my Hon'ble Colleague the Finance Member should raise for this purpose another 12 lakhs in addition to the revenue for which he has already estimated in the coming year."

"The Hon'ble Pandit did not suggest that the 12 lakhs he wishes to be used for indigenous industries should be provided from other sources; and of one thing I feel fairly certain, and that is that my Hon'ble Colleague the Finance Member cannot on its existing basis expand his revenue even by the comparatively small sum of Rs. 12 lakhs. I think I may safely say that any further increase in the demands for expenditure would involve additional taxation. I do not know whether the Hon'ble Pandit would advocate this course, however desirable the objects may be on which the money is to be expended. My Hon'ble Colleague in his Financial Statement has given the reasons why, after very serious consideration, Government have decided against increasing taxation this year. We came to the conclusion that with trade conditions depressed and with the present abnormal rise in food-prices in a large part of the country (I am borrowing my Hon'ble Colleague's own words), we ought not to add to existing taxation, unless it was absolutely necessary to do so. We held that this necessity had not arisen, and much as I wish to see indigenous industries developed in this country, I could not join the Hon'ble Pandit in pressing on my Hon'ble Colleague that additional taxation should be imposed for the purpose.

"Let me turn to another point. The financial year which we have before us will be entered upon under the abnormal circumstances created by a great war. We cannot say how long that war will last, but should it be protracted throughout the year or through a greater part of the year, Government cannot agree with the Hon'ble Member that this is a safe moment for the expenditure of large sums on the promotion of indigenous industries. I need not develop over again the arguments which I have laid before Council in

the debate on the Hon'ble Raja Kushalpal Singh's resolution. I explained then what Government have done in the way of affording finance for the general assistance of trade, and also that Local Governments and ourselves are in other ways affording such help as we can in order to assist Indian manufactures to capture trade which has hitherto been held by German and Austrian competitors. We have not, for the reasons given, gone in for financing industries. We and Local Governments have worked by what seemed to us the sounder method of supplying information and, in some cases, especially in Madras, by Government starting experiments in manufacture to demonstrate that certain industries can be carried on at a profit. Madras and other Provinces are incurring not inconsiderable expenditure for this purpose. The Hon'ble Pandit asked where that was shown in the Budget. It is quite true that it is not shown actually in the Account under that heading: it comes under the heading 'Scientific and Miscellaneous Departments' in the notes to the Budget. The Budget estimate under that head for 1915-16 exceeds the Revenue for the current year by 2.29 lakhs, the increase being mainly for the encouragement of industries in Madras and the Punjab. We do not consider that it would be wise to go further than this at the present time. I am of course aware that many Members of this Council consider that Government should provide capital on a liberal scale for persons who wish to start industries in India. This has not been Government's policy in the past, though in isolated cases and for special reasons Local Governments have from time to time given direct assistance of the kind to particular industries. I would put it to Council that this is not the moment, in the disturbed economic conditions resulting from a great war, for Government to depart from that policy. 12 lakhs sounds a small sum, but how is Government to be sure that expenditure will stop there? If the 12 lakhs of this year are swallowed up and the industries to which they have been handed over still do not flourish, will there not be larger demands in the next Budget or even earlier? We cannot say how long this war will last. So long as that uncertainty remains with us, it is only the commonest prudence to husband our resources and to hesitate over incurring fresh and undefined liabilities - I appeal to any of the representatives of Commerce in this Council to say whether those are not the principles which in such circumstances are maintained by a soundly conducted business. I regret, therefore, that I cannot accept the resolution."

The Hon'ble Pandit Madan Mohan Malaviya:—"Sir, the first objection of my Hon'ble friend that I have to meet is that I have not indicated where the money is to be found from, and he has put forward the bugbear of additional taxation to silence me. Now, Sir, while we all feel thankful to the Hon'ble the Finance Member for avoiding taxation at a time when there were temptations to resort to it, we must not forget that it became possible for him to avoid additional taxation because the Indian taxpayer has been paying heavily for the past many years. I will not here go into details. It has been pointed out over and over again that the standard at which taxation has been maintained for the past many years has been higher than what was really necessary. Even if it were otherwise, I do not think that my friend can be serious in suggesting that it would be necessary to incur additional taxation in order to provide 12 lakhs. I take a more correct, and if I may say so, a much more complimentary view of the finances of the Government of India, than to feel that to find a sum of 12 lakhs the Government will have to resort to additional taxation. That small sum could be found, if the Hon'ble the Finance Member decided to find it, without any serious dislocation of the other adjustments in the Budget. Then, I have given notice of a resolution that the provision for railways should be reduced by 25 lakhs. My object in doing so, was to meet the objection which has been urged by the Hon'ble Member for Commerce and Industry. I know that, yesterday, a Resolution to the same effect moved by the Hon'ble Mr. Dadabhoy, that the railway programme should be cut down by 50 lakhs was thrown out. And I know that every resolution will be thrown out unless the Government are prepared to

accept it. So I shall not be surprised if the same fate befalls my resolution asking for a reduction of 25 lakhs only in the railway programme. But at the same time I have no doubt that if the Government feel that on the merits of the case it is desirable to provide 12 lakhs to promote indigenous industries, the Hon'ble the Finance Member will not say that, even if no reduction is made in the railway programme, the money could not be found.

“As regards the merits of the question, I would invite the attention of the Hon'ble Member and of the Council to the fact that what we desire is to mark the beginning of a serious and systematic endeavour—the initiation by the Government of a principle and a policy of aiding indigenous industries, in order that the people should take heart for the future, and should feel that we shall not always continue to be exposed to the pitiable condition to which we have been found exposed during the present war, when even for glass bangles we have to depend on Austria and Germany, and the cessation of the imports of that petty article should make it impossible for the poor people who use it to find it in the market. That is a state of affairs, Sir, which is not complimentary to the Commerce and Industry Department of the Government of India. I understand—I have not got the figures here, but I understand—that the value of glass bangles imported during the last few years from Austria and Hungary was about 43 (or 65?) lakhs. Now I put forward a definite proposal. I put aside other articles of glass. Is it too much to ask that the Government of India should make up its mind to promote and aid the glass industry, wherever necessary, by money, by expert advice and in other ways, during the next twelve months, so as to enable it to produce some of the articles which used to be imported from the enemy country—at any rate under that one head? There is any amount of facilities in this country for producing glass. There are some glass factories at work here. All that the Government has to do is to make up its mind to find out what it is that hampers the progress of the industry, what it is that is required to enable the people of this country to work it up successfully, and to give the necessary aid to the people in order to do so.

“My Hon'ble friend says this is not the time for us to ask for more money, because this is a period of war, and he appeals to the representatives of Commerce in the Council to support the view that this is not the time to embark on such expenditure as I propose. With due deference to my Hon'ble friend, I submit that this is particularly the time when such an effort should be made. War has thrown lots of our people out of employment; and if by the means I suggest, employment is provided for some people it would be a decided gain to the Government and the people.

“My Hon'ble friend also said that we should confine ourselves to the question that is before us and not go into the larger question of Government aid to indigenous industry. I am quite willing to do so; I thought I had done so. If I referred to the larger question it was only in order to show the necessity of the measure I recommend being adopted, and in order to show how small and modest is the proposal that I have put before the Government.

“In reply to my objection that no expenditure has been provided for in the present budget my Hon'ble friend referred me to page 75 of the Statement, where it is said that 2.29 lakhs have been provided mainly as ‘enhanced provision for industrial experiments and for the encouragement of industries in Madras and the Punjab.’ Technically my friend is right; but I thought if nothing else, the very smallness of the provision would make my Hon'ble friend hesitate to refer me to that as an answer to my resolution. That sum will undoubtedly be absorbed in some experiments and it is well that it should be. But what we want is 12 lakhs provided in order to see which of the many industries which it has become possible to encourage and foster during the present time could be most effectively pushed forward by the Government during the twelve months before us. I do not think I will be usefully taking

up the time of the Council by prolonging the discussion ; but I do hope the Government will see their way to accede to this demand, which has been supported by many Members and which will be supported by the country, and find the 12 lakhs for an experiment and a departure of a thoroughly beneficial character."

The Hon'ble Pandit Madan Mohan Malaviya then asked for a division and the Council divided as follows :—

Ayes—14.

1. The Hon'ble Mr. Ghuznavi.
2. The Hon'ble Pandit Madan Mohan Malaviya.
3. The Hon'ble Khan Bahadur Mir Asad Ali Khan.
4. The Hon'ble Sir Fazulbhoj Currimbhoy.
5. The Hon'ble Maharaja Ranajit Sinha of Nashipur.
6. The Hon'ble Maharaja M. C. Nandi of Kasimbazar.
7. The Hon'ble Raja of Mahmudabad.
8. The Hon'ble Mr. Huda.
9. The Hon'ble Rai Bahadur Sitanath Ray.
10. The Hon'ble Raja Kushalpal Singh.
11. The Hon'ble Raja Jai Chand.
12. The Hon'ble Mr. Dadabhoy.
13. The Hon'ble Sir G. M. Chitnavis.
14. The Hon'ble Mr. Abbott.

Noes—36.

1. His Excellency the Commander-in-Chief.
2. The Hon'ble Sir Robert Carlyle.
3. The Hon'ble Sir Ali Imam.
4. The Hon'ble Mr. Clark.
5. The Hon'ble Sir Reginald Craddock.
6. The Hon'ble Sir William Meyer.
7. The Hon'ble Mr. Hailey.
8. The Hon'ble Mr. Monteath.
9. The Hon'ble Mr. Cobb.
10. The Hon'ble Mr. Wood.
11. The Hon'ble Mr. Brunyate.
12. The Hon'ble Mr. Wheeler.
13. The Hon'ble Mr. Low.
14. The Hon'ble Mr. Sharp.
15. The Hon'ble Mr. Porter.
16. The Hon'ble Mr. Kershaw.
17. The Hon'ble General Holloway.
18. The Hon'ble Mr. Michael.
19. The Hon'ble Surgeon-General Sir C. P. Lukis.
20. The Hon'ble Mr. Russell.
21. The Hon'ble Mr. Maxwell.
22. The Hon'ble Major Robertson.
23. The Hon'ble Mr. Kenrick.
24. The Hon'ble Mr. Kesteven.
25. The Hon'ble Sir William Vincent.
26. The Hon'ble Mr. Carr.
27. The Hon'ble Mr. Reid.
28. The Hon'ble Mr. Donald.
29. The Hon'ble Mr. Maude.
30. The Hon'ble Mr. McNeill.
31. The Hon'ble Lt.-Col. Brooke Blakeway.
32. The Hon'ble Mr. Maynard.
33. The Hon'ble Mr. Walker.
34. The Hon'ble Lt.-Col. Gurdon.
35. The Hon'ble Mr. Arbuthnot.
36. The Hon'ble Maung Mye.

The resolution was accordingly rejected.

**RESOLUTION *RE* REDUCTION OF PROVISION FOR
WORKING EXPENSES OF RAILWAYS.**

The Hon'ble Pandit Madan Mohan Malaviya :—“ Sir, I beg to move—

‘That this Council recommends that the Budget allotment for the working expenses of Railways be reduced by ₹10,00,000.’

“I have listened with careful attention to the remarks of the Hon'ble Member for Commerce and Industry on this head in the statement that he has made. I propose to deal with some of the points which bear upon this resolution. In the first place the Hon'ble Member has claimed that over 66 lakhs less has been provided under ordinary working expenses. That is perfectly true, but I submit that that does not entitle the Department to any great credit, because the experience of this year has shown that when there is less traffic the working or operating expenses must necessarily be reduced. They expect less traffic during the coming year, and therefore they have budgeted for a smaller revenue. Necessarily they could not help reducing the operating and working expenses by the amount that they have done. But so far as the other expenses which fall under this head are concerned, namely, what my friend calls ‘special expenditure’, that is expenses for improvements, they stand on a different footing. My Hon'ble friend says that it has been found necessary for several years to keep up a normal programme of heavy renewals. I am glad that he does say so, because that is exactly what is supported by the figures, which have been provided for year after year in the Budget for working expenses. But this view somewhat militates against that portion of the speech of the Hon'ble the Finance Member where he said that ‘We have found it necessary to make considerable additional provision for the improvement of the equipment of the railway lines which was represented to us to have fallen somewhat behind-hand in recent years, and to have become a pressing requirement.’ I do not understand, Sir, how the equipment of the railway lines can be said to have fallen somewhat behind-hand in recent years and to have pressed itself upon the attention of the Finance Department as a pressing requirement this year, when, as the Hon'ble Mr. Clark rightly says, a normal programme of heavy renewals has been kept up for several years. The history of the working expenses tells a somewhat different tale. We find that before the Railway Board came into existence, that is up to the year 1905, the working expenses averaged about 46 to 48 per cent of the gross receipts from railways. From 1905, when the Board was constituted, the proportion of its working expenses has been steadily going up. We find that in 1906 it rose to 46 or 46½; in 1907, it went up to 57·5; in 1908-09, to 62 per cent, and in 1910 to 55·3 per cent. We find also that in 1911-12, the gross receipts were 50 crores, 36 lakhs and odd, in 1912-13, 55 crores. The working expenses in 1911-12 amounted to 25 crores, 89 lakhs, in 1912-13 to 28 crores. In 1913-14 they amounted to 29 crores, 35 lakhs, and in the revised estimates of 1914-15 they are shown as 29 crores, 63 lakhs; the Budget before us provides for 29 crores, 86 lakhs. It will thus appear that the working expenses have been growing steadily and enormously. I cannot therefore understand how it is that the Finance Department was persuaded this year that our equipment in this matter had somewhat fallen behind-hand in recent years. What I further submit, Sir, is that, in last year's Budget estimate provision was made for 29 crores and 74 lakhs, and the revised estimates show that only 29 crores, 63 lakhs could be utilized. If the provision of last year could not be fully utilized, partly owing, no doubt, to the operating expenses having been low, why add 24 lakhs this year to the working expenses? This is a year of deficit; we are faced with a special situation, and unless it can be shown that there is very great and pressing need for pushing up our equipment in this direction, this certainly does not seem to be a year when an extra sum of 24 lakhs should be added to the working expenses. There is another aspect of this question, Sir. The

working expenses of railways, as I have submitted, have been steadily growing since 1905, when the Railway Board came into existence; and as these expenses grow, they necessarily reduce the net profit derivable from the railways. That these profits have come to '53 in the present year and that they are calculated to come to '32 in the following year, is a matter which ought to put the Railway Board somewhat at thinking on this question, ought to induce them to undertake a closer and more strict examination of the requirements of renewals than evidently they have been taking. The general public are entitled to see that the working expenses are not unnecessarily swollen. The railways have cost us a tremendous lot, and we are getting very, very small returns. In order that that return should not come to the vanishing point, it is essential that renewals should only be undertaken where they are actually necessary, and certainly not undertaken in a year when the returns from the railways, owing to the special circumstances of the year, are certain to be much poorer than they were last year. I therefore propose that the amount of working expenses should be reduced by 10 lakhs in the budget before us."

The Hon'ble Mr. Clark:—"Sir, the Hon'ble Member has been rather hard on the Railway Department, if he will permit me to say so. We are to have no credit for the reduction of 46 lakhs under ordinary expenditure, and we are to have a great deal of discredit for the increase of 70 lakhs under special expenditure.

"It is a very difficult matter to cut down ordinary expenditure merely because traffic falls off. A great proportion of the working expenses must be fixed expenses, such as wages of the staff, and you cannot largely reduce working costs merely because a few trains have been taken off. I think the Railways have done very well indeed to make such a big saving as has been secured. Then we come to special expenditure. I have already dealt with this matter in my speech introducing the Railway head of the Budget and I need not go over the same ground again. The Hon'ble Member has referred to the reasons which have led to the grant of a larger amount under this head. The main reason is that we have been getting behind-hand in renewals. It is true that in the last three or four years we have been spending larger sums than before, but we are still behind-hand, and it would be a very unwise policy to allow ourselves to get still more in arrears.

"It is very difficult to discuss these three resolutions without, to some extent, connecting them together. The first is that a sum of 12 lakhs should be provided for aiding and encouraging indigenous industries. The second is in effect that Government should neglect to take the steps which seem to them necessary for raising to an adequate pitch of efficiency their railways, by which the products of industries are carried to their markets. The third will have very much the same effect as the second. To my mind there is some significance in the accidental juxtaposition of the second resolution and the first. Hon'ble Members need not carry their minds very far back to recall the acute congestion on railways in the last 2 or 3 years and the complaints which arose on all sides in commercial circles. The injury done to trade was undeniable. A far greater degree of expansion might have been reached had our railways been more adequate to their task. I cannot accept all the blame for the railways. As Hon'ble Members know, the boom was a very sudden one which produced similar effects in nearly every country in the world. But at the same time our railway policy cannot be held to have been entirely free from blame. We had not in the past pursued with sufficient vigour the policy of improving open lines; renewals had been postponed; expenditure had been cut down, and when this great improvement in trade came, I am afraid it cannot be denied that our railways were not as efficient as they should have been. Latterly we have pursued a policy of steady and continued improvement. I have not the faintest doubt that we are right in so doing and that we are acting in the best economic interests of India. It is one of the matters on which I look back with the greatest satisfaction, now that my five years in India are drawing to a close, that I shall leave our railways in a fair way to have drawn level with the demands which may reasonably be expected to be

made upon them. But this result has not yet been achieved, and if we were to accept the Hon'ble Member's proposal and reduce the present budget allotment, I can think of no more certain way of preventing, or at least postponing, its realisation. I am afraid in these circumstances I cannot agree to the resolution."

The Hon'ble Pandit Madan Mohan Malaviya:—"I think, Sir, that the Hon'ble Member should not consider the remarks that I made in the light in which he has taken them; he should not think that I want to keep back from the Railway Board the credit that is due to them for what they have done, or to throw any discredit upon them for what they have not done. We are dealing with a business proposition; the Railway Department of the Government of India is a business Department, and we have to look at the matter from a business point of view. The fact that the ordinary working expenses have been reduced this year has been noted in the statement before us. I have no doubt that every Department deserves credit, but when we point out that something more might have been done, in the way of reduction, for keeping down expenditure so far as it thought it fit to do, we do it not in a spirit of carping but in order that our business should be better attended to and, if possible, better promoted. We have to face the fact that railway working expenses have from 1905 onwards been steadily growing, and that they have grown from 46 per cent to 51 or 52 per cent, and the further fact that during these many years heavy renewals have been made year after year. The coming year will be a bad year for profits, and it therefore seems to me proper that the programme of working expenses, *i.e.*, of renewals, might well be reduced by 10 lakhs. My Hon'ble friend has spoken in a manner that would show that my proposal would put a stop to all renewals, That certainly is not so. When you provide for nearly 30 crores for working expenses of railways, a reduction in these expenses of a sum of 10 lakhs cannot much hamper your work, but it will serve to show that there is a willingness, an earnest desire on the part of the Department to show that they will do with a lesser amount when they can. I would not take up more time. I fear that proposals put forward by non-official members do not receive the consideration which might be shown to them. The programme of expenditure in the different departments is fixed by the Finance Department, in consultation with the various Departments of the Government of India; non-official members are not even informed what is proposed to be done until the financial statement is made; the whole matter is arranged, decided on, and it seems unalterably fixed, when it comes before us for discussion. We put forward some suggestions, some may not be exactly right from the Government point of view; it may be that the Government is generally right, but it is difficult to believe that the Government Departments are always right, precisely to the pie, in the allotments that they have fixed for all the various items in the Budget. When the Government are pleased to give non-official Members an opportunity of putting forward suggestions, it does seem hard that they should not be able to see their way of accepting any suggestion for a change in the Budget."

The resolution was put and rejected.

RESOLUTION *RE* REDUCTION OF CAPITAL EXPENDITURE ON RAILWAYS.

The Hon'ble Pandit Madan Mohan Malaviya:—"The last Resolution, Sir, was a consequential Resolution, the object of which was to suggest to the Government how money for the different proposals which I have put forward might be found. As those proposals have been rejected, I do not press this Resolution, namely:—

'That this Council recommends that the Budget provision for capital expenditure on Railways be reduced by R25,00,000.'

The resolution was by leave withdrawn.

FINANCIAL STATEMENT.

SECOND STAGE.

The Hon'ble Sir Reginald Craddock:—"The main heads with which the Home Department are concerned, though most important in themselves, represent the ordinary administrative machinery of the country. They include General Administration, Law and Justice, including Courts of Law and Jails, Police, Medical as apart from Sanitation, and Registration.

"The variations in the figures are explained in the Financial Statements. No resolutions are being moved in regard to any of them, and they have apparently evoked no criticism from Hon'ble Members of this Council.

"We had hoped that in ordinary circumstances, the current year would have seen the promised Jail Commission at work, examining our prison system; but, as in many other cases, the War has obliged us to postpone this inquiry for the present. I regret exceedingly that this has been necessary, for I had great hopes that much good would result from such an inquiry for which the time had become ripe. The subject was also one in which many Hon'ble Members have taken much interest. We may hope that the postponement will be a short one, though it is impossible now to make any forecast of the probable date at which the matter will be again taken up.

"Under Courts of Law, the buildings for the new High Court at Patna are nearing completion; the question of strength, personnel and establishment, is under elaboration, while, as the Council is aware, the question of converting the Chief Court at Lahore into a High Court is before the Secretary of State.

"Under Police there is, and must be, as I indicated last year, continuous expansion. Constables must be paid a living wage and it has been found necessary, in some provinces, to increase the pay also of the head constables, while the general scheme of reform following on the Police Commission's recommendations still forms a continuous process.

"I desire once more, on behalf of the Government of India, to give a tribute of praise to the officers and men of the Indian Police. I do not think that India ever properly recognises what she owes to the police. The few cases of serious misconduct that occur—and I am glad to say that they have been becoming fewer each year—are magnified out of all proportion to their numerical importance, while all the excellent work that the police do is for the most part unnoticed or ignored. It falls to me to see many judgments of the higher criminal courts every year, and I can testify to the number of cases in which the work of the police has been pronounced to be good and honest and, in many cases, specially commended, while condemnation is exceedingly rare.

"As I pointed out last year, with the development of the country, police work is daily becoming harder and not easier, and the force requires a degree of support and co-operation from the public which it does not yet receive. If accused persons are acquitted on the benefit of a doubt it is rashly assumed that they ought not to have been prosecuted. Cases in which the Courts find themselves able to say that the accused ought not to have been prosecuted are exceedingly rare. In no country in the world are all the persons sent up for trial convicted. It is the function of the police to lay evidence before the Courts in cases where there is *prima facie* evidence and not to arrogate to themselves a decision. If prosecutions fail, how often can it be said that it is the fault of the police? How often may it not be due to the indifference of the public? I repeat once more that if the police is to cope successfully with the increasing volume of the crime of the country, they require the fullest sympathy and encouragement."

The Hon'ble Sir William Meyer:—"Sir, I beg to introduce the following heads of the Financial Statement for 1915-16.

As regards Revenue :—

Opium.	Receipts in Aid of Superannuation.
Interest.	Exchange.
Mint.	Miscellaneous.

As regards Expenditure :—

Refunds.	Mint.
Opium.	Civil, Furlough and Absentee Allowances.
Stamps.	Superannuation Allowances and Pensions.
Assessed Taxes.	Exchange.
Interest on Obligations other than the	Miscellaneous.
Public Debt.	Reduction or Avoidance of Debt.

"I need add nothing to the comments and explanations already given in regard to these items in my speech introducing the Financial Statement and in the Secretary's supplementary Memorandum."

The Hon'ble the Vice-President:—"The Council will now adjourn till Wednesday, the 17th March, at 11 o'clock."

W. H. VINCENT,

Secretary to the Government of India,

Legislative Department.

DELHI;

The 17th March, 1915.

Speech of the Honourable Finance Member

INTRODUCING THE

BUDGET FOR 1915-16.

I rise to present the Budget of the Government of India for 1915-16. The preliminary estimates which I laid before the Council on the 2nd March have been revised in the light of our latest information. The Financial Secretary's explanatory memorandum has also been checked and brought up to date.

2. The final figures of the Revised estimate for 1914-15 and of the Budget estimate for 1915-16 are given in the statements which I have to-day laid before the Council. The broad results of the revenue account are brought out in the table below, the figures in brackets, now superseded, being those given in the corresponding tables appearing in paragraphs 24 and 39 of my speech introducing the Financial Statement :—

[In millions of £]

	BUDGET, 1914-15.			REVISED, 1914-15.			BUDGET, 1915-16.		
	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.	Imperial.	Provincial.	Total.
Revenue . . .	54·237	30·842	85·079	49·929 (49·927)	30·228 (30·229)	80·157 (80·156)	49·650 (49·655)	30·750 (30·692)	80·400 (80·347)
Expenditure . . .	52·981	34·048	87·029	52·715 (52·669)	32·483 (32·446)	85·198 (85·115)	52·607 (52·425)	31·828 (31·755)	84·435 (84·180)
Surplus (+) or deficit (—).	+1·256	—3·206	—1·950	—2·786 (—2·742)	—2·255 (—2·217)	—5·041 (—4·959)	—2·957 (—2·770)	—1·078 (—1·063)	—4·035 (—833)

The alterations which have been made in the figures of the Financial Statement are not important and can be very briefly explained.

3. The effect of our corrections in the Revised estimate for the current year is to increase the Imperial deficit previously announced by £44,000, and the Provincial deficit by £38,000. The Land Revenue is not coming in quite so rapidly as we anticipated in Burma and Madras. We have also had to allow, under the new adjusting head for transfers between Imperial and Provincial, for the grant of £67,000 (10 lakhs) to the Calcutta University, for hostels, which was announced by Your Excellency a few days ago at Calcutta. On the other hand, the Salt revenue has been increased by further advance payments of duty in February, and the latest figures indicate an increase of Customs receipts under silver and petroleum. The net effect of these changes is to leave the total revenue, whether Imperial or Provincial, almost unchanged, and the slight increase in the deficit of the year to which I have already referred is due to minor variations in the expenditure figures.

4. As regards the Budget of next year, the effect of the changes made is to raise the Imperial deficit by £187,000 and the Provincial deficit by £15,000. Here again, there is very little change on the Revenue side. Under Land Revenue we allow for some increase of arrear collections (£42,000 more under Imperial and £58,000 more under Provincial) in view of the short collections at the end of the current year. But this is counterbalanced, in the case of Imperial revenues, by a reduction of our anticipated Salt revenue in consequence of the higher figure taken for advance payments in the current year. An increase of £182,000 under Imperial expenditure is almost wholly explained by our having been obliged to raise the total net grant for Military Services by £169,000 as the result of increased expenditure now advised by the Secretary of State in England owing mainly to a rise in the prices of military stores. On the Provincial side the total allotment for expenditure has been raised by £73,000. This represents in the main the provincial outlay involved in the transfer to the Calcutta University of the grant of £67,000 for hostels already referred to, which in the current year is treated as a provincial receipt.

5. Turning now to Ways and Means, we expect the total cash balance, in England and India, at the end of the current year to be some £288,000 higher than the figure taken in the Financial Statement. This is due to recoveries from the War Office being effected more promptly than we had anticipated, and to larger outstandings of Council Bills. We must expect, however, to lose this temporary addition to our resources during 1915-16. In addition, we have to finance the slightly larger Imperial and Provincial deficits which I have just explained. On the whole, therefore, we expect the closing balance on the 31st March 1916 to be about £235,000 less than we anticipated in the Financial Statement, but this relatively slight divergence does not require any modification of our previous arrangements.

6. A larger share (to the extent of some £700,000 more) of the lump provision of £8 million for Railway capital outlay is now expected to be incurred in India; and the effect of this, with other minor variations, is that we now estimate that we can meet the Secretary of State's actual remittance requirements in 1915-16 by the sale of £7.1 million of Council Bills, *i.e.*, some £600,000 less than the amount previously allowed for.

W. S. MEYER.

The 22nd March 1915.

BUDGET

OF THE

GOVERNMENT OF INDIA

MARCH 1915.

ACCOUNTS	1913-14
REVISED ESTIMATES	1914-15
BUDGET ESTIMATES	1915-16

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I.—General Statement of the Revenue and Expenditure charged to

	For details, vide Statement.	Accounts, 1913-1914.	Budget Estimate, 1914-1915.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.
		£	£	£	£
Revenue—					
Principal Heads of Revenue—					
Land Revenue	A	21,391,575	21,674,100	21,056,300	22,149,600
Opium	"	1,624,878	1,839,100	1,566,100	1,798,000
Salt	"	3,445,305	3,436,900	3,772,000	3,335,400
Stamps	"	5,318,293	5,371,600	5,045,300	5,107,100
Excise	"	8,894,300	9,161,900	8,809,100	8,790,300
Customs	"	7,558,220	7,236,800	6,366,200	5,943,000
Other Heads	"	5,496,175	5,337,300	5,143,700	5,151,000
TOTAL PRINCIPAL HEADS	...	53,728,746	54,057,700	51,758,700	52,274,400
Interest	A	1,352,119	1,376,000	1,021,600	1,057,100
Posts and Telegraphs	"	3,598,519	3,732,400	3,519,300	3,579,200
Mint	"	339,841	249,800	57,900	71,300
Receipts by Civil Departments	"	1,408,286	1,437,300	1,483,500	1,534,000
Miscellaneous	"	772,579	731,700	759,600	583,200
Railways: Net Receipts	"	17,625,634	17,329,700	15,268,300	15,029,300
Irrigation	"	4,713,159	4,559,300	4,706,600	4,795,300
Other Public Works	"	298,640	239,400	266,400	256,100
Military Receipts	"	1,369,652	1,366,100	1,315,700	1,220,300
TOTAL REVENUE	...	85,207,175	85,079,400	80,157,600	80,400,200
DEFICIT	...	...	...	2,785,800	2,957,100
TOTAL	...	85,207,175	85,079,400	82,943,400	83,357,300

DELHI,
FINANCE DEPARTMENT,
March 22, 1915.

R. A. GAMBLE,
Comptroller-General.

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

	For details, vide Statement.	Accounts, 1913-1914.	Budget Estimate, 1914-1915.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.
		£	£	£	£
Expenditure—					
Direct Demands on the Revenues	B	9,274,597	9,341,000	9,018,600	9,539,300
Interest	"	1,515,653	1,607,800	1,480,900	1,476,100
Posts and Telegraphs	"	3,272,984	3,350,000	3,290,100	3,294,400
Mint	"	132,630	104,300	139,400	102,000
Salaries and Expenses of Civil Departments	"	17,934,199	19,793,000	18,938,800	19,207,800
Miscellaneous Civil Charges	"	5,403,804	5,449,700	5,400,500	5,120,400
Famine Relief and Insurance	"	1,000,000	1,000,000	1,000,000	1,000,000
Railways: Interest and Miscellaneous Charges	"	12,836,101	13,409,000	13,354,700	13,339,500
Irrigation	"	3,531,867	3,651,400	3,742,400	3,650,800
Other Public Works	"	7,010,038	7,456,500	7,010,600	5,815,100
Military Services	"	21,265,765	21,866,100	21,822,400	21,389,500
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL . . . . .	...	83,177,638	87,028,800	85,198,400	84,434,900
<i>Add—Provincial Surpluses: that is, portion of allotments to Provincial Governments not spent by them in the year.</i>	End of B	325,692	...	...	...
<i>Deduct—Provincial Deficits: that is, portion of Provincial Expenditure defrayed from Provincial Balances.</i>	"	608,578	3,205,900	2,255,000	1,077,600
TOTAL EXPENDITURE CHARGED TO REVENUE . . . . .	...	82,894,752	83,822,900	82,943,400	83,357,300
SURPLUS . . . . .	...	2,312,423	1,256,500	...	...
TOTAL . . . . .	...	85,207,175	85,079,400	82,943,400	83,357,300

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

II.—General Statement of the Receipts and Disbursements of the

	For details, vide Statement.	RECEIPTS.			
		Accounts, 1913-1914.	Budget Estimate, 1914-1915.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.
		£	£	£	£
Surplus	C	2,312,423	1,256,500	...	...
Railway, Irrigation and other Capital not charged to Revenue—					
Capital raised through Companies towards outlay on State Railways	"	34,667	816,800	2,367,500	6,533,300
Capital contributed by Native States towards construction of State Railways	"	200,000	66,700	66,700	66,700
Capital raised and deposited by Railway Companies (net)	"	4,717,480	888,100	2,044,000	320,800
Debt, Deposits, and Advances—					
Permanent Debt (net incurred)	C	118,200	7,274,600	2,727,200	2,008,700
Temporary Debt (net incurred)	"	...	...	14,333,300	...
Unfunded Debt (net incurred)	"	2,201,970	1,772,100	...	...
Deposits and Advances (net)	"	67,762	...	...	...
Loans and Advances by Imperial Government (net Repayments)	"	213,183	...	...	...
Loans and Advances by Provincial Governments (net Repayments)	"	...	62,200	...	405,000
Loans to Local Boards for Railway Construction	"	7,124	7,400	7,400	7,700
Remittances (net)	"	...	...	...	705,700
Secretary of State's Bills drawn	"	29,050,827	20,000,000	6,900,000	7,100,000
TOTAL RECEIPTS	...	38,923,636	32,144,200	28,446,100	17,147,700
Opening Balance—India	...	19,293,131	14,707,131	15,608,253	13,855,353
- England	...	^(a) 9,789,634	^(a) 7,457,034	^(a) 8,157,732	^(a) 7,620,132
TOTAL	...	68,006,401	54,308,365	52,212,085	38,623,185

(a) Include balances of the Gold Standard Reserve as show

Government of India, in India and in England.

	For details, vide Statement.	DISBURSEMENTS.			
		Accounts, 1913-1914.	Budget Estimate, 1914-1915.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.
		£	£	£	£
Deficit	C	...	...	2,735,800	2,957,100
Railway, Irrigation and other Capital not charged to Revenue—					
Outlay on Irrigation Works	"	1,232,262	1,200,000	1,163,100	1,100,000
Outlay on State Railways	"	10,433,200	10,472,700	10,550,700	7,637,700
Initial outlay on new Capital at Delhi	"	447,134	666,700	363,400	266,700
Outlay of Railway Companies (net)	"	2,002,303	1,865,600	1,482,100	683,700
TOTAL CAPITAL ACCOUNT DISBURSEMENTS . . . . .	...	14,214,899	14,205,000	13,559,300	9,688,100
Debt, Deposits and Advances—					
Unfunded Debt (net Discharged)	C	...	...	5,070,900	219,900
Deposits and Advances (net)	"	...	2,583,900	415,700	1,894,100
Loans and Advances by Imperial Government (net Advances)	"	...	238,700	4,700	153,700
Loans and Advances by Provincial Governments (net Advances)	"	797,937	...	131,600	...
Remittances (net)	"	176,823	6,200	2,111,400	...
Secretary of State's Bills paid	"	29,050,757	20,000,000	6,657,200	7,260,000
TOTAL DISBURSEMENTS . . . . .	...	44,240,416	37,033,800	30,736,600	22,172,900
Closing Balance—India . . . . .	...	15,608,253	12,378,031	13,855,353	12,433,253
England . . . . .	...	(a) 8,157,732	(a) 4,896,534	(a) 7,620,132	(a) 4,017,032
TOTAL . . . . .	...	68,006,401	54,308,365	52,212,085	38,623,185

in the notes on pages 100 and 101.

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

A.—Statement of the Revenue of

HEADS OF REVENUE.	ACCOUNTS, 1913-1914.					REVISED	
	India.	England.	TOTAL.	DISTRIBUTION OF TOTAL BETWEEN		India.	England.
				Imperial.	Provincial.		
Principal Heads of Revenue—	£	£	£	£	£	£	£
I.—Land Revenue	21,391,575	...	21,391,575	10,384,600	11,006,975	21,056,300	...
II.—Opium	1,624,878	...	1,624,878	1,624,878	...	1,566,100	...
III.—Salt	3,445,305	...	3,445,305	3,445,305	...	3,772,000	...
IV.—Stamps	5,318,293	...	5,318,293	2,709,789	2,608,504	5,045,300	...
V.—Excise	8,894,300	...	8,894,300	2,498,893	6,395,417	8,309,100	...
VI.—Provincial Rates	180,210	...	180,210	398	179,812	37,100	...
VII.—Customs	7,558,220	...	7,558,220	7,558,220	...	6,366,200	...
VIII.—Assessed Taxes	1,950,250	...	1,950,250	1,068,870	881,380	2,008,700	...
IX.—Forest	2,229,872	...	2,229,872	74,196	2,155,676	1,998,500	...
X.—Registration	518,962	...	518,962	6,418	512,544	492,300	...
XI.—Tributes from Native States	616,881	...	616,881	616,881	...	607,100	...
TOTAL	53,728,746	...	53,728,746	29,988,438	23,740,308	51,758,700	...
XII.—Interest	1,032,754	319,365	1,352,119	1,067,516	284,603	839,100	182,500
XIII.—Posts and Telegraphs	3,593,734	4,785	3,598,519	3,598,519	...	3,509,500	9,800
XV.—Mint	339,777	64	339,841	339,841	...	57,900	...
Receipts by Civil Departments—							
XVI.—Law and Justice { Courts	373,791	...	373,791	19,220	354,571	405,800	...
{ Jails	288,448	...	288,448	31,236	257,212	291,700	...
XVII.—Police	130,339	...	130,339	3,909	126,430	132,200	...
XVIII.—Ports and Pilotage	153,609	...	153,609	...	153,609	138,900	...
XIX.—Education	247,905	...	247,905	5,853	242,052	258,800	...
XX.—Medical	79,712	676	80,388	1,271	79,117	86,200	700
XXIA.—Agriculture	65,897	...	65,897	8,861	57,036	65,500	...
XXIB.—Scientific and Miscellaneous Departments	66,947	962	67,909	10,473	57,436	103,000	900
TOTAL	1,406,648	1,698	1,408,286	80,823	1,327,463	1,481,900	1,600
Miscellaneous—							
XXII.—Receipts in aid of Superannuation	144,941	61,869	206,810	150,968	55,842	158,100	49,200
XXIII.—Stationery and Printing	93,416	...	93,416	41,556	51,860	98,300	...
XXIV.—Exchange	119,741	...	119,741	119,741	...	71,700	...
XXV.—Miscellaneous	311,901	40,711	352,612	154,504	198,108	368,600	13,700
TOTAL	669,999	102,580	772,579	466,769	305,810	696,700	62,900
Railways—							
XXVI.—State Railways (Gross Receipts)	37,545,905	230	37,546,135	37,537,881	8,254	35,639,300	400
Deduct:—Working Expenses	19,572,745	...	19,572,745	19,566,778	5,967	19,754,700	...
Surplus profits paid to Companies, etc.	440,857	...	440,857	440,857	...	685,700	...
Net Receipts	17,532,303	230	17,532,533	17,530,246	2,287	15,198,900	400
XXVIII.—Subsidised Companies (Government share of surplus profits and Repayment of advances of Interest)	16,331	76,770	93,101	93,101	...	21,700	47,300
TOTAL	17,548,634	77,000	17,625,634	17,623,347	2,287	15,220,600	47,700
Irrigation—							
XXIX.—Major Works: Direct Receipts	2,765,966	...	2,765,966	1,161,457	1,604,509	2,750,200	...
Portion of Land Revenue due to Irrigation	1,684,374	...	1,684,374	910,519	773,855	1,697,200	...
XXX.—Minor Works and Navigation	262,819	...	262,819	101,642	161,177	259,200	...
TOTAL	4,713,159	...	4,713,159	2,173,618	2,539,541	4,706,600	...
Other Public Works—							
XXXI.—Civil Works	298,640	...	298,640	45,920	252,720	266,400	...
Military Receipts—							
XXXII.—Army: Effective	765,604	315,027	1,080,631	1,080,631	...	710,900	320,100
Non-Effective	86,716	36,159	122,875	122,875	...	85,500	35,000
XXXIII.—Marine	852,320	351,186	1,203,506	1,203,506	...	796,400	355,100
XXXIV.—Military Works	89,542	...	89,542	89,542	...	89,200	...
	76,604	...	76,604	76,604	...	75,000	...
TOTAL	1,018,466	351,186	1,369,652	1,369,652	...	960,600	355,100
Transfers between Imperial and Provincial Revenues	...	...	...	-2,536,386	+2,536,386	...	...
TOTAL REVENUE	84,350,557	856,618	85,207,175	54,218,057	30,989,118	79,498,000	659,600

India, in India and in England.

ESTIMATE, 1914-1915.			Increase + Decrease— as compared with Budget Estimate, 1914-1915.	BUDGET ESTIMATE, 1915-1916.					Increase + Decrease— of Budget, 1915-1916, as compared with Budget Estimate, 1914-1915.	Increase + Decrease— of Budget, 1915-1916, as compared with Revised Estimate, 1914-1915.
TOTAL.	DISTRIBUTION OF TOTAL BETWEEN			India.	England.	TOTAL.	DISTRIBUTION OF TOTAL BETWEEN			
	Imperial.	Provincial.	Imperial.				Provincial.			
£	£	£	£	£	£	£	£	£	£	
21,056,300	10,288,400	10,769,900	-617,800	22,149,600	...	22,149,600	10,832,400	11,317,200	+475,500	+1,093,300
1,566,100	1,566,100	...	-273,000	1,798,000	...	1,798,000	1,798,000	...	-41,100	+231,900
3,772,000	3,772,000	...	+235,100	3,335,400	...	3,335,400	3,335,400	...	-101,500	-436,600
5,045,300	2,571,200	2,474,100	-326,300	5,107,100	...	5,107,100	2,602,000	2,505,100	-264,500	+61,800
8,809,100	2,489,700	6,319,400	-352,800	8,790,300	...	8,790,300	2,457,400	6,332,900	-371,600	-18,800
37,100	400	36,700	+6,800	30,600	...	30,600	200	30,400	+300	-6,500
6,366,200	6,366,200	...	-870,600	5,943,000	...	5,943,000	5,943,000	...	-1,293,800	-423,200
2,008,700	1,103,000	905,700	+128,300	1,878,300	...	1,878,300	1,036,400	841,900	-2,100	-130,400
1,998,500	55,800	1,942,700	-295,500	2,115,800	...	2,115,800	62,400	2,053,400	-178,200	+117,300
492,300	6,200	486,100	-31,000	513,000	...	513,000	6,100	506,900	-10,300	+20,700
607,100	607,100	...	-2,200	613,300	...	613,300	613,300	...	+4,000	+6,200
51,758,700	28,824,100	22,934,600	-2,299,000	52,274,400	...	52,274,400	28,686,600	23,587,800	-1,783,300	+515,700
1,021,600	700,500	321,100	-354,400	884,900	172,200	1,057,100	703,300	353,800	-318,900	+35,500
3,519,300	3,519,300	...	-213,100	3,498,900	80,300	3,579,200	3,579,200	...	-153,200	+59,900
57,900	57,900	...	-191,900	71,300	...	71,300	71,300	...	-178,500	+13,400
405,600	33,500	372,100	+8,900	408,900	...	408,900	34,200	374,700	+12,200	+3,300
291,700	29,000	262,700	+4,600	304,200	...	304,200	28,900	275,300	+17,100	+12,500
132,200	4,900	127,300	+5,100	140,100	...	140,100	4,900	135,200	+13,000	+7,900
138,900	...	138,900	-18,300	150,900	...	150,900	...	150,900	-6,300	+12,000
258,800	6,700	252,100	+2,700	274,900	...	274,900	6,400	268,500	+18,800	+16,100
86,900	1,300	85,600	+8,500	86,300	600	86,900	1,200	85,700	+8,500	...
65,500	7,700	57,800	-3,600	71,300	...	71,300	9,400	61,900	+2,200	+5,800
103,900	12,800	91,100	+88,300	95,900	900	96,800	10,900	85,900	+31,200	-7,100
1,483,500	95,900	1,387,600	+46,200	1,532,500	1,500	1,534,000	95,900	1,438,100	+96,700	+50,500
207,300	143,900	63,400	+2,700	155,800	34,000	189,800	127,400	62,400	-14,800	-17,500
98,300	45,200	53,100	+8,300	96,000	...	96,000	43,700	52,300	+6,000	-2,300
71,700	71,700	...	+5,000	...	...	...	...	...	-66,700	-71,700
382,300	207,200	175,100	+11,900	283,400	14,000	297,400	115,900	181,500	-73,000	-84,900
759,600	468,000	291,600	+27,900	535,200	48,000	583,200	287,000	296,200	-148,500	-176,400
35,639,700	35,632,100	7,600	-2,094,000	35,341,300	400	35,341,700	35,333,700	8,000	-2,392,000	-298,000
19,754,700	19,747,600	7,100	+72,000	19,913,100	...	19,913,100	19,906,700	6,400	-86,400	-153,400
685,700	685,700	...	-44,000	488,200	...	488,200	488,200	...	+153,500	+197,500
15,199,300	15,198,800	500	-2,066,000	14,940,000	400	14,940,400	14,938,800	1,600	-2,324,900	-258,900
69,000	69,000	...	+4,600	21,400	67,500	88,900	88,900	...	+24,500	+19,900
15,268,300	15,267,800	500	-2,061,400	14,961,400	67,900	15,029,300	15,027,700	1,600	-2,300,400	-239,000
2,750,200	1,120,300	1,629,900	+88,500	2,769,200	...	2,769,200	1,175,800	1,593,400	+107,500	+19,000
1,697,200	917,000	780,200	+75,800	1,742,900	...	1,742,900	940,500	802,400	+121,500	+45,700
259,200	89,500	169,700	-17,000	283,200	...	283,200	105,300	177,900	+7,000	+24,000
4,706,600	2,126,800	2,579,800	+147,300	4,795,300	...	4,795,300	2,221,600	2,573,700	+236,000	+88,700
266,400	45,000	221,400	+27,000	256,100	...	256,100	42,200	213,900	+16,700	-10,300
1,031,000	1,031,000	...	-88,500	662,900	301,700	964,600	964,600	...	-104,900	-66,400
120,500	120,500	...	-2,300	83,500	27,000	110,500	110,500	...	-12,300	-10,000
1,151,500	1,151,500	...	-40,800	746,400	328,700	1,075,100	1,075,100	...	-117,200	-76,400
89,200	89,200	...	-4,600	68,200	...	68,200	68,200	...	-25,600	-21,000
75,000	75,000	...	-5,000	77,000	...	77,000	77,000	...	-3,000	+2,000
1,315,700	1,315,700	...	-50,400	891,600	328,700	1,220,300	1,220,300	...	-145,800	-95,400
...	-2,491,800	+2,491,800	...	...	...	...	-2,285,100	+2,285,100	...	...
80,157,600	49,929,200	30,228,400	-4,921,800	79,701,600	698,800	80,400,200	49,650,000	30,750,200	-4,679,200	+242,600

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1913-1914.					REVISED	
	India.	England.	TOTAL.	DISTRIBUTION OF TOTAL BETWEEN		India.	England.
				Imperial.	Provincial.		
	£		£	£	£	£	£
Direct Demands on the Revenues—							
1.—Refunds and Drawbacks	336,142	...	336,142	226,418	109,724	377,900	...
2.—Assignments and Compensations	1,241,101	...	1,241,101	548,566	692,535	1,276,500	...
Charges in respect of Collection, &c. :—							
3.—Land Revenue	3,984,693	1,729	3,986,422	293,917	3,692,505	3,954,100	1,800
4.—Opium (including cost of Production)	1,011,696	744	1,012,440	1,012,440	...	657,200	600
5.—Salt (including cost of Production)	384,580	793	385,373	385,373	...	367,100	1,500
6.—Stamps	66,598	108,545	173,143	92,182	80,961	52,700	61,000
7.—Excise	437,433	96	437,529	140,082	297,447	462,200	400
9.—Customs	280,818	434	281,252	281,252	...	268,600	600
10.—Assessed Taxes	31,254	...	31,254	15,748	15,506	33,000	...
11.—Forest	1,169,575	4,913	1,174,488	76,146	1,098,342	1,237,100	4,700
12.—Registration	255,453	...	255,453	1,832	253,621	261,600	...
TOTAL	9,159,343	115,254	9,274,597	3,033,956	6,240,641	8,948,000	70,600
Interest—							
13.—Interest on Debt	3,421,622	5,912,796	9,334,418	8,452,492	881,926	3,673,300	6,078,000
<i>Deduct—Amounts chargeable to Railways†</i>	<i>3,596,912</i>	<i>3,706,233</i>	<i>7,303,145</i>	<i>7,303,145</i>	<i>...</i>	<i>4,007,500</i>	<i>3,635,000</i>
<i>„ Amounts chargeable to Irrigation</i>	<i>1,166,167</i>	<i>118,679</i>	<i>1,304,840</i>	<i>642,590</i>	<i>662,256</i>	<i>1,246,000</i>	<i>120,600</i>
<i>Remainder chargeable on Ordinary Debt</i>	<i>-1,861,457</i>	<i>2,087,884</i>	<i>726,427</i>	<i>506,757</i>	<i>219,670</i>	<i>-1,580,200</i>	<i>2,322,400</i>
14.—Interest on other obligations	789,226	...	789,226	789,226	...	738,700	...
TOTAL	-572,231	2,087,884	1,515,653	1,295,983	219,670	-841,500	2,322,400
15.—Posts and Telegraphs	3,005,156	267,328	3,272,984	3,272,984	...	3,070,300	219,800
17.—Mint	122,066	10,564	132,630	132,630	...	129,900	9,500
Salaries and Expenses of Civil Departments—							
18.—General Administration	1,593,108	390,539	1,983,647	1,108,784	874,863	1,661,300	408,700
19.—Law and Justice { Courts	3,088,001	159	3,088,160	75,581	3,012,579	3,237,700	1,800
{ Jails	982,746	157	982,903	131,893	851,010	1,009,300	...
20.—Police	4,863,360	1,630	4,864,990	244,764	4,620,226	5,239,400	1,200
21.—Ports and Pilotage	204,426	200	204,626	200	204,426	212,600	100
22.—Education	3,166,426	10,383	3,176,809	120,566	3,056,243	3,231,400	10,300
23.—Ecclesiastical	127,564	148	127,712	127,712	...	127,300	400
24.—Medical	1,329,616	8,319	1,337,935	138,561	1,199,374	1,533,400	6,400
25.—Political	1,144,044	15,146	1,159,190	917,642	241,548	1,130,100	24,000
26A.—Agriculture	533,682	1,257	534,939	83,991	450,948	568,000	2,500
26B.—Scientific and Miscellaneous Departments	439,759	33,529	473,288	339,537	133,751	443,300	40,100
TOTAL	17,472,732	461,467	17,934,199	3,289,231	14,644,968	18,443,800	495,000
Miscellaneous Civil Charges—							
27.—Territorial and Political Pensions	209,531	11,189	220,720	220,720	...	205,800	10,600
28.—Civil Furlough and Absentee Allowances	1,280	450,326	451,606	451,606	...	900	360,000
29.—Superannuation Allowances and Pensions	1,344,840	2,054,647	3,399,487	2,167,018	1,232,469	1,443,900	2,053,000
30.—Stationery and Printing	624,448	105,308	729,756	214,117	515,639	647,800	118,100
32.—Miscellaneous	555,875	46,360	602,235	346,334	255,901	402,500	152,900
TOTAL	2,735,974	2,667,830	5,403,804	3,399,795	2,004,009	2,700,900	2,699,600
Famine Relief and Insurance—							
33.—Famine Relief	157,511	...	157,511	157,511	...	289,900	...
34.—Construction of Protective Railways	7,835	741	8,576	8,576	...	-1,500	...
35.—Construction of Protective Irrigation Works	475,267	16,157	491,424	491,424	...	482,500	19,000
36.—Reduction or Avoidance of Debt	342,489	...	342,489	92,489	250,000	210,100	...
TOTAL	983,102	16,898	1,000,000	750,000	250,000	981,000	19,000
Carried over	32,906,142	5,627,725	38,533,867	15,174,579	23,359,288	33,432,400	5,835,900

	ACCOUNTS, 1913-1914.			REVISED ESTIMATE, 1914-1915.		
	India.	England.	TOTAL.	India.	England.	TOTAL.
	£	£	£	£	£	£
† Included under the following heads :—						
State Railways—Interest on Debt	3,357,109	3,530,793	6,887,842	3,991,100	3,553,800	7,544,900
Ditto —Interest chargeable against Companies on Advances	289,803	175,500	415,303	16,400	81,200	97,600
TOTAL	3,596,912	3,706,293	7,303,145	4,007,500	3,635,000	7,642,500

Revenues of India, in India and in England.

ESTIMATE, 1914-1915.			Increase + Decrease - as compared with Budget Estimate, 1914-1915.	BUDGET ESTIMATE, 1915-1916.					Increase + Decrease - of Budget, 1915-1916, as compared with Budget Estimate, 1914-1915.	Increase + Decrease - of Budget, 1915-1916, as compared with Revised Estimate, 1914-1915.
TOTAL.	DISTRIBUTION OF TOTAL BETWEEN			India.	England.	TOTAL.	DISTRIBUTION OF TOTAL BETWEEN			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	
377,900	268,400	109,500	+ 68,300	816,500	...	316,500	220,400	96,100	+ 6,900	- 61,400
1,276,500	560,400	716,100	+ 88,400	1,286,200	...	1,286,200	563,700	722,500	+ 48,100	+ 9,700
3,955,900	317,100	3,638,800	- 227,300	4,121,400	1,800	4,122,700	342,100	3,780,600	- 60,500	+ 166,800
657,800	657,800	...	- 600	912,500	400	912,900	912,900	...	+ 254,500	+ 255,100
368,600	368,600	...	- 22,700	390,100	800	391,000	391,000	...	- 300	+ 22,400
113,700	42,000	71,700	- 37,900	59,200	92,000	151,200	76,400	74,800	- 400	+ 37,500
462,600	144,600	318,000	- 23,900	491,900	200	492,100	153,600	338,500	+ 5,600	+ 29,500
269,200	269,200	...	- 4,300	275,500	300	275,800	275,800	...	+ 2,300	+ 6,800
33,000	16,800	16,200	+ 500	34,500	...	34,500	17,500	17,000	+ 2,000	+ 1,500
1,241,800	82,900	1,158,900	- 106,500	1,287,400	4,900	1,292,300	96,800	1,195,500	- 56,000	+ 50,500
261,600	1,900	259,700	- 6,400	264,100	...	264,100	1,800	262,300	- 8,900	+ 2,500
9,018,600	2,729,700	6,288,900	- 322,400	9,439,300	100,000	9,539,300	3,052,000	6,487,300	+ 193,300	+ 520,700
9,751,300	8,833,200	918,100	+ 175,900	3,928,700	6,092,300	10,019,000	9,088,900	932,100	+ 443,600	+ 267,700
7,642,500	7,642,500	...	- 251,300	4,099,400	3,666,300	7,765,700	7,765,700	...	- 374,500	- 123,200
1,366,600	684,600	682,000	- 1,800	1,301,100	122,200	1,423,300	722,400	700,900	- 58,500	- 56,700
742,200	506,100	236,100	- 77,200	1,473,800	2,303,800	830,000	598,800	231,200	+ 10,600	+ 87,800
738,700	738,700	...	- 49,700	646,100	...	646,100	646,100	...	- 142,300	- 92,600
1,480,900	1,244,800	236,100	- 126,900	- 827,700	2,303,800	1,476,100	1,244,900	231,200	- 131,700	- 4,800
3,290,100	3,290,100	...	- 59,900	3,127,300	167,100	3,294,400	3,294,400	...	- 55,600	+ 4,300
139,400	139,400	...	+ 35,100	94,700	7,300	102,000	102,000	...	- 2,300	- 37,400
2,070,000	1,164,600	915,400	+ 68,800	1,654,300	365,200	2,019,500	1,105,400	914,100	+ 18,300	- 50,500
3,289,000	87,000	3,202,000	+ 148,600	3,312,300	700	3,313,000	82,700	3,230,300	+ 172,600	+ 24,000
1,009,300	138,000	871,300	+ 49,700	1,009,300	...	1,009,300	136,400	873,400	+ 50,200	+ 500
5,240,600	265,300	4,975,300	+ 37,400	5,381,000	1,800	5,382,300	267,300	5,095,000	+ 159,100	+ 121,700
212,700	100	212,600	- 7,200	215,400	100	215,500	100	215,400	- 4,400	+ 2,800
3,241,700	125,900	3,115,800	- 758,200	3,385,500	9,300	3,394,800	125,100	3,269,700	- 605,100	+ 153,100
127,700	127,700	...	- 7,200	135,000	300	135,300	135,300	...	+ 400	+ 7,600
1,539,800	158,200	1,381,600	- 345,300	1,484,900	5,100	1,490,000	191,100	1,298,900	- 395,000	- 49,800
1,154,100	930,400	223,700	+ 9,900	1,150,700	5,600	1,156,300	928,000	228,300	+ 12,100	+ 2,200
570,500	65,900	505,500	- 35,600	606,900	2,000	608,900	70,200	538,700	+ 2,800	+ 33,400
483,400	342,900	140,500	- 15,200	464,600	87,800	502,400	346,600	155,800	+ 3,800	+ 19,000
18,938,800	3,395,100	15,543,700	- 854,200	18,780,400	427,400	19,207,800	3,388,200	15,819,600	- 585,200	+ 269,000
216,400	216,400	...	- 5,800	207,200	10,600	217,800	217,800	...	- 4,400	+ 1,400
360,900	360,900	...	- 72,400	900	83,000	3,900	83,900	...	- 349,400	- 277,000
3,501,900	2,174,000	1,327,900	+ 52,300	1,484,500	2,059,000	3,543,500	2,175,200	1,368,300	+ 93,900	+ 41,600
765,900	234,900	531,000	+ 46,200	650,600	103,100	753,700	211,600	542,100	+ 34,000	- 12,200
555,400	332,400	223,000	- 69,500	477,800	43,700	521,500	216,000	305,500	- 103,400	- 33,900
5,400,500	3,318,600	2,081,900	- 49,200	2,821,000	2,299,400	5,120,400	2,904,500	2,215,900	- 329,300	+ 280,100
289,900	1 3,800	106,100	- 8,600	7,100	...	7,100	7,100	...	- 291,400	- 282,800
- 1,500	- 1,500	...	- 1,600	...	...	...	...	...	- 100	+ 1,500
501,500	501,500	...	+ 1,600	483,500	16,500	500,000	500,000	...	+ 100	- 1,500
210,100	15,000	195,100	+ 3,600	492,900	...	492,900	328,200	164,700	+ 291,400	+ 282,800
1,000,000	698,800	301,200	...	988,500	16,500	1,000,000	885,300	164,700	...	...
39,268,300	14,816,500	24,451,800	- 1,377,500	34,418,500	5,321,500	39,740,000	14,821,300	24,918,700	- 905,800	+ 471,700
BUDGET ESTIMATE, 1915-1916.										
India.	England.	TOTAL.								
£	£	£								
4,081,700	3,585,100	7,666,800								
17,700	81,200	98,900								
4,069,400	3,666,300	7,765,700								

B.—Statement of the Expenditure charged to the

HEADS OF EXPENDITURE.	ACCOUNTS, 1913-1914.					REVISED	
	India.	England.	TOTAL.	DISTRIBUTION OF TOTAL BETWEEN		India.	England.
				Imperial.	Provincial.		
	£	£	£	£	£	£	£
Brought forward	32,906,142	5,627,725	38,533,867	15,174,579	23,359,288	33,432,400	5,835,900
Railways—							
38.—State Railways: Interest on Debt	3,357,109	3,530,733	6,887,842	6,887,842	...	3,991,100	3,553,800
Annuities in purchase of Railways	...	3,379,581	3,379,581	3,379,581	...	...	3,357,700
Sinking Funds	...	191,707	191,707	191,707	...	...	199,400
Interest chargeable against Companies on Advances	239,803	175,500	415,303	415,303	...	16,400	81,200
Interest on Capital deposited by Companies	229,839	1,722,577	1,952,416	1,952,416	...	56,000	1,932,300
40.—Subsidised Companies: Land, etc.	55,146	...	55,146	52,587	2,559	114,000	...
41.—Miscellaneous Railway Expenditure	—45,894	...	—45,894	—45,863	—31	52,800	...
TOTAL	3,836,003	9,000,098	12,836,101	12,833,573	2,528	4,230,300	9,124,400
Irrigation—							
42.—Major Works: Working Expenses	1,214,429	14	1,214,443	551,539	662,904	1,276,400	...
Interest on Debt	1,186,167	118,679	1,304,846	642,590	662,256	1,246,000	120,600
42A.—Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance	83,689	...	83,689	83,689	...	66,800	...
43.—Minor Works and Navigation	927,733	1,156	928,889	295,099	633,790	1,032,300	300
TOTAL	3,412,018	119,849	3,531,867	1,572,917	1,958,950	3,621,500	120,900
Other Public Works—							
44.—Construction of Railways charged to Provincial Revenues	1,414	...	1,414	...	1,414	1,600	...
45.—Civil Works	6,907,440	101,184	7,008,624	1,058,800	5,949,824	6,922,600	86,400
TOTAL	6,908,854	101,184	7,010,038	1,058,800	5,951,238	6,924,200	86,400
Military Services—							
46.—Army: Effective	13,903,995	2,638,876	16,542,871	16,542,871	...	14,685,400	2,380,800
Non-Effective	730,495	2,515,873	3,246,368	3,246,368	...	736,000	2,524,000
	14,634,490	5,154,749	19,789,239	19,789,239	...	15,421,400	4,904,800
46A.—Marine	255,703	257,142	512,845	512,845	...	240,400	215,300
47.—Military Works	905,607	41,690	947,297	947,297	...	977,400	39,600
47A.—Special Defences (1902)	7,148	9,236	16,384	16,384	...	10,500	13,000
TOTAL	15,802,948	5,462,817	21,265,765	21,265,765	...	16,649,700	5,172,700
TOTAL EXPENDITURE, IMPERIAL AND PROVINCIAL	62,865,965	20,311,673	83,177,638	51,905,634	31,272,004	64,858,100	20,340,300
Add—Portion of Allotments to Provincial Governments not spent by them in the year	325,692	...	325,692	...	325,692	...	...
Deduct—Portion of Provincial Expenditure defrayed from Provincial Balances	608,578	...	608,578	...	608,578	2,255,000	...
Total Expenditure charged to Revenue	62,583,079	20,311,673	82,894,752	51,905,634	30,989,118	62,603,100	20,340,300

Capital Expenditure not charged to Revenue—	ACCOUNTS, 1913-1914.		
	India.	England.	TOTAL.
	£	£	£
48.—State Railways	7,484,613	2,998,587	10,483,200
49.—Irrigation Works	1,223,467	58,795	1,282,262
TOTAL	8,708,080	3,057,382	11,765,462
51.—Initial Expenditure on new Capital at Delhi	410,723	36,411	447,134

BUDGET OF THE GOVERNMENT OF INDIA FOR 1915-16.

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

ESTIMATE, 1914-1915.			Increase + Decrease— as compared with Budget Estimate, 1914-1915.	BUDGET ESTIMATE, 1915-1916.					Increase + Decrease— of Budget, 1915-1916, as compared with Budget Estimate, 1914-1915.	Increase + Decrease— of Budget, 1915-1916, as compared with Revised Estimate, 1914-1915.
TOTAL.	DISTRIBUTION OF TOTAL REVENUES			India.	England.	TOTAL.	DISTRIBUTION OF TOTAL REVENUES			
	Imperial.	Provincial.					Imperial.	Provincial.		
£	£	£	£	£	£	£	£	£	£	
39,268,300	14,816,500	24,451,800	-1,377,500	34,418,500	5,321,500	39,740,000	14,821,300	24,918,700	-905,800	+471,700
7,511,900	7,544,900	...	+497,400	4,081,700	3,585,100	7,666,800	7,666,800	...	+619,300	+121,900
3,357,700	3,357,700	...	...	...	3,357,700	3,357,700	3,357,700	...	...	...
199,100	199,400	...	...	...	206,100	208,100	206,100	...	+8,700	+8,700
97,600	97,600	...	-246,100	17,700	81,200	98,900	98,900	...	-244,800	+1,300
1,988,300	1,968,300	...	-199,300	66,900	2,186,400	2,253,300	2,253,300	...	+65,700	+265,000
114,000	113,300	700	-80,300	201,100	...	201,100	200,000	1,100	+6,800	+87,100
52,800	52,800	...	-26,000	53,600	...	53,600	53,600	...	-25,200	+800
13,351,700	13,351,000	700	-54,3	4,421,000	9,418,500	13,839,500	13,838,400	1,100	+430,500	+484,800
1,276,400	596,700	679,700	+27,000	1,271,400	...	1,271,400	596,100	675,300	+22,000	-5,000
1,366,600	684,600	682,000	+1,800	1,301,100	122,200	1,423,300	722,400	700,900	+58,500	+56,700
68,800	66,800	...	+33,300	...	...	...	...	...	-33,500	-66,800
1,032,600	319,800	712,800	+28,900	956,100	...	956,100	317,700	638,400	-47,600	-76,500
3,712,400	1,667,900	2,074,500	+91,000	3,286,600	122,200	3,650,800	1,636,200	2,014,600	-600	-91,600
1,600	...	1,600	-300	1,300	...	1,300	...	1,300	-600	-300
7,009,000	1,051,200	5,954,800	-445,600	5,792,600	21,200	5,813,800	921,700	4,892,100	-1,640,800	-1,195,200
7,010,600	1,051,200	5,956,400	-445,900	5,793,900	21,200	5,815,100	921,700	4,893,400	-1,641,400	-1,195,500
17,068,200	17,066,200	...	+25,900	14,794,500	1,907,100	16,701,600	16,701,600	...	-338,700	-364,600
3,260,000	3,260,000	...	-5,500	1,039,100	2,233,000	3,272,100	3,272,100	...	+6,600	+12,100
20,326,200	20,326,200	...	+20,400	15,833,600	4,140,100	19,973,700	19,973,700	...	-332,100	-352,500
455,700	455,700	...	-49,200	231,900	415,500	650,400	650,400	...	+145,500	+194,700
1,017,000	1,017,000	...	-5,400	726,300	18,000	744,300	744,300	...	-278,100	-272,700
23,500	23,500	...	-9,500	14,600	6,500	21,100	21,100	...	-11,900	-2,400
21,822,400	21,822,400	...	-43,700	16,809,400	4,580,100	21,389,500	21,389,500	...	-476,600	-432,900
85,198,400	53,715,000	32,483,400	-1,830,400	64,971,400	19,463,500	84,434,900	52,607,100	31,827,800	-2,593,900	-763,500
...
2,255,000	...	2,255,000	+950,900	1,077,600	...	1,077,600	...	1,077,600	+2,123,300	+1,177,400
82,913,400	52,715,000	30,228,400	-879,500	63,893,800	19,463,500	83,357,300	52,607,100	30,750,200	-465,600	+413,900
REVISED ESTIMATE, 1914-1915.			BUDGET ESTIMATE, 1915-1916.							
India.	England.	TOTAL.	India.	England.	TOTAL.					
£	£	£	£	£	£					
8,116,600	2,434,100	10,550,700	6,187,500	1,450,200	7,637,700					
1,103,100	60,000	1,163,100	1,061,000	39,000	1,100,000					
9,219,700	2,494,100	11,713,800	7,248,500	1,489,200	8,737,700					
305,500	57,900	363,400	183,200	83,500	266,700					

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1913-1914.			REVISED ESTIMATE, 1914-1915.			BUDGET ESTIMATE, 1915-1916.		
	India.	England.	TOTAL.	India.	England.	TOTAL.	India.	England.	TOTAL.
	£	£	£	£	£	£	£	£	£
Revenue (from Statement A) .	84,350,557	856,618	85,207,175	79,498,000	659,600	80,157,600	79,701,600	698,600	80,400,200
Excess of Revenue over Expenditure charged to Revenue			2,312,423			-2,785,800			-2,957,100
Railway, Irrigation, and other Capital not charged to Revenue—									
Capital raised through Companies towards outlay on State Railways .	34,667	...	34,667	2,367,500	...	2,367,500	6,533,300	...	6,533,300
Capital contributed by Native States towards construction of State Railways	200,000	...	200,000	66,700	...	66,700	66,700	...	66,700
OUTLAY OF RAILWAY COMPANIES—									
Repayments . . . . .	...	5,637	5,637	...	19,400	19,400	...	2,400	2,400
NET			0			0			0
RAISED AND DEPOSITED BY RAILWAY COMPANIES—									
On account of Subscribed Capital	164,692	4,832,788	4,997,480	486,700	1,557,300	2,044,000	320,600	1,996,600	2,317,200
NET			4,717,480			12,044,000			320,600
Permanent Debt Incurred—									
<i>Sterling Debt—</i>									
India Stock . . . . .	...	...	...	...	...	...	...	...	...
<i>Rupce Debt—</i>									
Rupce Loan	2,000,000	...	...	3,333,300	...	...	3,000,000	...	...
TOTAL NET	2,000,000	...	2,000,000	3,333,300	...	3,333,300	3,000,000	...	3,000,000
Temporary Debt Incurred—									
Temporary Loans . . . . .	...	...	...	8,333,300	7,000,000	15,333,300	...	7,000,000	7,000,000
NET			0			14,333,300			
Unfunded Debt—									
Deposits of Service Funds .	89,541	...	...	88,300	...	...	88,700	...	...
Savings Bank Deposits	8,783,483	...	...	7,466,300	...	...	6,414,200	...	...
TOTAL NET	8,873,024	...	8,873,024	7,554,600	...	7,554,600	6,502,900	...	6,502,900
Deposits and Advances—									
Balances of Provincial Allotments	325,692	...	...	...	...	...	...	...	...
Appropriation for Reduction or Avoidance of Debt	342,439	...	...	210,100	...	...	492,900	...	...
Deposits of Local Funds—									
District Funds	5,260,391	...	...	5,210,400	...	...	4,784,800	...	...
Other Funds	1,343,956	...	...	1,285,900	...	...	1,229,900	...	...
Deposits of Sinking Funds	43,825	...	...	59,000	...	...	61,000	...	...
Gold Standard Reserve	4,286,872	9,728,845	...	3,000	10,021,200	...	...	7,963,500	...
Departmental and Judicial Deposits—									
War transactions . . . . .	...	...	...	2,740,300	...	...	681,000	...	...
Other "	80,205,951	...	...	30,413,100	...	...	29,934,200	...	...
Advances	5,600,420	16,536	...	6,897,500	975,400	...	8,130,400	1,094,700	...
Suspense Accounts	87,499	...	...	77,600	...	...	16,200	...	...
Miscellaneous	37,632	56	...	110,200	...	...	2,900	...	...
TOTAL NET	47,534,727	9,745,437	57,280,164	47,007,100	10,996,600	58,003,700	45,333,300	9,058,200	54,391,500
Carried over	143,157,667	15,440,480		143,647,200	20,232,900		141,458,400	18,755,800	

Government of India, in India and in England.

	ACCOUNTS, 1913-1914.			REVISED ESTIMATE, 1914-1915.			BUDGET ESTIMATE, 1915-1916.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
Expenditure, Imperial and Provincial (from Statement B)	£ 62,855,965	£ 20,311,673	£ 83,177,638	£ 64,858,100	£ 20,340,300	£ 85,198,400	£ 64,971,400	£ 19,463,500	£ 84,434,900
Add—Provincial Surpluses transferred to "Deposits"	325,692	...	325,692	...	...	...	...	...	...
Deduct—Provincial Deficits charged to "Deposits"	608,578	...	608,578	2,255,000	...	2,255,000	1,077,600	...	1,077,600
TOTAL	62,583,079	20,311,673	83,894,752	62,603,100	20,340,300	82,943,400	63,893,800	19,463,500	83,357,300
Railway, Irrigation, and other Capital not charged to Revenue—									
OUTLAY ON IRRIGATION WORKS	1,223,467	58,795	1,282,262	1,103,100	60,000	1,163,100	1,061,000	39,000	1,100,000
OUTLAY ON STATE RAILWAYS	7,484,613	2,998,587	10,483,200	8,116,600	2,434,100	10,550,700	6,187,500	1,450,200	7,637,700
INITIAL EXPENDITURE ON NEW CAPITAL AT DELHI	410,723	36,411	447,134	305,500	57,900	363,400	183,200	83,500	266,700
OUTLAY OF RAILWAY COMPANIES— Payments for Capital Outlay	214,823	1,793,117	2,007,940	— 50,700	1,552,200	1,501,500	— 526,700	1,212,800	686,100
NET			2,002,303			1,482,100			683,700
RAISED AND DEPOSITED BY RAILWAY COMPANIES— Payments for Discharge of Debentures	...	280,000	280,000	...	...	...	...	1,936,600	1,996,600
NET			0			0			0
Permanent Debt Discharged—									
Sterling Debt—									
Madras Railway Debentures	...	170,000	...	...	...	...	...	...	...
Indian Midland do.	...	1,111,200	...	...	...	...	...	407,500	...
India Bonds	...	500,000	...	...	500,000	...	...	500,000	...
Rupee Debt—									
4½ p. c. Loans	1,293	...	...	...	...	...	...	...	...
4 p. c. Loans	81,047	...	...	103,500	...	...	80,700	...	...
3½ p. c. Loans	...	...	...	100	...	...	100	...	...
3 p. c. Loans	18,253	...	...	2,500	...	...	2,900	...	...
Provincial Debentures	7	...	...	...	...	...	100	...	...
TOTAL	100,600	1,781,200	1,881,800	106,100	500,000	606,100	83,800	907,500	991,300
NET			0			0			0
Temporary Debt Discharged—									
Temporary Loans	...	...	...	1,000,000	...	1,000,000	...	7,000,000	7,000,000
NET			0			0			0
Unfunded Debt—									
Special Loans	213	...	...	200	...	...	200	...	...
Deposits of Service Funds	93,096	...	...	95,900	...	...	97,400	...	...
Savings Bank Deposits	6,577,745	...	...	12,529,400	...	...	6,625,200	...	...
TOTAL	6,671,054	...	6,671,054	12,625,500	...	12,625,500	6,722,800	...	6,722,800
NET			0			5,070,900			219,900
Deposits and Advances—									
Balances of Provincial Allotments	608,578	...	...	2,255,000	...	...	1,077,600	...	...
Deposits of Local Funds—									
District Funds	4,388,070	...	...	5,218,200	...	...	5,122,700	...	...
Other Funds	1,268,258	...	...	1,393,200	...	...	1,213,900	...	...
Deposits of Sinking Funds	...	...	...	...	...	...	...	...	...
Gold Standard Reserve	4,300,000	10,709,547	...	25,200	10,038,000	...	...	7,967,500	...
Departmental and Judicial Deposits—									
War transactions	...	...	...	691,700	...	...	1,685,000	...	...
Other	29,782,270	...	...	30,682,900	...	...	29,980,500	...	...
Advances	5,893,406	76,878	...	7,062,300	1,016,500	...	8,137,100	1,091,000	...
Suspense Accounts	163,303	...	...	36,400	...	...	10,300	...	...
Exchange on Remittance Account (net)	190	...	...	...	...	...	...	...	...
Miscellaneous	21,879	23	...	...	...	...	...	...	...
TOTAL	46,425,954	10,786,448	57,212,402	47,364,900	11,054,500	58,419,400	47,227,100	9,058,500	56,285,600
NET			0			415,700			1,894,100
Carried over	125,114,313	38,046,231	...	133,174,100	35,999,000	...	124,832,500	41,211,600	...

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1913-1914.			REVISED ESTIMATE, 1914-1915.			BUDGET ESTIMATE, 1915-1916.		
	India.	England.	TOTAL.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward . . .	143,157,667	15,440,480		143,647,200	20,232,900		141,458,400	18,755,800	
Loans and Advances by Imperial Govern- ment	377,694	...	377,694	198,400	...	198,400	185,000	...	185,000
NET			213,183			0			0
Loans and Advances by Provincial Governments	1,082,099	...	1,082,099	1,448,200	...	1,448,200	1,576,200	...	1,576,200
NET			0			0			405,000
Loans to Local Boards for Railway Con- struction	7,124	...	7,124	7,400	...	7,400	7,700	...	7,700
NET			7,124			7,400			7,700
Remittances—									
Inland Money Orders	37,604,247	...		38,668,700	...		38,966,700	...	
Other Local Remittances . . . . .	...	...		5,981,500	...		4,355,500	...	
Other Departmental Ac- counts	21,801	...		...	...		...	...
Net Receipts by Civil Treasuries from—									
Posts and Telegraphs	985,361	...		...	...		...	...
Railways	14,486,413	...		11,087,000	...		11,753,000	...	
Net Receipts from Civil Treasuries by—									
Posts and Telegraphs . . . . .	...	...		6,063,400	...		1,265,700	...	
Marine	247,052	...		4,999,700	...		3,463,900	...	
Military Works	786,861	...		933,800	...		610,300	...	
Military	13,323,625	...		16,843,500	...		18,651,700	...	
Remittance Account between England and India—									
Gold remitted from India . . . . .	...	...		...	604,800		...	...
Transfers through Paper Currency Reserve . . . . .	...	...		...	1,000,000		...	...
War transactions . . . . .	...	...		570,000	3,373,000		823,000	9,086,000	
Purchase of Silver	4,528,611	...		...	...		...	...
Railway transactions	5,008,020	8,855		4,617,900	2,358,500		3,073,600	7,016,500	
Other "	989,722	2,150,713		981,800	1,243,500		1,157,000	1,269,000	
TOTAL	77,931,213	2,159,568	80,090,781	90,749,800	14,579,800	105,329,600	85,125,400	17,371,500	102,496,900
NET			0			0			705,700
Secretary of State's Bills drawn . . . . .	...	(b) 29,050,827	29,050,827	...	(c) 6,900,000	6,900,000	...	7,100,000	7,100,000
TOTAL RECEIPTS	222,555,797	46,650,875		241,051,000	41,712,700		228,352,700	43,227,300	
Opening Balance	19,293,131	(a) 9,789,634		15,608,253	(c) 8,157,732		13,855,353	(d) 7,620,132	
GRAND TOTAL	241,848,928	56,440,509		256,659,253	49,870,432		242,208,053	50,847,432	

(a) Of this amount £1,005,664 represents the funds of the Gold Standard Reserve.

(b) £24,962

(c) In addition to £600,000 for remittance of the Gold Standard Reserve.

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

	ACCOUNTS, 1913-1914.			REVISED ESTIMATE, 1914-1915.			BUDGET ESTIMATE, 1915-1916.		
	India.	England.	Total.	India.	England.	Total.	India.	England.	Total.
	£	£	£	£	£	£	£	£	£
Brought forward	125,114,313	38,046,231		133,174,100	35,999,000		124,832,500	41,211,600	
Loans and Advances by Imperial Government	164,511	...	164,511	203,100	...	203,100	333,700	...	333,700
NET			0			4,700			153,700
Loans and Advances by Provincial Governments	1,880,036	...	1,880,036	1,579,800	...	1,579,800	1,171,200	...	1,171,200
NET			797,937			131,600			0
Remittances—									
Inland Money Orders	37,532,110	...		38,700,000	...		39,966,700	...	
Other Local Remittances	448,415	...		5,981,500	...		4,355,500	...	
Other Departmental Accounts	12	...		...	...		...	...
Net Payments into Civil Treasuries by—									
Posts and Telegraphs	992,064	...		...	...		...	...
Railways	14,823,021	...		11,287,000	...		11,753,000	...	
Net Issues from Civil Treasuries to—									
Posts and Telegraphs	...	...		6,063,400	...		1,265,700	...	
Marine	247,345	...		4,999,700	...		3,463,900	...	
Military Works	737,178	...		933,300	...		610,300	...	
Military	13,323,472	...		16,848,500	...		18,651,700	...	
Remittance Account between England and India—									
Gold remitted from India	...	...		604,800	...		...	...
Transfers through Paper Currency Reserve	...	...		1,000,000	...		...	...
War transactions	...	...		11,096,600	570,000		8,389,000	823,000	
Purchase of Silver	555	4,523,056		...	...		...	...
Railway transactions	920	5,016,044		2,325,200	4,651,200		6,500,000	3,595,100	
Other	1,925,966	692,446		1,349,700	1,030,100		1,216,600	1,200,700	
TOTAL	70,031,058	10,236,546	80,267,604	101,189,700	6,251,300	107,441,000	96,172,400	5,618,800	101,791,200
NET			176,823			2,111,400			0
Secretary of State's Bills paid	(b) 29,050,757	...	29,050,757	(e) 6,657,200	...	6,657,200	7,280,000	...	7,280,000
TOTAL DISBURSMENTS	226,240,675	48,282,777		242,803,900	42,250,300		229,774,800	46,830,400	
Closing Balance	15,608,253	(c) 8,157,732		13,855,353	(d) 7,620,132		12,433,253	(f) 4,017,032	
GRAND TOTAL	241,848,928	56,440,509		256,659,253	49,870,432		242,208,053	50,847,432	

(b) In addition to £2,150,000 for remittance of the Gold Standard Reserve.
 (d) Of this amount £8,162 represents the funds of the Gold Standard Reserve.
 (f) " " £4,162 " " " " " "

H. F. HOWARD,
 Controller of Currency.

J. B. BRUNYATE,
 Secretary to the Government of India.

D.—Statement of Revenue, Expenditure and Balances of Provincial Governments.

	Accounts, 1913-14.	Revised, 1914-15.	Budget, 1915-16.
Madras—	₹	₹	₹
Balance on April 1st	8,58,879	1,75,60,000	95,08,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	31,83,500	24,67,000	24,50,000
Other revenue	7,26,09,014	7,29,95,000	7,40,19,000
Total Expenditure	8,10,40,925	8,32,14,000	7,80,33,000
Closing Balance	1,75,60,468	95,08,000	82,44,000
Bombay—			
Balance on April 1st	1,79,75,519	1,95,34,000	1,54,28,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	20,78,000	20,88,000	20,80,000
Other revenue	7,71,51,211	7,26,71,000	7,28,20,000
Total Expenditure	7,76,70,645	7,88,65,000	7,71,77,000
Closing Balance	1,95,34,085	1,54,28,000	1,81,51,000
Bengal—			
Balance on April 1st	3,18,30,270	3,18,11,000	2,81,31,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	34,81,000	44,92,000	34,90,000
Other revenue	5,86,60,472	5,75,14,000	5,83,17,000
Total Expenditure	6,16,60,650	6,56,86,000	6,58,29,000
Closing Balance	3,18,11,112	2,81,31,000	2,41,09,000
United Provinces—			
Balance on April 1st	1,84,23,473	1,84,74,000	1,50,91,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	23,41,600	24,22,000	22,27,000
Other revenue	6,56,64,896	6,34,56,000	6,53,15,000
Total Expenditure	6,79,55,292	6,92,61,000	6,90,25,000
Closing Balance	1,84,74,177	1,50,91,000	1,36,08,000
Punjab—			
Balance on April 1st	1,77,84,102	70,92,000*	53,97,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	14,11,000	16,84,000	13,55,000
Other revenue	4,47,31,340	4,59,66,000	4,73,51,000
Total Expenditure	4,68,34,852	4,93,45,000	4,91,64,000
Closing Balance	1,70,91,590	53,97,000	49,39,000
Burma—			
Balance on April 1st	1,30,22,199	1,39,36,000	84,13,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	11,82,000	24,92,000	9,92,000
Other revenue	5,49,63,223	5,16,45,000	5,58,50,000
Total Expenditure	5,52,31,197	5,96,60,000	5,82,27,000
Closing Balance	1,39,36,225	84,13,000	70,28,000
Bihar and Orissa—			
Balance on April 1st	2,00,84,199	1,91,64,000	1,56,13,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	24,56,000	14,64,000	14,61,000
Other revenue	2,81,83,313	2,85,97,000	2,52,33,000
Total Expenditure	3,15,59,375	3,36,12,000	3,40,03,000
Closing Balance	1,91,64,137	1,56,13,000	1,23,04,000
Central Provinces—			
Balance on April 1st	90,72,033	1,09,53,000	95,15,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	10,34,000	9,29,000	9,14,000
Other revenue	2,96,49,750	2,82,94,000	2,83,73,000
Total Expenditure	2,88,02,505	3,06,61,000	2,93,52,000
Closing Balance	1,09,53,278	95,15,000	89,50,000
Assam—			
Balance on April 1st	78,06,494	55,89,000	28,93,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	5,12,500	4,48,000	4,48,000
Other revenue	1,55,94,449	1,88,03,000	1,45,59,000
Total Expenditure	1,83,24,640	1,69,47,000	1,61,07,000
Closing Balance	55,88,803	28,93,000	17,93,000
Total—			
Balance on April 1st	15,83,57,168	14,41,13,000*	11,02,89,000
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	1,76,29,600	1,84,86,000	1,54,17,000
Other revenue	44,72,07,163	43,49,41,000	44,58,37,000
Total Expenditure	46,90,80,061	48,72,51,000	47,74,17,000
Closing Balance	15,41,13,875	11,02,89,000	9,41,26,000
Total (in sterling)—	£	£	£
Balance on April 1st	10,557,144	9,607,600*	7,352,600
Total Revenue including transfers from Imperial revenues—			
Special grants from Imperial revenues	1,175,307	1,232,400	1,027,800
Other revenue	9,813,811	28,996,000	29,722,400
Total Expenditure	31,272,004	32,483,400	31,827,800
Closing Balance	10,274,258	7,852,600	6,275,000

* The figure here given for the opening Provincial balance of 1914-15 differs from that given for the closing Provincial balance of 1913-14 owing to the surrender by the Government of the Punjab of ₹1 crore of its balance in lieu of a recurring contribution from Imperial revenues of ₹3,50,000 per annum with effect from 1st April 1914.

R. A. GAMBLE,
Comptroller General.

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secy. to the Govt. of India.

DELHI,

FINANCE DEPARTMENT;

March 22, 1915.

E.—Abstract Statement of the Receipts and Disbursements of the Government of India, in India and in England.

REVENUE AND EXPENDITURE.	ACCOUNTS, 1913-1914.					REVISED ESTI-MATE, 1914-1915.		BUDGET ESTI-MATE, 1915-1916.	
	Revenue.	EXPENDITURE.		Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
		Refunds and Assignments.	Cost of Collection and Production.						
	£	£	£	£	£	£	£	£	£
Revenue Heads.									
Land Revenue (excluding that due to Irrigation)	21,391,675	770,094	3,986,422	16,635,059		16,304,500		17,217,900	
Opium	1,624,878	6,090	1,012,440	606,348		903,000		881,500	
Salt	3,445,805	262,804	365,373	2,817,128		3,134,300		2,681,500	
Stamps	5,313,293	58,173	173,143	5,086,977		4,869,500		4,896,400	
Excise	8,894,800	103,523	437,529	8,353,248		8,237,100		8,197,000	
Provincial Rates	180,210	522	...	179,688		36,800		30,400	
Customs	7,558,220	147,374	261,252	7,149,594		5,921,200		5,527,400	
Assessed Taxes	1,950,250	13,478	31,254	1,905,518		1,958,000		1,829,600	
Forest	2,229,872	9,936	1,174,488	1,045,448		746,500		816,500	
Registration	518,962	986	255,453	262,523		229,600		247,900	
Tributes	616,881	204,263	...	412,618		399,600		409,000	
TOTAL	59,728,746	1,577,243	7,697,354	44,454,149		42,740,100		42,735,100	
Total deduction from Revenue			9,274,597						
Expenditure Heads.									
Debt Services Interest	1,352,119	1,515,653			163,534		459,300		419,000
Posts and Telegraphs	3,598,519	3,272,984		325,535		229,200		284,800	
Commercial Services Railways	17,625,634	12,836,101		4,789,533		1,913,600		1,189,800	
Irrigation	4,713,152	3,531,867		1,181,282		964,200		1,144,500	
Other Public Works Civil Works, etc.	298,640	7,010,088			6,711,398		6,744,200		5,559,000
Mint	339,841	132,630		207,211			81,500		30,700
Civil Departments Civil Departments	1,408,286	17,934,199			16,525,913		17,455,300		17,673,800
Superannuation	206,810	3,399,487			3,192,677		3,294,600		3,353,700
Miscellaneous Exchange	119,741	...		119,741		71,700			
Civil Services Miscellaneous	352,612	602,235			249,623		173,100		224,100
Other heads	93,416	1,402,062			1,308,666		1,244,900		959,400
Famine Relief and Insurance Famine Relief	...	157,511			157,511		289,900		7,100
Other heads	...	842,489			842,489		710,100		992,900
Military Services Army Effective	1,080,631	16,542,871			15,462,240		16,085,200		15,737,000
Non-effective	122,875	3,246,368			3,123,493		3,139,500		3,161,600
Marine	89,542	512,345			423,303		366,500		582,200
Military works	76,604	947,297			870,693		942,000		667,300
Special Defences (1902)	...	16,384			16,384		23,500		21,100
TOTAL	85,207,175	83,177,838		2,029,537			5,040,800		4,034,700
Provincial Adjustment Surplus									
Deficit				282,886		2,255,000		1,077,800	
TOTAL	85,207,175	83,894,762		2,312,423			2,785,800		2,957,100
Capital Account Surplus				2,312,423					
Deficit							2,785,800		2,957,100
Railway and Irrigation Capital not charged to Revenue:—									
Capital raised through Companies towards outlay on State Railways				34,667		2,367,500		6,533,300	
Capital contributed by Native States towards construction of State Railways				200,000		66,700		166,700	
Capital raised and deposited by Railway Companies (net)				4,717,430		2,044,000		320,800	
Outlay on Irrigation Works					1,282,262		1,163,100		1,100,000
Outlay on State Railways					10,483,200		10,550,700		7,637,700
Initial outlay on new Capital at Delhi					447,134		363,400		268,700
Outlay of Railway Companies (net)					2,002,303		1,482,100		683,700
Permanent Debt (net)				118,200				2,008,700	
Temporary Debt (net)						2,727,200			
Unfunded Debt (net)						14,333,300			
Loans and Advances by Imperial Government (net)				2,201,970			5,070,900		219,900
Loans and Advances by Provincial Governments (net)				213,133			4,700		153,700
Loans to Local Boards for Railway Construction (net)				7,124		797,937		405,000	
Deposits and Advances (net)				67,762		7,400		7,700	
Remittances (net)							415,700		1,894,100
Secretary of State's Bills drawn				29,050,827		6,900,000		7,100,000	
Secretary of State's Bills paid						29,050,757		6,657,200	
Cash Balance Opening Balance				38,923,636	44,240,416	28,448,100	30,736,600	17,147,700	22,173,900
Closing Balance				29,082,765		23,765,985		21,475,485	
TOTAL				68,006,401	68,006,401	52,212,085	52,212,085	38,623,185	38,623,185

R. A. GAMBLE,
Comptroller General,
DELHI,
FINANCE DEPARTMENT
March 22, 1915.

H. F. HOWARD,
Controller of Currency.

J. B. BRUNYATE,
Secretary to the Government of India.

MEMORANDUM EXPLAINING THE DETAILS OF THE ESTIMATES.

1. In this memorandum the variations between the Budget and the Revised estimates of the current year, and between the latter and the Budget estimates of next year, are explained in detail for the Major heads of account. Under most of the heads details by provinces have been given, and it may be explained that the figures shown against "India General" represent the transactions of the Central Government, including all expenditure directly controlled by it, of the minor administrations of Ajmer-Merwara and Coorg, and of the convict settlement in the Andamans. The Budget estimates of Provincial and "Divided" expenditure in 1915-16 generally represent the allotments proposed by the several Governments and Administrations with whom regular provincial settlements have been concluded. More detailed information regarding the figures will be found in the Financial Statements presented by the Local Governments to their respective Councils.

Introductory.

2. The figures for the province of Delhi have been entered separately and explained under each major head of account. A *pro formâ* account of expenditure on Delhi and the Delhi province is also appended to this memorandum (appendix I), together with a prefatory note explaining the scope of the *pro formâ* account and the relation between it and the regular accounts.

3. The broad totals of revenue and expenditure for the last year, the current year and the ensuing year, are as follows:—

General results.

	Accounts, 1913-1914.
	£
Revenue	85,207,175
Expenditure charged to Revenue	82,894,752
Imperial surplus	2,312,423
	Revised, 1914-1915.
	£
Revenue	80,157,600
Expenditure charged to Revenue	82,943,400
Imperial deficit	2,785,800
	Budget, 1915-1916.
	£
Revenue	80,400,200
Expenditure charged to Revenue	83,357,800
Imperial deficit	2,957,100

These figures exclude all capital, debt, and remittance transactions.

4. The accounts of 1913-14 are not discussed in this memorandum, but according to our usual practice in the past a brief explanation is given below of the principal divergences between the Revised estimates of revenue and expenditure as submitted to the Council twelve months ago, and the actual accounts of the year as closed, audited and compiled by the Comptroller and Auditor-General.

Accounts, 1913-14.

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5. The broad results are brought out in the following table :—

	REVISED, 1913-14.			ACTUALS, 1913-14.		
	Imperial.	Provincial.	TOTAL.	Imperial.	Provincial.	TOTAL.
	£	£	£	£	£	£
Revenue	53,777,100	30,707,500	84,484,600	54,218,100	30,989,100	85,207,200
Expenditure	52,290,400	31,309,200	83,599,600	51,905,600	31,272,000	83,177,600
Surplus (+) or Deficit (-)	+1,486,700	-601,700	+885,000	+2,312,500	-282,900	+2,029,600

6. The Imperial revenue proved to be £441,000 higher, and the Imperial expenditure £384,800 less, than the Revised estimate, with the result that the surplus was £825,800 larger than was anticipated. The principal items contributing to this improvement are mentioned below. The Customs revenue showed a rise of £189,800, owing mainly to heavier imports of silver in March and to a higher yield from the import and excise duties on cotton manufactures. The net receipts of Railways improved by £107,200. The effect of the unfavourable conditions of agriculture in Northern India on the earnings of railways in March was less marked than had been anticipated, and there was an increase of £412,100 in the Gross Receipts on the North Western, Bombay, Baroda and Central India, and certain other lines; but this improvement was largely counterbalanced by an increase of £304,900 in Working Expenses chiefly in consequence of the adjustment of the value of certain stores issued for renewals on the Great Indian Peninsula Railway. There was an increase of £115,900 in the Imperial share of Land Revenue including the portion due to Irrigation, mainly owing to an advance collection in Bombay of revenue which was expected to be realized in April. The net Military expenditure was less than the Revised estimate by £123,300, chiefly in consequence of smaller expenditure on food charges in India and on the purchase of stores in England. There was also a decrease of £130,400 in the miscellaneous charges of Railways. The improvement in the Provincial section occurred mainly under Land and other Revenue.

Authors of Memorandum.

7. Paragraphs 191 to 217 of this Memorandum have been communicated by the Honourable Mr. W. H. Michael, Financial Adviser, Military Finance, and paragraphs 152 to 162 and 226 to 229 by Mr. H. N. Heseltine, Accountant General, Railways; the rest of the Memorandum has been drafted by Mr. Bhupendra Nath Mitra, C.I.E., Assistant Secretary in the Finance Department.

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I AND 3.—LAND REVENUE.

REVENUE.

(Including the portion due to Irrigation.)

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	7,11,075	7,85,460	7,26,582	6,96,000	7,21,000	7,63,000
2. Delhi . . . . .	...	2,01,652	3,53,143	3,53,000	3,53,000	3,56,000
3. Baluchistan	9,51,489	9,60,621	10,40,110	9,50,000	10,40,000	10,37,000
4. North-West Frontier	21,48,843	21,71,162	21,57,652	22,43,000	22,75,000	23,09,000
5. Other Provinces	7,06,376	12,88,478	19,79,133	25,61,000	19,58,000	22,42,000
Total	45,17,783	54,07,373	62,56,620	68,08,000	63,47,000	67,07,000
<i>Divided and Provincial.</i>						
1. Central Provinces	1,85,87,860	1,82,94,753	1,87,22,197	1,93,83,000	1,82,56,000	2,05,24,000
2. Burma	4,18,73,511	4,53,42,149	4,65,26,001	4,61,80,000	4,26,43,000	4,66,00,000
3. Assam . . . . .	...	77,90,238	73,86,558	80,00,000	74,50,000	80,40,000
4. Bengal (new) . . . . .	...	2,73,57,194	2,71,19,880	2,76,40,000	2,69,22,000	2,73,57,000
5. Bihar and Orissa . . . . .	...	1,50,80,571	1,53,28,723	1,52,00,000	1,50,60,000	1,53,52,000
6. United Provinces	6,60,96,192	6,71,00,937	6,08,30,926	6,29,18,000	6,43,00,000	6,92,22,000
7. Punjab	3,47,90,786	3,74,20,500	3,70,43,558	3,90,59,000	3,89,29,000	3,96,45,000
8. Madras	6,70,19,897	6,88,13,775	6,79,52,486	7,00,64,000	6,77,36,000	7,03,89,000
9. Bombay	4,94,05,849	4,97,03,142	5,84,72,294	5,41,81,000	5,36,60,000	5,45,51,000
Eastern Bengal and Assam	2,03,12,357	...	...	...	...	...
Bengal (old)	2,91,88,198	...	...	...	...	...
Total	32,72,24,650	33,69,03,309	33,98,82,623	34,26,25,000	33,49,56,000	35,16,80,000
TOTAL REVENUE R	33,17,42,433	34,23,10,682	34,61,39,243	34,94,33,000	34,13,03,000	35,33,87,000
Shown under I.—Land Revenue R	31,14,70,456	31,92,37,015	32,08,73,629	32,51,12,000	31,58,45,000	33,22,44,000
Shown under XXIX.—Irrigation R	2,02,71,977	2,30,73,667	2,52,65,614	2,43,21,000	2,54,58,000	2,61,43,000
Equivalent of total Revenue in Sterling £	22,116,162	22,320,713	23,075,949	23,295,500	22,753,500	23,892,500
Shown under I.—Land Revenue £	20,764,697	21,282,468	21,391,575	21,674,100	21,056,300	22,149,600
Shown under XXIX.—Irrigation £	1,351,465	1,538,245	1,684,374	1,621,400	1,697,200	1,742,900

EXPENDITURE.

<i>Imperial.</i>						
1. India General	4,02,758	3,99,524	4,06,460	3,98,000	4,10,000	4,15,000
2. Delhi . . . . .	...	31,474	92,143	1,00,000	1,03,000	1,01,000
3. Baluchistan	2,39,346	2,43,275	2,34,196	2,38,000	2,25,000	1,99,000
4. North-West Frontier	6,03,664	6,11,662	6,20,763	6,78,000	6,41,000	6,97,000
5. Other Provinces	26,72,719	27,54,266	30,29,266	37,00,000	33,50,000	37,00,000
Total	39,18,487	40,40,201	43,82,828	51,14,000	47,29,000	51,12,000
<i>Divided and Provincial.</i>						
1. Central Provinces	39,07,629	38,38,802	40,18,749	40,53,000	41,41,000	42,59,000
2. Burma	68,23,955	69,83,737	70,06,631	71,83,000	70,13,000	73,45,000
3. Assam . . . . .	...	13,91,912	15,26,750	16,72,000	15,98,000	17,50,000
4. Bengal (new) . . . . .	...	32,36,127	34,40,775	35,33,000	35,75,000	36,66,000
5. Bihar and Orissa . . . . .	...	23,51,303	24,53,629	26,63,000	25,38,000	25,10,000
6. United Provinces	86,42,061	87,45,672	88,65,404	96,67,000	91,58,000	97,99,000
7. Punjab	48,02,974	47,73,501	49,09,849	49,49,000	49,99,000	52,90,000
8. Madras	1,29,37,965	1,42,09,160	1,46,94,474	1,49,02,000	1,26,11,000	1,30,70,000
9. Bombay	82,72,746	84,24,139	84,71,319	89,93,000	89,50,000	90,20,000
Eastern Bengal and Assam	33,30,750	...	...	...	...	...
Bengal (old)	41,29,707	...	...	...	...	...
Total	5,28,47,787	5,39,54,353	5,53,87,530	5,76,15,000	5,45,83,000	5,67,09,000
TOTAL INDIA R	5,67,86,274	5,79,94,554	5,97,70,408	6,27,29,000	5,93,12,000	6,13,21,000
Equivalent in Sterling £	3,784,418	3,866,304	3,984,693	4,181,900	3,954,100	4,121,400
England	2,036	1,725	1,729	1,300	1,800	1,300
TOTAL EXPENDITURE £	3,786,454	3,868,029	3,986,422	4,183,200	3,955,900	4,122,700

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8. The Imperial expenditure shown against "Other Provinces" in the table at page 21 represents the cost of survey and record-of-right operations on a large scale in Bengal and in Bihar and Orissa, undertaken more for administrative than for fiscal purposes. The expenditure is of a temporary and varying character and was accordingly not considered suitable for inclusion in the financial settlements with the two provinces. Three-fourths of the charges are eventually recovered from landlords and tenants for the protection of whose rights the operations are primarily undertaken; and the recoveries are shown in the table as Imperial revenue against "Other Provinces."

REVENUE.

(a) *Wholly Imperial.*

Revised, 1914-15.

9. The Revised estimate for 1914-15 is less than the Budget by ₹4.61 lakhs, the decline being mainly due to the postponement of the recovery of survey and settlement charges in Bengal and in Bihar and Orissa. Provision for the recovery of the suspended revenue has been made in the Budget estimate for 1915-16, and this mainly accounts for the increase of ₹3.60 lakhs in the latter over the Revised estimate for the current year.

Budget, 1915-16.

(b) *Divided and wholly Provincial.*

Revised, 1914-15.

10. The total collections in 1914-15 are likely to fall short of the Budget estimate by ₹76.69 lakhs. The decline is shared by all the provinces, with the exception of the United Provinces, and is due chiefly to the economic depression which has resulted from the war, as well as to the damage done to the crops in certain districts in Madras, Bihar and elsewhere by a deficient or excessive rainfall. There will be a large shortage of ₹35.37 lakhs in Burma, where both the rice trade and the mining industry have been affected by the European war, while the crops in certain districts have suffered from floods or excessive rainfall; of ₹23.28 lakhs in Madras, due mainly to the unfavourable character of the season in certain districts; of ₹11.27 lakhs in the Central Provinces, where the need for remissions and suspensions consequent on the partial failure of last year's spring crops has proved larger than had been anticipated; and of ₹7.18 lakhs in Bengal, mainly in consequence of smaller collections from Government estates in the eastern districts owing to the slackness in the jute trade. In the United Provinces alone, a large improvement of ₹13.82 lakhs is expected over the Budget estimate, the excellent harvests of the current year having made it possible to recover a larger portion of the outstanding arrears than was anticipated.

Budget, 1915-16.

11. The total Budget for 1915-16 exceeds the Revised estimate for 1914-15 by ₹167.24 lakhs. The estimates have been framed, as usual, on the basis of normal monsoon conditions in the ensuing year, and they provide generally for some recovery from the depression of the current year. Important increases over the Revised estimate of the current year are assumed, in the United Provinces (₹49.22 lakhs), Burma (₹39.57 lakhs), Madras (₹26.53 lakhs), the Central Provinces (₹22.68 lakhs), Bombay (₹8.91 lakhs), and the Punjab (₹7.16 lakhs), in consequence of a growth in the revenue demand, the absence of the special remissions and suspensions required in the current year and a larger recovery of outstanding arrears.

EXPENDITURE.

(a) *Wholly Imperial.*

Revised, 1914-15.

12. The saving of ₹3.85 lakhs in the Budget grant of 1914-15 is chiefly due to lapses in the provision for survey and settlement expenditure in Bengal and in Bihar and Orissa. The increase (₹3.83 lakhs) in the Budget estimate for 1915-16 over the Revised for the current year also occurs mostly in the same item of expenditure.

Budget, 1915-16.

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(b) *Divided and wholly Provincial.*

13. The Revised estimate for the current year is taken at R30·32 lakhs *Revised, 1914-15.* less than the Budget estimate. The bulk of the reduction occurs in Madras (R22·91 lakhs) and is chiefly due to a change in the method of distribution of the charges of district administration and of certain village services in the Presidency between this head and the heads "Law and Justice—Courts of Law" and "Police." A considerable saving of R5·09 lakhs is expected in the United Provinces, owing mainly to the non-utilisation of the provision made in the Budget for the revision of pay of clerical establishments. Some lapses in Budget grants are also expected in the other provinces, but in the Central Provinces, Bengal, and the Punjab they will be more than counterbalanced by the additional expenditure resulting from the recall from leave of officers of the Indian Civil Service, and the payment of grain compensation allowance in the last-named province.

14. The total Budget estimate for 1915-16 is R21·26 lakhs higher than *Budget, 1915-16.* the Revised for the current year. The increase is distributed over all the provinces, with the exception of Bihar and Orissa. A general factor contributing to the excess is that the estimates have been framed on the assumption that the restrictions which have recently been imposed on the grant of leave out of India will remain in operation during the whole of the ensuing year. Provision has accordingly been made in all the provinces for the full sanctioned scale of the Indian Civil Service and also for the continued operation of the temporary time-scale rates of minimum pay recently sanctioned for members of the Service; but the resultant increase in expenditure is more than counterbalanced in Bihar and Orissa by a reduction in the grant for survey and settlement operations, and is obscured in some of the other provinces by retrenchments in other directions. Provision has again been made in the United Provinces for the scheme for the revision of pay of clerical establishments; and special allotments have been made in the Punjab for the revision of clerical establishment and for the creation of a new district, and in Madras for the revision of pay of certain village establishments.

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II AND 4.—OPIUM.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
INDIA.						
Revenue—						
Bengal—Sale of Opium	7,48,64,728	4,98,05,735	1,91,92,177	2,24,40,000	1,86,98,000	2,22,78,000
Bombay—Pass and Auction Fees	1,03,99,105	2,20,99,645	4,12,500	...	...	...
Excise Opium and other Revenue	41,55,337	49,63,493	47,68,501	51,46,000	47,94,000	46,92,000
TOTAL R	8,94,19,170	7,68,68,873	2,43,73,178	2,75,86,000	2,34,92,000	2,69,70,000
Equivalent in Sterling £	5,961,278	5,124,592	1,624,878	1,839,100	1,566,100	1,798,000
Expenditure—						
Purchase of Opium, including payments to Cultivators	93,34,254	76,70,577	1,39,32,608	85,09,000	83,01,000	1,23,91,000
Other Charges	15,83,522	13,20,747	12,42,332	13,60,000	12,58,000	12,97,000
TOTAL INDIA R	1,09,17,776	89,91,324	1,51,75,440	98,69,000	98,59,000	1,36,88,000
Equivalent in Sterling £	727,852	599,422	1,011,696	657,900	657,200	912,500
ENGLAND.						
Miscellaneous Charges £	1,600	307	744	500	600	400
TOTAL £	729,452	599,729	1,012,440	658,400	657,800	912,900
Statistics—						
Bengal—						
Chests sold { Certified	(a) 26,860	4,690	...	...	...	...
{ Uncertificated		13,200	9,070	13,200	11,780	13,480
Average price { Certified	R2,787	R5,098	...	...	...	...
{ Uncertificated		R1,963	2,116	R1,700	R1,587	R1,653
Chests produced	15,000	14,000	7,000	...	12,000	...
Chests in Balance, March 31	20,708	16,817	14,747	...	14,967	...
Reserve, December 31	11,018	6,118	11,117	4,917	6,269	4,611
Bombay—						
Chests passed for export	7,362	10,881	...	...	...	...
Rate of duty (Government share)	R600, R800 and R900	R900	...	...	...	...
Government share of auction proceeds	R14,88,000	R1,18,02,000	...	...	...	...

(a) Inclusive of 100 chests supplied to the Government of the Straits Settlements in March 1911, the price of which was realised in 1911-12.

REVENUE.

(1) Bengal Opium.

Revised, 1914-15.

15. The Budget estimate for 1914-15 provided for the sale of 13,200 chests of Bengal opium at an average price of R1,700 per chest for export to non-China markets. The opium market was much disturbed in the months following the outbreak of war; and in the monthly sale in August, an average price of R1,212 only was realized. Though there was an improvement in price in the subsequent months as a result of the decision not to sell opium below a fixed price of R1,600 a chest, the number of chests offered was not sold in full in the sales from September to January. Taking into account

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opium supplied to the Governments of the Straits Settlements and Hong Kong and sold in England for medical purposes, it is expected that about 11,800 chests will be disposed of in the current year, the proceeds amounting to R186·98 lakhs.

16. The amount of opium notified for sale by auction in 1915-16 was based on the usual standard of 13,200 chests after deducting the expected requirements of the Straits Settlements which are now directly supplied by the Government of India. The demands of the latter have been temporarily reduced, but this is more than counterbalanced by an anticipated demand for the supply of opium to the home markets for medical purposes. A slightly better average rate than that obtained in the current year is also expected. The Budget estimate of revenue from Bengal opium is accordingly taken at R222·78 lakhs. *Budget, 1915-16.*

(2) *Excise Opium and other Revenue.*

17. The fall of R3·52 lakhs in the revenue in the current year as compared with the Budget estimate, and the further decline of R1·02 lakhs anticipated in 1915-16 as compared with the Revised estimate for the current year, are mainly due to a fall in the consumption of opium in India following on the economic depression which has resulted from the war. Only the cost of production of opium so consumed is credited under this head, the difference between the actual price of issue and the cost of production forming an item of excise revenue. *Revised, 1914-15.*
Budget, 1915-16.

EXPENDITURE.

18. The total Revised estimate for 1914-15 does not differ materially from the Budget, a saving of R1·02 lakhs in the grant for establishments and incidental expenditure being nearly counterbalanced by an increase in the outlay on the purchase of opium. The Budget estimate for 1915-16 includes a special provision for purchases in Malwa to supplement the supply of Bengal opium. *Revised, 1914-15.*
Budget, 1915-16.

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III AND 5.—SALT.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
REVENUE.						
Northern India (a)	1,14,69,735	1,19,34,460	1,19,33,135	1,19,00,000	1,44,58,000	1,00,00,000
Burma (b)	22,07,835	21,19,131	22,24,656	22,50,000	22,70,000	22,00,000
Assam	...	1,246	897	1,000	1,000	1,000
Bengal (new) (b)	...	1,18,85,280	1,30,41,436	1,29,00,000	1,40,00,000	1,32,00,000
Bihar and Orissa	...	1,329	1,314	2,000	1,000	1,000
Madras (a)	1,07,48,794	1,10,73,645	1,11,65,670	1,12,00,000	1,15,50,000	1,16,30,000
Bombay (a)	1,38,43,414	1,30,00,514	1,33,12,469	1,33,00,000	1,43,00,000	1,30,00,000
Eastern Bengal (b)	12,49,966	...	...	...	...	...
Bengal (b)	1,13,48,436	...	...	...	...	...
TOTAL R	5,08,68,180	5,00,15,605	5,16,79,577	5,15,53,000	5,65,80,000	5,00,32,000
Equivalent in Sterling £	3,391,212	3,334,374	3,445,305	3,436,900	3,772,000	3,335,400
CHARGES.						
Establishment charges	41,61,308	43,04,413	43,77,303	44,87,000	44,10,000	44,53,000
Cost of salt purchased by Government.	13,55,102	12,95,619	10,91,399	13,69,000	10,96,000	13,99,000
Total India R	55,16,410	56,00,032	54,68,702	58,56,000	55,06,000	58,52,000
Equivalent in Sterling £	367,761	373,335	364,580	390,400	367,100	390,100
England	729	673	793	900	1,500	900
TOTAL £	368,490	374,008	365,373	391,300	368,600	391,000
Total Consumption Mds.	4,75,50,000	4,72,63,000	4,83,05,000	4,82,80,000	5,09,70,000	4,65,00,000

(a) Chiefly excise on local manufacture.

(b) Chiefly duty on imported Salt.

REVENUE.

Revised, 1914-15.

19. The Revised estimate for 1914-15 exceeds the Budget by R50·27 lakhs. The increase is mostly due to speculative clearances and replenishment of stock, as well as to advance payment of revenue, in the expectation of an enhancement of the salt duty. The abnormal circumstances which have inflated the revenue in the current year will, however, tend to depress it in the ensuing year, and the Budget estimate for 1915-16 has been taken at R65·48 lakhs less than the Revised estimate for 1914-15.

Budget, 1915-16.

EXPENDITURE.

Revised, 1914-15.

20. The total Revised estimate for the current year is less than the Budget by R3·41 lakhs. The bulk of the decrease is due to a lapse in the grant for the purchase of salt from private manufacturers, mainly in Madras. A saving of R·77 lakh is also expected in establishment charges, owing chiefly to the non-utilisation of the provision for the reorganization of the Salt and Excise departments in Bihar and Orissa.

Budget, 1915-16.

21. The Budget estimate for 1915-16 exceeds the Revised of the current year by R3·36 lakhs. The increase is mostly due to a higher provision for the purchase of local salt in Madras and elsewhere to meet increased demands, resulting from the war, on the part of provinces which have hitherto depended on foreign salt.

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IV AND 6.—STAMPS.

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	3,99,058	4,20,034	4,46,004	4,25,000	4,24,000	4,34,000
2. Delhi . . . . .	...	1,44,745	3,06,098	3,07,000	3,32,000	3,18,000
3. Baluchistan	90,832	90,039	99,961	92,000	88,000	93,000
4. North-West Frontier	5,69,412	5,89,353	6,67,211	7,25,000	6,13,000	6,10,000
TOTAL	10,59,302	12,44,171	15,19,274	15,49,000	14,57,000	14,55,000
<i>Divided.</i>						
1. Central Provinces	33,60,466	37,14,485	39,39,587	39,75,000	36,34,000	36,51,000
2. Burma	36,71,210	36,07,651	36,19,029	35,50,000	33,50,000	33,50,000
3. Assam . . . . .	...	13,02,212	13,99,197	15,00,000	14,18,000	15,00,000
4. Bengal (new) . . . . .	...	2,07,43,853	2,19,10,831	2,23,00,000	2,02,00,000	2,03,00,000
5. Bihar and Orissa . . . . .	...	65,88,385	67,62,790	68,00,000	67,00,000	68,00,000
6. United Provinces	1,09,90,235	1,14,90,127	1,19,51,748	1,19,00,000	1,17,00,000	1,20,00,000
7. Punjab	52,57,021	55,23,437	56,24,557	56,00,000	55,00,000	56,00,000
8. Madras	1,27,25,416	1,36,15,886	1,41,67,616	1,46,30,000	1,37,70,000	1,38,50,000
9. Bombay	76,63,815	82,07,019	88,79,758	87,70,000	79,50,000	81,00,000
Eastern Bengal and Assam	1,11,61,673	...	...	...	...	...
Bengal (old)	1,63,37,802	...	...	...	...	...
TOTAL	7,11,67,638	7,47,92,555	7,82,55,113	7,90,25,000	7,42,22,000	7,51,51,000
TOTAL REVENUE R	7,22,26,940	7,60,36,726	7,97,74,387	8,05,74,000	7,56,79,000	7,66,06,000
Distribution of Total Revenue :—						
Court Fees and Plain Paper	4,88,85,517	5,06,05,217	5,27,70,185	5,30,00,000	5,13,46,000	5,23,14,000
Commercial and other stamps	2,22,91,676	2,43,06,491	2,56,19,186	2,62,18,000	2,30,70,000	2,30,97,000
Other Revenue	10,49,747	11,25,018	13,85,016	13,56,000	12,63,000	11,95,000
Equivalent of total revenue in Sterling £	4,815,129	5,069,115	5,318,293	5,371,600	5,045,300	5,107,100

EXPENDITURE.

<i>Imperial.</i>						
1. India General :—						
(i) Superintendence and other charges	2,19,860	2,79,790	2,51,270	2,57,000	2,50,000	2,48,000
(ii) Credits for value of stamps supplied to Local Governments and administrations and to the Postal and Telegraph Departments.	—18,18,808	—17,65,054	—17,15,604	—17,36,000	—16,37,000	—16,33,000
2. Delhi . . . . .	...	3,875	6,659	6,000	7,000	7,000
3. Baluchistan	1,340	1,393	1,432	1,000	1,000	1,000
4. North-West Frontier	21,953	22,966	26,391	26,000	22,000	24,000
TOTAL	—15,75,655	—14,57,030	—14,29,852	—14,46,000	—13,57,000	—13,53,000
<i>Divided.</i>						
1. Central Provinces	1,26,550	1,24,034	1,29,551	1,35,000	1,35,000	1,30,000
2. Burma	1,02,695	1,02,919	1,01,592	1,07,000	1,01,000	1,08,000
3. Assam . . . . .	...	54,143	59,383	60,000	52,000	53,000
4. Bengal (new) . . . . .	...	7,07,370	7,23,132	7,52,000	5,51,000	6,05,000
5. Bihar and Orissa . . . . .	...	2,12,628	2,15,483	2,45,000	1,88,000	1,96,000
6. United Provinces	2,74,466	2,90,303	3,16,617	3,06,000	2,47,000	2,51,000
7. Punjab	1,76,897	1,82,948	1,91,685	1,78,000	1,84,000	1,91,000
8. Madras	4,48,473	4,95,075	4,46,089	4,82,000	4,50,000	4,64,000
9. Bombay	2,27,638	2,39,063	2,45,299	2,46,000	2,40,000	2,43,000
Eastern Bengal and Assam	4,44,942	...	...	...	...	...
Bengal (old)	4,37,871	...	...	...	...	...
TOTAL	22,39,532	24,08,463	24,28,831	25,09,000	21,48,000	22,41,000
TOTAL INDIA . R	6,63,877	9,51,453	9,98,979	10,63,000	7,91,000	8,88,000
Equivalent in Sterling £	44,259	63,430	66,598	70,900	52,700	59,200
England	89,931	90,468	106,545	80,700	61,000	92,000
TOTAL EXPENDITURE £	134,190	153,898	173,143	151,600	113,700	151,200

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REVENUE.

(a) *Wholly Imperial.*

Revised, 1914-15. 22. The total Revised estimate for 1914-15 is less than the Budget by R·92 lakh. The bulk of the reduction occurs in the revenue from judicial stamps in the North-West Frontier Province. The total Budget for 1915-16
Budget, 1915-16. does not differ materially from the Revised estimate of the current year.

(b) *Divided.*

Revised, 1914-15. 23. The total revenue in 1914-15 is likely to fall short of the Budget estimate by R48·03 lakhs. The heavy decline, which is shared by all the provinces and is largest in Bengal, reflects the disturbance of trade and business that has resulted from the European war. The revenue from non-judicial stamps is expected to fall off by over R31 lakhs, while there will be a decline of about R16 lakhs in the revenue from court-fee stamps.

Budget, 1915-16. 24. The Budget for 1915-16 provides for a moderate recovery in revenue in all provinces, and is taken at R9·29 lakhs higher than the Revised estimate for 1914-15. Nearly the whole of the improvement is anticipated in the revenue from judicial stamps.

EXPENDITURE.

25. The cost of all stamps and stamp paper supplied from England is charged under this head, and an adjustment is made in India transferring to Posts and Telegraphs the cost of stamps used for postal and telegraph purposes. Similarly the cost of revenue stamps supplied to Local Governments and Administrations is debited to them in the Provincial section of the accounts by *per contra* credit in the Imperial section under this head. The credits on both these accounts are shown against item 1 (ii) under Expenditure in the table on page 27.

(a) *Wholly Imperial including outlay in England.*

Revised, 1914-15. 26. The Revised estimate for 1914-15 is less than the Budget by R2·06 lakhs, while the grant for 1915-16 is R4·69 lakhs higher than the Revised estimate for the current year. These variations occur mostly in the outlay in
Budget, 1915-16. England on the purchase of stamps.

(b) *Divided.*

Revised, 1914-15. 27. The Revised estimate for 1914-15 is R3·61 lakhs less than the Budget provision. The decrease is due partly to the fall in revenue and partly to a reduction in the cost of stamps and stamp paper. The increase in expenditure provided in the Budget for 1915-16 is a necessary concomitant of the anticipated
Budget, 1915-16. improvement in revenue.

BUDGET OF THE GOVERNMENT OF INDIA FOR 1915-16. 115

V AND 7.—EXCISE.

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	15,46,244	16,15,369	16,52,238	16,22,000	16,14,000	15,87,000
2. Delhi . . . . .	...	1,32,024	2,70,569	2,64,000	2,38,000	2,95,000
3. Baluchistan	2,74,294	2,79,253	2,79,743	2,72,000	2,77,000	2,65,000
4. North-West Frontier	3,16,143	4,04,055	3,50,113	3,50,000	3,70,000	3,33,000
Total	21,36,681	24,30,701	25,52,663	25,08,000	25,49,000	24,80,000
<i>Divided and wholly Provincial.</i>						
1. Central Provinces	91,12,523	1,06,04,485	1,16,24,099	1,16,00,000	1,10,00,000	1,06,16,000
2. Burma	72,96,647	81,15,928	83,42,572	84,00,000	86,93,000	78,10,000
3. Assam . . . . .	...	48,52,038	52,58,690	53,50,000	53,93,000	55,03,000
4. Bengal (new) . . . . .	...	1,37,59,045	1,53,88,578	1,58,00,000	1,55,00,000	1,60,00,000
5. Bihar and Orissa . . . . .	...	1,03,85,670	1,12,60,115	1,16,32,000	1,16,00,000	1,19,00,000
6. United Provinces	1,11,31,787	1,25,95,095	1,33,03,687	1,29,00,000	1,24,00,000	1,25,00,000
7. Punjab	64,00,303	70,11,862	69,13,580	74,38,000	69,52,000	70,45,000
8. Madras	3,00,64,174	3,31,86,831	3,65,11,075	3,91,00,000	3,64,50,000	3,64,00,000
9. Bombay	2,02,94,345	2,12,27,132	2,22,59,446	2,27,00,000	2,16,00,000	2,16,00,000
Eastern Bengal and Assam	82,81,696	...	...	...	...	...
Bengal (old)	1,94,28,129	...	...	...	...	...
Total	11,20,09,604	12,17,33,086	13,08,61,842	13,49,20,000	12,95,88,000	12,93,74,000
TOTAL REVENUE R	11,41,46,285	12,41,68,787	13,34,14,505	13,74,23,000	13,21,37,000	13,18,54,000
Equivalent in Sterling £	7,609,753	8,277,919	8,894,300	9,161,900	8,809,100	8,790,300

EXPENDITURE.

<i>Imperial.</i>						
1. India General	1,42,048	98,244	98,545	89,000	1,00,000	1,04,000
2. Delhi . . . . .	...	2,380	6,232	7,000	6,000	7,000
3. Baluchistan	10,471	12,814	11,655	21,000	15,000	15,000
4. North-West Frontier	14,602	13,372	12,929	24,000	14,000	23,000
Total	1,67,121	1,26,810	1,29,361	1,41,000	1,35,000	1,49,000
<i>Divided and wholly Provincial.</i>						
1. Central Provinces	2,89,952	3,18,868	3,46,508	4,27,000	4,43,000	5,71,000
2. Burma	11,92,968	12,59,119	12,68,898	13,14,000	12,76,000	13,00,000
3. Assam . . . . .	...	1,11,964	1,14,400	1,15,000	1,20,000	1,18,000
4. Bengal (new) . . . . .	...	5,97,657	6,25,743	8,77,000	7,41,000	8,02,000
5. Bihar and Orissa . . . . .	...	5,20,700	5,50,017	6,81,000	5,71,000	6,19,000
6. United Provinces	3,92,403	4,11,888	4,34,532	4,36,000	4,52,000	4,82,000
7. Punjab	1,71,360	1,85,191	1,85,580	2,48,000	2,15,000	2,49,000
8. Madras	17,83,536	18,16,745	18,20,840	18,97,000	18,29,000	19,16,000
9. Bombay	10,57,043	10,79,785	10,85,613	11,81,000	11,51,000	11,72,000
Eastern Bengal and Assam	3,21,032	...	...	...	...	...
Bengal (old)	9,11,723	...	...	...	...	...
Total	61,20,017	63,01,717	64,32,131	71,56,000	67,98,000	72,29,000
Total India R	62,87,138	64,28,527	65,61,492	72,97,000	69,33,000	73,78,000
Equivalent in Sterling £	419,142	428,568	437,433	486,500	462,200	491,900
England £	111	3	96	...	400	200
TOTAL EXPENDITURE £	419,253	428,571	437,529	486,500	462,600	492,100

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REVENUE.

(a) *Wholly Imperial.*

28. The figures do not show any important variation.

(b) *Divided and wholly Provincial.*

Revised, 1914-15.

29. The total Revised estimate for 1914-15 is less than the Budget by no less than Rs 53.32 lakhs. The heavy decline is due to the set-back in prosperity and the rise in food prices which have followed on the war. It is shared by all the provinces, with the exception of Burma, where the licence fees for the sale of liquor fixed at the auctions in April have exceeded Budget anticipation, and of Assam, where a fall in the revenue derived from the manufacture and sale of liquors is more than counterbalanced by a rise in the yield of the excise duty on opium. About half of the total decrease is expected in Madras (Rs 26.50 lakhs).

Budget, 1915-16.

30. The total Budget for 1915-16 is Rs 2.14 lakhs less than the Revised estimate for 1914-15. The estimates provide generally for a reduction in the consumption of stimulants, consequent on a continuance of the conditions which have tended to depress the excise revenue in the current year; but in view of the higher rates of duty and stricter excise control which are being gradually introduced, a small rise in revenue is anticipated in several provinces.

EXPENDITURE.

(a) *Wholly Imperial.*

31. The figures show little variation.

(b) *Divided and wholly Provincial.*

Revised, 1914-15.

32. The expenditure in 1914-15 is expected to fall short of the Budget provision by Rs 3.58 lakhs. The decrease is mainly due to lapses in the special allotments made in the Budget for the reorganization of the Excise Department in Bengal and in Bihar and Orissa. The Budget estimate for 1915-16 provides generally for normal charges of sanctioned establishments. Full provision has been made in the Central Provinces and in Bengal for the introduction of schemes of departmental reorganization which have recently been sanctioned by the Secretary of State.

Budget, 1915-16.

BUDGET OF THE GOVERNMENT OF INDIA FOR 1915-16. 117

VI AND 8.—PROVINCIAL RATES.

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	10,819	14,144	2,777	1,000	1,000	1,000
2. Delhi . . . . .	...	...	411	...	...	...
3. North-West Frontier.	2,773	2,279	2,777	3,000	4,000	2,000
TOTAL	13,592	16,423	5,965	4,000	5,000	3,000
<i>Provincial.</i>						
1. Assam . . . . .	...	9,300	11,783	11,000	15,000	15,000
2. Bengal (new) . . . . .	...	32,02,152	1,31,340	1,18,000	1,10,000	1,10,000
3. Bihar and Orissa . . . . .	...	26,49,800	1,67,953	1,28,000	1,64,000	1,37,000
4. United Provinces	23,74,149	23,68,383	23,66,542	1,63,000	2,20,000	1,64,000
5. Punjab	27,754	36,171	20,572	30,000	42,000	31,000
Eastern Bengal and Assam	17,58,063	...	...	...	...	...
Bengal (old)	40,56,638	...	...	...	...	...
TOTAL	82,16,603	82,65,806	26,97,189	4,50,000	5,51,000	4,57,000
TOTAL REVENUE R	82,30,195	82,82,229	27,03,154	4,54,000	5,56,000	4,60,000
Equivalent in Sterling £	548,680	552,149	180,210	30,300	37,100	30,600

EXPENDITURE.

<i>Provincial.</i>						
1. Bengal (new) . . . . .	...	39,209	...	...	...	...
2. Bihar and Orissa . . . . .	...	33,668	...	...	...	...
Eastern Bengal and Assam	26,755	...	...	...	...	...
Bengal (old)	58,663	...	...	...	...	...
TOTAL EXPENDITURE R	85,418	72,877	...	...	...	...
Equivalent in Sterling £	5,695	4,859	...	...	...	...

Imperial.

33. The figures show little variation.

Provincial.

34. The Revised estimate for 1914-15 exceeds the Budget by 1.01 lakhs. *Revised, 1914-15.* More than half of the increase is expected in the United Provinces, and is due to a change in the dates of collection of the rates levied from estates managed by Government which has resulted in the recovery of an additional instalment of revenue in the current year. The Budget estimate for 1915-16 *Budget, 1915-16.* provides for normal collections in the various provinces.

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VII AND 9—CUSTOMS.

SEA CUSTOMS. IMPORTS.	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Special Import Duties.</i>						
Arms, Ammunition, and Military Stores	5,17,612	6,30,051	6,63,892	6,58,000	5,21,000	5,00,000
Liquors—						
Ale, Beer, Porter, Cider and other fer- mented Liquors	7,99,670	8,85,778	8,72,629	8,54,000	7,00,000	7,00,000
Spirits and Liqueurs	1,10,83,333	1,11,31,614	1,19,12,902	1,18,30,000	1,09,00,000	1,04,00,000
Wines	5,75,383	5,80,074	5,82,933	5,87,000	4,33,000	4,00,000
Opium	6,430	6,940	6,791	7,000	5,000	6,000
Petroleum	75,69,066	70,26,071	70,53,109	65,00,000	92,50,000	80,00,000
Silver, Bullion and Coin	97,85,750	1,08,46,213	99,24,993	80,00,000	1,50,00,000	1,00,00,000
Sugar (countervailing duties, 1899)	448	10,911	10,911	—	—	—
Tobacco	25,88,039	27,41,875	29,29,526	30,08,000	27,00,000	26,00,000
<i>General Import Duties.</i>						
Articles of Food and Drink (excluding Sugar)	27,59,294	29,14,071	30,43,837	31,50,000	28,50,000	28,50,000
Sugar (ordinary duties)	52,33,539	73,20,846	92,33,103	92,46,000	43,00,000	40,00,000
Chemicals, Drugs, Medicines and Dyeing and Tanning Materials	16,79,326	18,48,035	18,41,175	20,00,000	13,00,000	12,00,000
Cotton Manufactures	1,56,16,332	1,92,35,646	2,12,94,239	1,80,00,000	1,53,50,000	1,40,00,000
Metals and Manufactures of Metals other than Silver	51,25,168	53,26,262	73,29,237	70,50,000	49,00,000	45,00,000
Oils (excluding Petroleum)	1,16,498	1,61,715	1,95,833	1,88,000	1,80,000	1,89,000
Manufactured Articles	1,23,53,833	1,39,04,305	1,53,40,176	1,58,50,000	1,07,00,000	1,00,00,000
Raw Materials and Unmanufactured Articles	14,76,834	16,57,950	13,77,488	13,17,000	13,27,000	13,00,000
TOTAL IMPORTS	7,72,36,605	8,62,28,357	9,36,01,868	8,82,45,000	8,04,16,000	7,06,45,000
EXCISE DUTY ON COTTON GOODS	48,79,478	56,15,711	54,38,863	56,58,000	47,08,000	50,00,000
EXPORT DUTIES—						
Rice	1,36,23,196	1,47,52,506	1,28,75,686	1,31,79,000	89,49,000	1,20,00,000
LAND CUSTOMS AND MISCELLANEOUS.	12,39,220	13,61,856	14,56,835	14,70,000	14,20,000	15,00,000
GRAND TOTAL ₹	9,70,28,499	10,79,58,430	11,33,73,302	10,85,52,000	9,54,93,000	8,91,45,000
Equivalent in Sterling	£ 6,468,567	£ 7,197,229	£ 7,558,220	£ 7,236,800	£ 6,366,200	£ 5,943,000
CHARGES	₹ 37,53,695	₹ 38,56,892	₹ 39,12,274	₹ 40,98,000	₹ 40,29,000	₹ 41,33,000
Equivalent in Sterling	£ 250,246	£ 257,126	£ 260,818	£ 273,200	£ 268,600	£ 275,500
England	£ 467	£ 162	£ 434	£ 300	£ 600	£ 300
TOTAL £	250,713	257,288	261,252	273,500	269,200	275,800

REVENUE.

Revised, 1914-15.

35. The Customs revenue in 1914-15 has suffered heavily from the dislocation of India's foreign trade which has been brought about by the European war. The stoppage of trade with the enemy countries; the contraction in the supply of certain commodities available for import into India which has resulted from the war; the reduction in the shipping available for the transport of private merchandise; the temporary insecurity of trade routes; the disturbance of economic conditions in India, and the consequent reduction in the demand for imported commodities; all these factors have reacted on the Customs revenue, the total yield of which in the current year is expected to fall short of the Budget estimate by ₹130·59 lakhs. The revenue derived from the export duty on rice has also been affected by the famine in Northern India in the earlier part of the year and the shortage in the winter rice crop in Bengal. The most important decreases occur under manufactured articles (₹51·50 lakhs); sugar (₹49·46 lakhs); export duty on rice (₹42·30 lakhs); import duty on cotton manufactures (₹26·50 lakhs); metals other than gold and silver, and manufactures thereof (₹21·50 lakhs); excise duty on cotton goods (₹9·50 lakhs); spirits

BUDGET OF THE GOVERNMENT OF INDIA FOR 1915-16. 119

and liqueurs (9·30 lakhs); and chemicals, drugs, medicines and dyeing and tanning materials (₹7 lakhs). On the other hand, a considerable rise is expected in the yield of the duty on silver (₹70 lakhs), the imports of which have been stimulated by low prices; and on petroleum, (₹27·50 lakhs), owing to the heavy imports into India of American oil which has been displaced from other markets in consequence of the war.

36. The Budget estimate for 1915-16 is taken at ₹63·48 lakhs less than *Budget, 1915-16.* the Revised for the current year. Allowance has been made for the probable effects of the war on the import trade during twelve months in the ensuing year, as against eight months in 1914-15. But at the same time it has been assumed that the external trade will recover to some extent. Under most heads, therefore, only a moderate provision has been made for a further decline in revenue; but important reductions are anticipated under silver (₹50 lakhs) and petroleum (₹12·50 lakhs), the imports of which have been unusually heavy in the current year, and under cotton manufactures (₹13·50 lakhs) in view of the congestion which has prevailed in the market for some time and which will be accentuated by the economic depression. On the other hand, a substantial improvement of ₹30·51 lakhs is expected in the yield of the export duty on rice, in view of improved conditions of agriculture in India.

EXPENDITURE.

37. A saving of ₹·64 lakh is expected in the Budget grant for the current *Revised, 1914-15.* year mainly owing to the non-utilization of the provision made for the revision of certain establishments in Burma. The Budget estimate for 1915-16 provides *Budget, 1915-16.* for normal expenditure on sanctioned establishments.

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VIII AND 10.—ASSESSED TAXES.

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General (Civil) . . .	9,26,515	9,05,684	8,92,706	9,33,000	9,95,000	9,83,000
2. Delhi (Civil) . . .	...	1,02,071	2,13,430	1,73,000	2,20,000	1,98,000
3. Baluchistan (Civil) . . .	20,306	20,910	21,089	20,000	21,000	21,000
4. North-West Frontier (Civil) . . .	1,43,555	1,45,141	1,52,860	1,53,000	1,55,000	1,56,000
5. Other Provinces (Civil) . . .	20,055	36,199	20,355	33,000	32,000	22,000
6. Non-Civil Depart- ments . . .	14,69,426	14,86,598	15,11,918	15,48,000	15,55,000	15,39,000
Total . . .	25,79,857	26,96,603	28,12,358	28,60,000	29,58,000	29,19,000
<i>Divided.</i>						
1. Central Provinces . . .	7,05,639	7,41,260	8,62,741	8,50,000	8,95,000	8,32,000
2. Burma . . .	19,40,044	19,79,460	22,90,649	22,30,000	25,75,000	22,50,000
3. Assam . . .	...	4,01,856	4,27,067	4,56,000	4,13,000	4,14,000
4. Bengal (new) . . .	...	55,51,652	66,37,916	61,00,000	69,00,000	61,00,000
5. Bihar and Orissa . . .	...	13,26,240	13,85,293	14,00,000	14,00,000	14,50,000
6. United Provinces . . .	24,13,961	25,18,527	26,79,138	27,00,000	26,00,000	25,53,000
7. Punjab . . .	16,21,859	16,90,367	17,19,918	17,00,000	17,20,000	17,10,000
8. Madras . . .	32,05,741	34,81,236	37,47,460	37,80,000	39,70,000	38,70,000
9. Bombay . . .	54,13,445	57,48,762	66,91,205	61,30,000	67,00,000	60,76,000
Eastern Bengal and Assam . . .	13,37,314	...	...	...	...	...
Bengal (old) . . .	55,75,321	...	...	...	...	...
Total . . .	2,22,13,324	2,34,39,360	2,64,41,387	2,53,46,000	2,71,73,000	2,52,55,000
TOTAL REVENUE R . . .	2,47,93,181	2,61,35,963	2,92,53,745	2,82,06,000	3,01,31,000	2,81,74,000
Equivalent in Sterling £	1,652,878	1,742,397	1,950,250	1,880,400	2,008,700	1,878,300

EXPENDITURE.

<i>Imperial.</i>						
1. India General . . .	1,504	1,410	1,566	1,000	2,000	2,000
2. Delhi . . .	...	393	1,108	2,000	1,000	1,000
3. North-West Frontier	1,376	1,164	958	1,000	1,000	1,000
Total . . .	2,880	2,967	3,632	4,000	4,000	4,000
<i>Divided.</i>						
1. Central Provinces . . .	9,788	12,068	12,908	16,000	16,000	14,000
2. Burma . . .	42,311	45,248	46,539	46,000	47,000	49,000
3. Assam . . .	...	4,670	4,663	5,000	5,000	5,000
4. Bengal (new) . . .	...	1,52,937	1,54,577	1,51,000	1,54,000	1,52,000
5. Bihar and Orissa . . .	...	39,382	44,790	44,000	45,000	45,000
6. United Provinces . . .	271	323	264	...	...	...
7. Punjab . . .	10,971	10,728	16,935	11,000	14,000	17,000
8. Madras . . .	37,058	36,996	39,175	40,000	41,000	57,000
9. Bombay . . .	1,15,840	1,20,490	1,45,318	1,71,000	1,69,000	1,74,000
Eastern Bengal and Assam . . .	39,401	...	...	...	...	...
Bengal (old) . . .	1,65,653	...	...	...	...	...
Total . . .	4,21,293	4,22,342	4,65,169	4,84,000	4,91,000	5,13,000
TOTAL EXPENDITURE R	4,24,173	4,25,809	4,68,801	4,88,000	4,95,000	5,17,000
Equivalent in Sterling £	28,278	28,387	31,254	32,500	33,000	34,500

BUDGET OF THE GOVERNMENT OF INDIA FOR 1915-16. 121

REVENUE.

(a) *Imperial.*

38. The Revised estimate for 1914-15 exceeds the Budget by R·98 lakh, Revised, 1914-15. mainly in consequence of improved collections in Delhi and Ajmer-Merwara. The Budget estimate for 1915-16 provides for some decline in revenue, consequent on the economic depression in the current year, and is taken at R·39 Budget, 1915-16. lakh less than the Revised estimate for 1914-15.

(b) *Divided.*

39. The total revenue in the current year is likely to exceed the Budget Revised, 1914-15. by R18·27 lakhs. About three-fourths of the improvement will occur in Bengal (R8 lakhs) and Bombay (R5·70 lakhs), where cautious estimates were adopted last year in view of the bank failures and their probable effect on certain industries. Important increases are also expected in Burma (R3·45 lakhs) and in Madras (R1·90 lakhs); but, on the other hand, the revenue in the United Provinces will fall short of the Budget estimate by R1 lakh, owing partly to a falling off in the profits of the Bengal and North-Western Railway.

40. The Budget estimate for 1915-16 is taken at R19·18 lakhs less than Budget, 1915-16. the Revised for 1914-15. Economic depression will tend to reduce the profits of companies and industrial concerns in the current year, which will form the basis of the assessments for next year's revenue. The bulk of the decline is expected naturally in the maritime provinces of Bengal (R8 lakhs), Bombay (R6·24 lakhs), Burma (R3·25 lakhs) and Madras (R1 lakh).

EXPENDITURE.

41. The figures show little variation.

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IX AND 11.—FOREST.

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Bud get, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	8,59,920	7,88,622	8,28,213	8,33,000	5,80,000	6,80,000
2. Baluchistan	20,118	20,158	19,987	21,000	20,000	21,000
3. North-West Frontier	1,58,171	2,37,183	2,66,741	2,48,000	2,37,000	2,36,000
Total	10,83,209	10,45,963	11,12,941	11,02,000	8,37,000	9,37,000
<i>Provincial.</i>						
1. Central Province	25,49,854	31,71,815	31,86,454	31,60,000	34,70,000	31,00,000
2. Burma	99,67,594	1,10,07,715	1,15,71,965	1,18,14,000	99,29,000	1,04,34,000
3. Assam . . . . .	...	11,42,091	10,97,969	13,46,000	9,50,000	11,68,000
4. Bengal (new) . . . . .	...	16,00,601	16,16,111	16,00,000	13,10,000	14,50,000
5. Bihar and Orissa . . . . .	...	4,38,958	4,91,735	5,10,000	5,20,000	5,12,000
6. United Provinces	30,16,160	35,43,963	37,12,487	47,29,000	32,81,000	40,91,000
7. Punjab	13,10,077	12,39,032	13,54,943	14,50,000	13,60,000	14,20,000
8. Madras	41,68,921	41,12,474	42,00,320	41,50,000	38,70,000	41,25,000
9. Bombay	43,30,569	49,92,519	51,03,156	45,50,000	44,50,000	45,00,000
Eastern Bengal and Assam	17,78,863	...	...	...	...	...
Bengal (old)	11,22,442	...	...	...	...	...
Total	2,82,44,480	3,12,49,168	3,23,35,140	3,33,09,000	2,91,40,000	3,08,00,000
TOTAL INDIA R	2,92,82,689	3,22,95,131	3,34,43,081	3,44,11,000	2,99,77,000	3,17,37,000
Equivalent in Sterling £	1,952,179	2,153,009	2,229,872	2,294,000	1,998,500	2,115,800

EXPENDITURE.

<i>Imperial.</i>						
1. India General	8,02,202	8,53,535	9,12,162	10,76,000	10,23,000	12,20,000
2. Delhi . . . . .	...	1,281	...	...	...	7,000
3. Baluchistan	28,947	23,526	25,310	30,000	27,000	30,000
4. North-West Frontier	89,436	1,22,173	1,31,023	1,23,000	1,23,000	1,21,000
Total	9,20,585	10,05,515	10,68,495	12,29,000	11,73,000	13,78,000
<i>Provincial.</i>						
1. Central Provinces	18,38,379	19,46,735	19,53,129	18,60,000	19,24,000	18,85,000
2. Burma	42,57,225	41,57,077	42,75,066	49,38,000	48,33,000	45,58,000
3. Assam . . . . .	...	8,08,910	9,10,240	9,99,000	9,53,000	8,62,000
4. Bengal (new) . . . . .	...	6,60,794	6,40,157	7,27,000	6,84,000	6,66,000
5. Bihar and Orissa . . . . .	...	3,56,811	3,55,648	4,00,000	3,96,000	3,89,000
6. United Provinces	13,63,672	16,29,262	18,96,014	32,01,000	22,84,000	29,94,000
7. Punjab	7,65,146	7,99,177	9,19,177	10,61,000	9,24,000	9,86,000
8. Madras	34,14,882	31,50,482	29,35,817	31,63,000	28,30,000	30,50,000
9. Bombay	26,64,436	26,92,455	25,89,878	25,68,000	25,50,000	25,43,000
Eastern Bengal and Assam	11,09,591	...	...	...	...	...
Bengal (old)	7,06,374	...	...	...	...	...
Total	1,61,19,705	1,62,01,503	1,64,75,126	1,89,17,000	1,73,83,000	1,79,33,000
TOTAL INDIA R	1,70,40,290	1,72,07,018	1,75,43,621	2,01,46,000	1,85,56,000	1,93,11,000
Equivalent in Sterling £	1,136,019	1,147,134	1,169,575	1,343,100	1,237,100	1,287,400
England	6,183	5,451	4,913	5,200	4,700	4,900
TOTAL EXPENDITURE £	1,142,202	1,152,585	1,174,488	1,348,300	1,241,800	1,292,300
NET REVENUE £	809,977	1,000,424	1,055,384	945,700	756,700	823,500

BUDGET OF THE GOVERNMENT OF INDIA FOR 1915-16. 123

REVENUE.

(a) Imperial.

42. The decrease of R2·65 lakhs in the revenue in the current year as compared with the Budget estimate occurs mainly in Coorg and Port Blair, and is due to a fall in the demand for timber in consequence of the financial disturbance caused by war conditions. The Budget estimate of 1915-16 provides for a slight recovery in the revenue in these provinces.

Revised, 1914-15.

Budget, 1915-16.

(b) Provincial.

43. The Revised estimate for 1914-15 falls short of the Budget by R41·69 lakhs. There is a large decrease of R14·48 lakhs in the United Provinces, due mainly to delay in the introduction of the scheme for the supply of sleepers to State railways; and of R18·85 lakhs in Burma, where the demand for teak has been seriously affected. The slump in the timber market has affected the receipts in most other provinces also; and in the Central Provinces alone, the revenue is expected to exceed the Budget estimate, owing to a large demand and excellent prices for timber in the earlier months and the introduction of new grazing rules in Berar.

Revised, 1914-15.

44. The Budget estimate for 1915-16 is taken at R16·60 lakhs more than the Revised estimate of the current year. The bulk of this improvement is expected in the United Provinces (R8·10 lakhs), mainly in connection with the scheme for the supply of sleepers to State railways, and the expansion of the resin industry. In the other provinces, the estimates generally assume a moderate recovery in the demand for timber. But in the Central Provinces, allowance has been made for a decline of R3·70 lakhs, as compared with the Revised estimate for 1914-15, in view of the high receipts in the current year.

Budget, 1915-16.

EXPENDITURE.

(a) Imperial.

45. The Revised estimate for 1914-15 is less than the Budget by R·56 lakh, chiefly in consequence of a lapse in the grant for the erection of a saw mill at Port Blair. The Budget for 1915-16 exceeds the Revised estimate of the current year by R2·05 lakhs, mainly owing to further provision for this item of expenditure and for a steam launch at Port Blair.

Revised, 1914-15.

Budget, 1915-16.

(b) Provincial.

46. The total expenditure in 1914-15 is expected to fall short of the Budget provision by R15·34 lakhs. The bulk of this reduction occurs in the United Provinces (R9·17 lakhs), and is due mainly to delay in the introduction of the scheme for the supply of sleepers to State railways, but partly also to lapses in ordinary and special grants. Important savings in the grants for conservancy and works are expected in Madras (R3·33 lakhs), the Punjab (R1·37 lakhs), Burma (1·05 lakhs) and most other provinces, owing chiefly to the postponement of expenditure which is not of an urgent character, in view of the financial situation. In the Central Provinces alone, there will be some excess over the Budget grant (R·64 lakh), in consequence of expenditure entailed by special grass operations.

Revised, 1914-15.

47. The total Budget estimate for 1915-16 exceeds the Revised estimate for the current year by R5·50 lakhs. There is an increase of R7·10 lakhs in the United Provinces, mainly in connection with the scheme for the supply of sleepers to State railways and special outlay on the development of forests; and of R2·20 lakhs in Madras, due chiefly to provision for the acquisition of certain leased forests in the Nilghiri district. In the Punjab also, the Budget allows for a slightly higher scale of expenditure on the development of forests. In the other provinces, however, the grants provide for a reduction in the scale of expenditure attained in the current year, in consequence of the financial stringency; and in Burma, where the Provincial revenues are expected to suffer seriously from the effects of the war, the Budget estimate has been fixed at R2·75 lakhs less than the Revised estimate for the current year.

Budget, 1915-16.

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X AND 12.—REGISTRATION.

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	23,398	26,587	25,538	27,000	22,000	20,000
2. Delhi . . . . .	...	10,173	22,674	22,000	24,000	24,000
3. Baluchistan	3,313	3,394	3,096	3,000	3,000	3,000
4. North-West Frontier	40,683	40,818	44,958	44,000	41,000	44,000
Total	67,394	80,972	96,266	96,000	93,000	91,000
<i>Provincial.</i>						
1. Central Provinces	3,49,449	3,89,805	4,18,084	4,10,000	3,93,000	4,00,000
2. Burma	2,02,499	2,26,167	2,48,155	2,50,000	2,44,000	2,50,000
3. Assam . . . . .	...	93,275	1,08,711	1,04,000	1,16,000	1,15,000
4. Bengal (new) . . . . .	...	18,23,161	20,16,144	20,50,000	18,00,000	19,00,000
5. Bihar and Orissa . . . . .	...	5,71,280	6,28,855	6,40,000	6,50,000	6,75,000
6. United Provinces	5,94,858	6,53,893	7,04,603	6,85,000	7,07,000	7,37,000
7. Punjab	3,15,970	3,51,040	3,77,516	3,65,000	3,66,000	3,67,000
8. Madras	20,57,719	22,58,265	23,58,537	24,30,000	22,35,000	23,60,000
9. Bombay	7,43,182	7,82,479	8,27,555	8,20,000	7,80,000	8,00,000
Eastern Bengal and Assam	10,58,653	...	...	...	...	...
Bengal (old)	12,98,213	...	...	...	...	...
Total	66,20,543	71,49,365	76,88,160	77,54,000	72,91,000	76,04,000
TOTAL INDIA R	66,87,937	72,30,337	77,84,426	78,50,000	73,84,000	76,95,000
Equivalent in Sterling £	445,862	482,022	518,962	523,300	492,300	513,000

EXPENDITURE.

<i>Imperial.</i>						
1. India General	8,714	9,044	9,341	11,000	8,000	7,000
2. Delhi . . . . .	...	2,645	5,880	7,000	7,000	7,000
3. Baluchistan	1,077	1,262	1,061	1,000	1,000	1,000
4. North-West Frontier	10,557	10,743	11,195	12,000	12,000	12,000
Total	20,348	23,694	27,477	31,000	28,000	27,000
<i>Provincial.</i>						
1. Central Provinces	1,28,069	1,29,522	1,32,386	1,34,000	1,34,000	1,35,000
2. Burma	98,040	1,02,853	1,06,644	1,15,000	1,06,000	1,09,000
3. Assam . . . . .	...	55,970	58,611	68,000	65,000	74,000
4. Bengal (new) . . . . .	...	10,50,903	11,26,558	11,99,000	11,51,000	11,23,000
5. Bihar and Orissa . . . . .	...	3,18,603	3,32,556	3,79,000	3,62,000	3,80,000
6. United Provinces	2,93,213	2,80,523	2,89,214	2,91,000	2,94,000	3,10,000
7. Punjab	1,19,895	1,17,843	1,19,932	1,27,000	1,26,000	1,29,000
8. Madras	2,48,860	2,46,045	2,68,755	2,84,000	2,84,000	3,00,000
9. Bombay	3,80,184	3,72,027	3,69,660	3,92,000	3,74,000	3,75,000
Eastern Bengal and Assam	6,28,221	...	...	...	...	...
Bengal (old)	8,06,999	...	...	...	...	...
Total	37,03,481	36,74,289	38,04,316	39,89,000	38,96,000	39,35,000
TOTAL INDIA R	37,23,829	36,97,983	38,31,793	40,20,000	39,24,000	39,62,000
Equivalent in Sterling £	248,256	246,532	255,453	268,000	261,600	264,100

BUDGET OF THE GOVERNMENT OF INDIA FOR 1915-16. 125

Imperial.

48. The figures of both revenue and expenditure in the two years show little variation and call for no remark.

Provincial.

REVENUE.

49. The total revenue in 1914-15 is expected to fall short of the Budget *Revised, 1914-15.* estimate by R4.63 lakhs. The bulk of the decrease occurs in Bengal (R2.50 lakhs) and Madras (R1.95 lakhs), and is mostly due to the dislocation of trade and business which the war has brought about. A portion of the reduction is also due to the record under "26 B—Scientific and Miscellaneous Departments," of fees for the registration of Joint-Stock Companies which used to be recorded under Registration.

50. The Budget estimate for 1915-16 anticipates some recovery in the *Budget, 1915-16.* revenue in Bengal and Madras, and is taken at R3.13 lakhs higher than the Revised estimate for 1914-15.

EXPENDITURE.

51. The saving of R.93 lakh in the Budget grant for 1914-15 is mainly due *Revised, 1914-15.* to the record under "26 B—Scientific and Miscellaneous Departments," of the charges of the Registrars of Joint-Stock Companies for which Budget provision was made under Registration. The total Budget estimate for 1915-16 does not *Budget, 1915-16.* differ materially from the Revised estimate for 1914-15.

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XI.—TRIBUTES.

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	21,34,346	20,68,974	19,61,417	18,69,000	18,40,000	20,02,000
2. Central Provinces	2,35,437	2,37,937	2,42,687	2,39,000	2,39,000	2,39,000
3. Burma	4,33,900	4,53,900	4,53,900	4,56,000	4,53,000	4,53,000
4. Assam . . . . .	...	50,100	50,100	50,000	50,000	50,000
5. Bengal (new) . . . . .	...	67,701	67,701	68,000	68,000	68,000
6. Bihar and Orissa . . . . .	...	85,500	85,499	87,000	86,000	86,000
7. United Provinces	3,13,223	3,28,777	3,21,000	3,21,000	3,21,000	3,21,000
8. Punjab	1,48,283	1,41,874	1,45,391	1,44,000	1,44,000	1,44,000
9. Madras	44,96,519	44,96,519	44,96,519	44,97,000	44,97,000	44,97,000
10. Bombay	10,60,911	14,21,855	14,28,999	14,08,000	14,08,000	13,39,000
Eastern Bengal and Assam	50,200	...	...	...	...	...
Bengal (old)	52,250	...	...	...	...	...
TOTAL INDIA R	89,25,074	93,53,137	92,53,213	91,39,000	91,06,000	91,99,000
Equivalent in Sterling £	595,005	623,542	616,881	609,300	607,100	613,300

52. The revenue recorded under this head represents tributes received from the protected States, in several cases as a result of exchanges of territory and settlement of claims, and contributions made chiefly in lieu of former obligation to supply or maintain troops. The figures do not ordinarily show any important fluctuations from year to year except for advance payment of sums falling due in the ensuing year, or arrears and their recovery. The Revised estimate for the current year is less than the Budget by R-33 lakh mainly owing to an advance payment by the Jhallawar State in 1913-14. The Budget estimate for 1915-16 provides for normal receipts and for the recovery of arrears due from the Bundi State.

Revised, 1914-15.

Budget, 1915-16.

BUDGET OF THE GOVERNMENT OF INDIA FOR 1915-16. 127

1.—REFUNDS AND DRAWBACKS.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	47,452	43,974	50,921	46,000	97,000	81,000
2. Delhi . . . . .	...	3,174	8,999	8,000	10,000	9,000
3. Baluchistan	9,435	5,797	5,464	8,000	6,000	7,000
4. North-West Frontier	19,945	23,401	23,604	19,000	21,000	21,000
5. Other Provinces	26,74,561	24,09,098	23,72,430	22,58,000	28,29,000	22,05,000
Total	27,51,393	24,85,444	24,61,418	23,37,000	29,63,000	23,23,000
<i>Divided and Provincial.</i>						
1. Central Provinces	86,508	81,517	82,636	79,000	1,02,000	83,000
2. Burma	2,47,386	2,56,591	2,28,133	2,34,000	2,99,000	2,39,000
3. Assam . . . . .	...	38,065	32,572	35,000	48,000	39,000
4. Bengal (new) . . . . .	...	2,68,043	2,44,261	2,55,000	2,88,000	2,59,000
5. Bihar and Orissa . . . . .	...	1,11,886	1,27,767	97,000	1,29,000	1,05,000
6. United Provinces	1,93,452	2,02,662	2,48,369	2,26,000	2,79,000	2,57,000
7. Punjab	1,54,029	1,91,639	1,82,367	1,87,000	2,00,000	1,93,000
8. Madras	3,91,708	3,87,557	4,42,243	3,72,000	4,77,000	4,04,000
9. Bombay	7,97,576	8,48,516	9,98,360	8,22,000	8,83,000	8,45,000
Eastern Bengal and Assam	1,17,038	...	...	...	...	...
Bengal (old)	2,95,058	...	...	...	...	...
Total	22,82,755	23,86,476	25,80,711	23,07,000	27,05,000	24,24,000
TOTAL INDIA	50,34,148	48,71,920	50,42,129	46,44,000	56,68,000	47,47,000
Equivalent in Sterling £	335,610	324,795	336,142	309,600	377,900	316,500

(a) *Imperial.*

53. The wholly Imperial expenditure shown against "Other Provinces" represents refunds and drawbacks in respect of wholly Imperial revenue (e.g., Opium, Salt, Customs and Tributes.) The increase of R6 26 lakhs in the Revised estimate over the Budget for 1914-15 is chiefly due to a heavy payment of drawback of customs duty owing to the re-export of Java sugar and other causes, and to a larger issue of duty-free salt to the Bikaner State and for industrial purposes. The Budget estimate for 1915-16 provides for normal charges.

(b) *Divided and Provincial.*

54. The expenditure fluctuates considerably from year to year and is difficult to estimate. In 1914-15 the Budget will be exceeded by R3.98 lakhs owing chiefly to higher refunds of Land revenue in Madras and Bombay, and to special refunds of Income-tax and of Excise and Forest revenue. For 1915-16 a normal scale of expenditure has been assumed.

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2.—ASSIGNMENTS AND COMPENSATIONS.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	31,42,898	31,93,559	31,87,947	32,03,000	32,37,000	31,97,000
2. Delhi . . . . .	...	514	1,689	...	9,000	...
3. Baluchistan	2,01,390	2,02,348	2,01,407	2,08,000	2,05,000	2,02,000
4. North-West Frontier	17,819	19,307	17,736	18,000	18,000	18,000
5. Other Provinces	36,19,308	34,94,978	35,40,050	35,19,000	35,46,000	35,25,000
Total	69,81,415	69,10,706	69,48,829	69,48,000	70,15,000	69,42,000
<i>Divided and Provincial.</i>						
1. Central Provinces	34,118	40,851	75,970	41,000	39,000	41,000
2. Burma	989	200	415	1,000	1,000	1,000
3. Assam . . . . .	...	32,434	32,638	32,000	34,000	34,000
4. Bengal (new) . . . . .	...	1,01,810	54,317	85,000	64,000	85,000
5. Bihar and Orissa . . . . .	...	1,06,023	1,46,784	1,06,000	1,07,000	1,06,000
6. United Provinces	2,80,026	3,09,664	3,01,916	3,00,000	3,08,000	3,02,000
7. Punjab	67,676	70,827	81,372	76,000	75,000	75,000
8. Madras	5,44,335	5,13,814	6,20,012	5,58,000	5,53,000	5,82,000
9. Bombay	1,02,01,357	1,01,33,011	1,03,54,259	1,04,25,000	1,09,51,000	1,11,25,000
Eastern Bengal and Assam	56,372	...	...	...	...	...
Bengal (old)	1,57,435	...	...	...	...	...
Total	1,13,42,308	1,13,08,634	1,16,67,683	1,16,24,000	1,21,32,000	1,23,51,000
TOTAL INDIA R	1,83,23,723	1,82,19,340	1,86,16,512	1,85,72,000	1,91,47,000	1,92,93,000
Equivalent in Sterling, £	1,221,581	1,214,623	1,241,101	1,238,100	1,276,500	1,286,200

(a) *Imperial.*

55. The figures show little variation and call for no remark. The wholly Imperial expenditure shown against "Other Provinces" represents Opium, Salt and Customs compensations paid to Native States and Foreign Governments, as well as Miscellaneous compensations (*i.e.*, those of a general character and not intended to indemnify against loss of a particular kind of revenue) in provinces other than Bombay.

(b) *Divided and Provincial.*

Revised, 1914-15.

56. The expenditure in 1914-15 will exceed the Budget provision by R5.08 lakhs, mainly in consequence of the payment in Bombay of arrears of excise compensations, of certain cash allowances out of the Land Revenue collections, and of enhanced compensations to some of the Native States for the lease of their abkari rights. The Budget estimate for 1915-16 is taken at R2.19 lakhs more than the Revised for 1914-15, the increase being chiefly due to provision in Bombay for the payment of cash allowances to certain village servants as compensation for the commutation of their right of service.

Budget, 1915-16.

BUDGET OF THE GOVERNMENT OF INDIA FOR 1915-16. 129

XII.—INTEREST RECEIPTS.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. Interest on Imperial loans and advances	39,20,707	37,58,845	37,52,940	36,48,000	34,37,000	34,22,000
2. Profits of Paper Currency Circulation	34,70,420	34,70,420	34,70,420	34,70,000	84,70,000	34,70,000
3. Interest on over-drawn Capital of Railway Companies in India	24,21,272	27,21,189	31,37,152	42,27,000	4,73,000	6,21,000
4. Interest charged to Capital on advances to Railway Companies	5,33,823	7,80,536	5,13,168	78,000	67,000	8,000
5. Miscellaneous items	1,42,706	1,13,474	3,48,583	2,13,000	3,23,000	4,46,000
TOTAL R	1,04,88,928	1,08,44,464	1,12,22,263	1,16,36,000	77,70,000	79,67,000
<i>Provincial.</i>						
1. Central Provinces	2,17,160	1,80,289	1,82,442	1,90,000	1,77,000	2,44,000
2. Burma	1,26,882	1,50,845	1,42,937	1,33,000	1,36,000	1,59,000
3. Assam . . . . .	...	13,338	24,239	58,000	71,000	65,000
4. Bengal (new) . . . . .	...	5,00,713	4,29,999	4,87,000	4,62,000	5,29,000
5. Bihar and Orissa . . . . .	...	2,88,003	2,22,129	2,22,000	2,43,000	2,16,000
6. United Provinces	13,58,202	14,09,544	11,56,424	14,94,000	15,09,000	19,49,000
7. Punjab	2,58,248	2,66,145	2,33,960	2,36,000	2,34,000	2,28,000
8. Madras	4,42,611	4,26,893	4,55,317	4,40,000	4,48,000	4,49,000
9. Bombay	11,03,205	10,12,401	14,21,591	14,58,000	15,37,000	14,08,000
Eastern Bengal and Assam	1,60,798	...	...	...	...	...
Bengal (old)	7,20,044	...	...	...	...	...
TOTAL R	43,87,150	42,48,174	42,69,038	47,18,000	48,17,000	53,07,000
TOTAL INDIA R	1,48,76,078	1,50,92,638	1,54,91,301	1,63,54,000	1,25,87,000	1,32,74,000
Equivalent in Sterling £	991,739	1,006,176	1,032,754	1,090,300	839,100	884,900
<i>ENGLAND.</i>						
Profits of Paper Currency Circulation	68,001	78,211	78,211	78,200	78,200	78,200
2. Interest realised from investment of Cash Balances	376,053	372,170	205,689	207,500	104,300	94,000
3. Interest on advances to the Imperial Bank of Persia for the purpose of the Persian Government	12,571	16,852	35,183	...	...	...
4. Miscellaneous	377	299	282	...	...	...
TOTAL £	457,002	467,532	319,365	285,700	182,500	172,200
TOTAL RECEIPTS £	1,448,741	1,473,708	1,352,119	1,376,000	1,021,600	1,057,100
<i>Loans and advances outstanding March 31—</i>						
1. Imperial £	6,435,732	6,259,602	6,044,330	6,439,802	6,046,730	6,198,230
2. Provincial £	5,646,902	5,894,614	6,687,516	6,488,014	6,814,016	6,403,516

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(a) *India—Imperial.*

Revised, 1914-15.

57. The Revised estimate for 1914-15 is less than the Budget by ₹38·66 lakhs. The bulk (*viz.*, ₹37 lakhs,) of the decrease is nominal, and arises from a change in the treatment of advances to, and overdrafts of Capital by, the Bengal Nagpur Railway Company, in accordance with the provisions of the new contract with it. These advances and overdrafts are now treated as Capital contributed by the Government of India towards the undertaking; and the change involves a reduction in the receipts on account of interest on overdrafts of Capital, and a corresponding saving in the expenditure under "Interest on Capital deposited by Companies." There is also a fall of ₹2·11 lakhs in the interest receivable in respect of Imperial loans and advances, owing to a reduction from $4\frac{1}{2}$ to 4 per cent. in the rate of interest on the Capital debt of the Bombay Port Trust, and the transfer to the Provincial loan account of certain Imperial loans to Native States in Bombay. On the other hand, an increase of ₹1·10 lakhs is expected in the interest obtained on the investment of sundry sums deposited with the Controller of Currency and in certain other miscellaneous items. The Budget for 1915-16

Budget, 1915-16.

exceeds the Revised estimate for the current year by ₹1·97 lakhs. An increase of ₹1·48 lakhs is anticipated in the interest charged on overdrafts of Capital by Railway Companies; and of ₹1·23 lakhs in the miscellaneous revenue, owing to a larger receipt of interest in respect of the unpaid balance of the price of lands sold in the Punjab. But it will be counterbalanced in part by a decrease of ₹·59 lakh in the interest payable from the Capital account of the Bengal Nagpur Railway in respect of advances for the construction of new extensions which will be opened in the ensuing year, and by less important reductions in certain other items.

(b) *India—Provincial.*

Revised, 1914-15.

58. The Revised estimate for 1914-15 exceeds the Budget by ₹·99 lakh. The increase is chiefly due to the receipt of interest from Native States in Bombay, in respect of loans transferred from the Imperial to the Provincial loan account. The total Budget for 1915-16 exceeds the Revised estimate for 1914-15 by ₹4·90 lakhs, chiefly in consequence of larger realisations of interest on *takavi* in the United Provinces. The receipts in some of the other provinces are also expected to be higher than those in the current year, but on the other hand a large decline is anticipated in Bombay owing to the reduction in the balances of agricultural and other loans granted in famine years.

Budget, 1915-16.

(c) *England.*

59. The variations between the Budget and the Revised estimates of the current year, and between the latter and the Budget of the ensuing year, are wholly due to fluctuations in the balance of the Home Treasury available for investment and in the rate of interest obtained on it.

BUDGET OF THE GOVERNMENT OF INDIA FOR 1915-16. 131

13 AND 14.—INTEREST EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
Interest on Debt other than that charged to Railways and Irrigation Works—						
Interest on total Debt—						
1. India	R 4,88,93,847	4,98,01,687	5,13,24,328	5,38,00,000	5,51,00,000	5,89,00,000
2. England	£ 3,259,590 £ 6,022,639	3,320,112 6,203,996	3,421,622 5,912,796	3,586,700 5,988,700	3,673,300 6,078,000	3,926,700 6,092,300
Total	9,282,229	9,524,108	9,334,418	9,575,400	9,751,300	10,019,000
Deduct amounts charged to—						
(a) Railways :						
(i) India	R 4,56,26,525	4,93,46,705	5,39,53,685	5,62,26,000	6,01,13,000	6,14,91,000
(ii) England	£ 3,041,768 £ 3,622,442	3,289,780 3,782,768	3,596,912 3,706,233	3,748,400 3,642,800	4,007,500 3,635,000	4,099,400 3,666,300
Total Railways	£ 6,664,210	7,072,548	7,303,145	7,391,300	7,642,500	7,765,700
(b) Irrigation :						
(i) India	R 1,59,94,080	1,73,66,737	1,77,92,499	1,86,58,000	1,86,90,000	1,95,16,000
(ii) England	£ 1,066,272 £ 116,595	1,157,783 124,730	1,186,167 118,679	1,243,900 120,900	1,246,000 120,600	1,301,100 122,200
Total Irrigation	£ 1,182,867	1,282,513	1,304,846	1,364,800	1,366,600	1,423,300
Total deduction	£ 7,847,077	8,355,061	8,607,991	8,756,000	9,009,100	9,189,000
Interest on Ordinary Debt	£ 1,435,152	1,169,047	726,427	819,400	742,200	830,000
Distribution of above—						
Imperial	£ 1,239,316	966,579	506,757	591,300	506,100	598,800
Provincial	£ 195,836	202,468	219,670	228,100	236,100	231,200
Interest on other Obligations—						
On Savings Bank Balances converted at R15=£1	£ 451,902	491,952	560,453	630,300	518,100	437,600
Other items	£ 150,681	149,586	228,773	158,100	220,600	208,500
TOTAL	£ 602,583	641,488	789,226	788,400	738,700	646,100
GRAND TOTAL	£ 2,037,735	1,810,535	1,515,653	1,607,800	1,480,900	1,476,100
Debt outstanding, March 31—						
Sterling	£ 182,936,597	179,179,193	177,064,757	181,532,998	183,564,757	182,657,257
Rupee Debt—						
4 per cent.	₹ 8,43,00,000	8,31,00,000	8,19,00,000	8,07,00,000	8,19,00,000	8,07,00,000
3½ per cent.	1,26,91,37,800	1,29,93,49,500	1,33,09,99,400	1,38,15,49,500	1,38,12,27,400	1,42,64,84,400
3 per cent.	8,44,88,100	8,42,41,600	8,23,18,000	8,16,76,600	8,20,52,000	8,17,52,000
Other Debt	1,17,10,505	1,18,73,690	1,16,38,890	1,00,75,690	1,00,84,390	1,00,71,390
Temporary loans . . . . .	...	...	...	...	11,00,00,000	11,00,00,000
Savings Bank Balances	23,73,20,072	26,20,25,285	29,41,36,898	32,03,62,287	21,73,35,898	21,32,14,898

INTEREST ON ORDINARY DEBT.

Revised, 1914-15.

60. The expenditure in 1914-15 on account of interest payable on the public debt as a whole will exceed the Budget estimate by ₹26.39 lakhs (£175,900), mainly in consequence of the payment of interest on the temporary loan taken from the Gold Standard Reserve in India and of discount on the India bills raised in England. These payments will amount to ₹50.76 lakhs, but they will be met partially from savings in the provision for the service of the new sterling loan the issue of which was contemplated in the Budget, but which was not floated, and from savings in other directions. In the Budget for 1915-16, necessary provision has been made for a full year's interest on the rupee loan of ₹5 crores raised in the current year and on the temporary loan of ₹10½ crores taken from the Gold Standard Reserve, as well as for the service of the further borrowing in India which is contemplated in the ensuing year.

*Budget, 1915-16.**Transfers to Railway and Irrigation Accounts.*

61. The amount of interest transferred to the Railway and Irrigation sections of the accounts depends, firstly, on the Capital expenditure; secondly, on the actual payment of interest on that portion of the debt which has been incurred specifically on account of the construction or purchase of railways or irrigation works; and, thirdly, on the rate at which interest is charged on that portion of the debt which has not been specifically raised for the above purpose. Our practice is to adopt, for this adjustment, the average rate of interest actually paid in respect of the whole of the non-specific debt in the latest year for which complete accounts are available. The result is that the rate adopted in calculating the Revised estimate for a year is generally different from that used for the Budget estimate; and this usually leads to a difference between the two estimates apart from that caused by a variation in the Capital expenditure itself. The large increase of ₹37.97 lakhs (£253,100) in the Revised estimate of total interest to be transferred in 1914-15, as compared with the Budget, arises, however, mostly from a different cause. Under the old contract with the Bengal-Nagpur Railway Company, certain sums of money provided by Government for the construction of the line were treated partly as advances to the company and partly as overdrafts of capital by it. Interest was charged on both the advances and the overdrafts of capital at certain specific rates; and while in the case of the advances, the actual sum so charged was included in the amount of interest transferred from "13.—Interest on Ordinary Debt" to the Railway section of the accounts, the interest charged on the overdrafts of capital was recorded under the head "Interest on capital deposited by Companies", which appears in the Railway section, by *per contra* credit to "Interest receipts." Under the terms of the new contract with the company, the advances and overdrafts are now treated as capital contributed by the Government towards the undertaking, and they have accordingly swelled the amount of non-specific railway debt. The increase in the total amount of interest to be transferred in 1915-16 over the Revised estimate for 1914-15 is almost wholly due to the progress of capital expenditure.

Transfers to Provincial.

62. A portion of the interest on Ordinary Debt appears in the Provincial section of the accounts. Provincial Governments are authorised to grant advances to cultivators (as well as to certain other people in special cases) under various Acts, to landholders and notabilities apart from the provisions of any law, and to municipalities and local bodies (other than Presidency Corporations), out of amounts annually placed at their disposal by the Government of India. The interest actually levied on such advances is credited as provincial revenue. But interest at 3½ per cent. a year is charged to the Local Governments, on the mean between the outstanding balances of the Provincial Loan Accounts, at the commencement of the year and at its close; and this is done by transferring the amount so calculated from the Imperial to the Provincial section under Interest on Ordinary Debt. The differences between the Budget and the Revised estimates of the amount to be so transferred in the current year, and between the latter and the Budget estimate of 1915-16, are explained by the variations in the outstanding balances of the Provincial Loan Account as shown in the table at page 43.

BUDGET OF THE GOVERNMENT OF INDIA FOR 1915-16. 133

INTEREST ON OTHER OBLIGATIONS.

63. The total expenditure in 1914-15 is expected to fall short of the Budget provision by R7.45 lakhs (£49,700). There will be a decrease of R16.83 lakhs in the interest payable on Savings Bank balances owing to the heavy withdrawals of deposits from Post Office Savings Banks; but it will be partly counterbalanced by an increase of R9.38 lakhs under other items, mainly in consequence of the payment of interest on the unexpended balances of capital deposited with Government by Railway Companies, for which no provision was made in the Budget. *Revised, 1914-15.*

64. The Budget estimate for 1915-16 is taken at R13.89 lakhs (£92,600) less than the Revised estimate for the current year. Allowance has been made for a further reduction of R12.08 lakhs in the interest payable on Savings Bank balances, being the net result of a saving of R14.80 lakhs under Postal Savings Banks and an increase of R2.72 lakhs under State Provident Funds, etc. A decrease of R1.81 lakhs is also expected under other items chiefly in consequence of a smaller payment of interest on the unspent balances of capital deposited with Government by Railway Companies. *Budget, 1915-16.*

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XIII AND 15—POSTS AND TELEGRAPHS.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
REVENUE.						
INDIAN POSTAL AND TELEGRAPH DEPARTMENT.						
INDIA.						
1. Postage and Message Revenue	3,68,96,658	3,87,70,014	4,13,62,237	4,29,81,000	4,12,43,000	4,15,44,000
2. Commission on money orders	52,80,818	56,79,946	61,03,161	64,50,000	61,18,000	61,80,000
3. Other Receipts	38,68,321	45,25,202	40,24,174	40,78,000	41,85,600	42,40,000
TOTAL INDIA	4,60,45,797	4,89,75,162	5,14,89,572	5,35,09,000	5,15,46,000	5,19,64,000
ENGLAND	...	...	...	...	...	69,000
TOTAL INDIAN POSTAL AND TELEGRAPH DEPARTMENT	3,069,720	3,265,011	3,432,638	3,567,200	3,436,400	3,533,300
INDO-EUROPEAN TELEGRAPH DEPARTMENT.						
INDIA.						
1. Message Revenue	21,90,149	24,59,273	23,89,648	23,80,000	10,76,000	5,00,000
2. Other Receipts	14,778	20,666	26,794	23,000	20,000	20,000
TOTAL INDIA	22,04,925	24,79,939	24,16,442	24,03,000	10,96,000	5,20,000
ENGLAND.	...	...	...	...	...	...
1. Message Revenue. £	4,989	6,220	4,533	5,000	7,100	2,100
2. Other Receipts £	...	...	202	...	2,700	9,200
TOTAL ENGLAND £	4,989	6,220	4,735	5,000	9,800	11,300
TOTAL INDO-EUROPEAN DEPARTMENT £	151,984	171,549	165,881	165,200	82,900	45,900
TOTAL REVENUE £	3,221,704	3,436,560	3,598,519	3,732,400	3,519,300	3,579,200
EXPENDITURE.						
INDIAN POSTAL AND TELEGRAPH DEPARTMENT.						
INDIA.						
1. Establishment charges	3,00,15,373	3,05,26,936	3,13,69,557	3,20,88,000	3,26,15,000	3,29,64,000
2. Stationery and Printing	12,21,138	13,97,275	12,48,848	13,15,000	10,67,000	11,28,000
3. Conveyance of mails	65,50,160	65,95,054	73,36,524	71,63,000	72,19,000	73,34,000
4. Maintenance of Telegraph Lines	25,25,142	25,76,216	26,29,794	25,01,000	25,13,000	25,27,000
5. Capital outlay in connection with the Telegraph Service.	6,13,009	4,09,421	4,60,450	6,35,000	3,42,000	5,48,000
6. Miscellaneous	10,47,991	9,09,603	9,61,428	8,44,000	10,83,000	10,55,000
TOTAL INDIA R.	4,19,72,813	4,24,14,505	4,40,06,601	4,45,46,000	4,48,39,000	4,55,56,000
Equivalent in Sterling £	2,798,188	2,827,634	2,933,774	2,969,700	2,989,300	3,037,100
ENGLAND.						
1. Contribution to Eastern mail subsidy	54,588	54,588	54,588	30,000	54,600	54,000
2. Stores	143,698	131,612	143,070	154,200	151,800	142,500
3. Other items	6,177	8,588	10,555	49,400	14,000	42,700
TOTAL ENGLAND £	204,463	194,788	208,213	233,600	220,400	239,200
TOTAL INDIAN POSTAL AND TELEGRAPH DEPARTMENT £	3,002,651	3,022,422	3,141,987	3,203,300	3,209,700	3,276,300
INDO-EUROPEAN TELEGRAPH DEPARTMENT.						
INDIA AND ENGLAND.						
1. Revenue charges . £	72,440	96,183	77,193	93,600	90,200	101,800
2. Capital outlay . £	2,573	—17,599	23,157	21,300	11,100	5,200
3. Payments in respect of Revenue . £	24,740	31,507	30,647	31,800	—20,900	—88,900
TOTAL INDO-EUROPEAN TELEGRAPH DEPARTMENT £	99,753	110,091	130,997	146,700	80,400	18,100
TOTAL EXPENDITURE £	3,102,404	3,132,513	3,272,984	3,350,000	3,290,100	3,294,400
NET REVENUE £	119,300	304,047	325,535	382,400	229,200	284,800

BUDGET OF THE GOVERNMENT OF INDIA FOR 1915-16. 135

REVENUE.

(a) Indian Postal and Telegraph Department.

65. The revenue in the current year has suffered heavily from the dislocation of trade and stagnation of business, and the Revised estimate is taken at R19.63 lakhs (£130,800) less than the Budget. A heavy decline of R17.38 lakhs is expected in the postage and message revenue, while the receipts from commission on money orders will also fall off by R3.32 lakhs. On the other hand, there will be a small improvement of R1.07 lakhs in the Miscellaneous revenue derived from royalties paid by telephone companies and from other sources. *Revised, 1914-15.*

66. The Budget estimate of Indian revenue for 1915-16 is based on the assumption that trade and business will recover to some extent in the coming year, and provides for a small rise of R4.18 lakhs (£27,900) over the Revised estimate for 1914-15. In England, a sum of £63,000 is likely to be received from the Home Government under the Morley award in connection with the Eastern mail service. *Budget, 1915-16.*

(b) Indo-European Telegraph Department.

67. Here, too, the revenue in the current year has suffered heavily owing to interruptions in the Indo-European route in consequence of the war; and the total Revised estimate for 1914-15 is less than the Budget by R12.35 lakhs (£82,300). The Budget estimate for 1915-16 provides for a further decline of R5.55 lakhs (£37,000) in the revenue, on the assumption that the interruptions in the Indo-European route will continue so long as the war lasts. *Revised, 1914-15.*
Budget, 1915-16.

EXPENDITURE.

(a) Indian Postal and Telegraph Department.

68. The total expenditure in 1914-15 is likely to exceed the Budget grant by R.96 lakh (£6,400). In India, there will be an increase of R5.27 lakhs in the Establishment charges mainly in consequence of the grant of grain compensation allowance, for which no provision was made in the Budget; and of R2.39 lakhs in the Miscellaneous expenditure owing to an increase in the cost of stamps. But, on the other hand, there will be a decrease of R2.48 lakhs in the Stationery and Printing charges; and of R2.93 lakhs in the Capital outlay in connection with the telegraph service, owing to the postponement of works which are not of an urgent nature. In England, an increase of £24,600 in the contribution payable by the Government of India for the Eastern mail subsidy, due to a postponement of the revision of its incidence, is more than counterbalanced by a reduction of £35,400 under other items caused mainly by a lapse in the provision for payments to the Marconi Company. *Revised, 1914-15.*

69. The total Budget grant for 1915-16 exceeds the Revised estimate for the current year by £66,600 (R10 lakhs). A provision of R6 lakhs has been made for certain payments to the Marconi Company which were postponed in the current year. Apart from this special item, the Budget estimate provides for sanctioned establishments and allows for a small margin for the development of the operations of the Department. The financial position has necessitated a curtailment of the programme of works, and though the grant for capital outlay in connection with the telegraph service is R2.06 lakhs higher than the Revised estimate for 1914-15, the allotment for the purchase of stores in England is R1.40 lakhs less than the probable outlay in the current year. *Budget, 1915-16.*

(b) Indo-European Telegraph Department.

70. The total Revised estimate for 1914-15 falls short of the Budget by £66,300. This reduction is mainly due to the fact that owing to the interruption of the Indo-European route and the diversion of traffic in consequence *Revised, 1914-15.*

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of the war, a net receipt of £14,600 is expected in England in connection with the Joint Purse arrangement, etc., against a net payment of £31,800 anticipated in the Budget. Apart from this improvement, there will be a saving of £10,200 in the capital grants owing to the postponement of construction of certain buildings, and a lapse of £9,700 in the revenue grants.

Budget, 1915-16.

71. The Budget estimate for 1915-16 is less than the Revised estimate for the current year by £62,300. Here, too, the reduction arises mainly from the fact that a net receipt of £88,900 is expected in England in the ensuing year in connection with the Joint Purse arrangement, etc., against a similar net receipt of £14,600 in 1914-15.

BUDGET OF THE GOVERNMENT OF INDIA FOR 1915-16. 137

XV AND 17.—MINT.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
REVENUE.						
INDIA.						
1. Percentage chargeable on coinage of new rupees . . . . .	...	32,25,953	20,54,049	...	...	...
2. Profit on circulation of—						
(a) Nickel coins	24,35,338	22,02,778	19,61,839	25,00,000	8,00,000	10,00,000
(b) Bronze coins	9,02,671	12,72,178	7,60,047	10,00,000	...	...
3. Fees for coining dollars, etc.	17,92,657	3,07,347	75,417	1,50,000	...	...
4. Other items	3,73,786	3,02,119	2,45,302	96,000	69,000	70,000
TOTAL {	₹ 55,04,452	73,10,375	50,96,654	37,46,000	8,69,000	10,70,000
England {	£ 366,963	487,359	399,777	249,800	57,900	71,300
England {	£ 137	...	54	...	...	...
TOTAL {	₹ 367,100	487,359	399,841	249,800	57,900	71,300
EXPENDITURE.						
INDIA.						
1. Establishment charges	7,91,732	8,86,301	8,36,509	7,85,000	7,00,000	7,47,000
2. Purchase of stores	2,01,189	2,19,565	2,37,642	1,45,000	1,13,000	1,75,000
3. Loss on re-coining old silver coins	3,93,294	5,07,401	4,90,118	5,00,000	4,35,000	4,99,000
4. Loss on bronze coinage . . . . .	...	...	...	...	7,00,000	...
5. Other coinage losses	2,77,325	4,20,140	2,66,720	23,000	...	...
TOTAL {	₹ 16,63,540	20,33,407	18,30,989	14,53,000	19,48,000	14,21,000
England {	£ 110,903	135,560	122,066	96,900	129,900	94,700
England {	£ 5,604	6,783	10,564	7,400	9,500	7,300
TOTAL {	₹ 116,507	142,343	132,630	104,300	139,400	102,000
TOTAL NET REVENUE {	₹ 250,593	345,016	267,211	145,500	-81,500	-30,700

REVENUE.

72. The revenue in 1914-15 has suffered heavily from the set-back in the course of trade, and the Revised estimate is less than the Budget by ₹28·77 lakhs. A decline of ₹17 lakhs is expected in the profit on the circulation of nickel coins, the demand for which has fallen off considerably. There is also no likelihood of any revenue being obtained in the current year from the profit on the circulation of bronze coins or from fees for coining dollars. The Budget estimate for 1915-16 anticipates a slight increase in the profit from nickel coins, and is taken at ₹2·01 lakhs more than the Revised estimate for the current year.

Revised, 1914-15.

Budget, 1915-16.

EXPENDITURE.

73. The Revised estimate for 1914-15 exceeds the Budget by ₹5·27 lakhs. A loss of ₹7 lakhs will accrue from the return of bronze coins from circulation, which will necessitate the write-off of past profits credited as Mint revenue. Apart from this special item, for which no provision was made in the Budget, there will be a saving of ₹1·73 lakhs in the Budget grants, owing chiefly to a reduced programme of coinage of nickel and bronze coins. The Budget estimate for 1915-16 provides for sanctioned establishments and normal operations.

Revised, 1914-15.

Budget, 1915-16.

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18.—GENERAL ADMINISTRATION.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
INDIA.	<i>₹</i>	<i>₹</i>	<i>₹</i>	<i>₹</i>	<i>₹</i>	<i>₹</i>
<i>Imperial.</i>						
1. Cost of the Central Government:						
(i) Salary and expenses of the Governor-General .	11,20,363	11,46,704	11,28,036	11,47,000	12,22,000	11,52,000
(ii) Executive Council .	4,63,122	4,76,853	4,86,820	4,84,000	4,95,000	4,84,000
(iii) Legislative Council .	1,47,798	1,32,026	1,70,712	1,46,000	1,73,000	1,73,000
(iv) Charges of the Secretariats .	36,21,923	35,65,399	35,39,737	34,10,000	36,94,000	35,36,000
2. Offices of Account and Audit .	37,26,608	37,53,875	38,46,612	40,65,000	39,52,000	39,78,000
3. Currency Department and Reserve Treasury .	6,52,274	6,82,687	8,18,972	8,37,000	8,60,000	9,46,000
4. Payments to Presidency Banks for treasury and public debt work .	3,57,710	3,66,231	3,74,081	3,74,000	3,81,000	3,86,000
5. Ajmer-Merwara Administration, etc. .	6,099	4,074	2,086	3,000	3,000	3,000
6. Royal visit and Coronation Durbar .	66,66,058	50,276	94,836	92,000	85,000	88,000
7. Delhi .	...	32,635	...	...	...	...
8. North-West Frontier Administration .	3,09,152	3,64,422	3,11,794	3,38,000	3,24,000	3,56,000
Total	1,70,71,107	1,05,75,182	1,07,73,686	1,08,96,000	1,11,89,000	1,11,02,000
<i>Provincial.</i>						
1. Central Provinces .	10,69,052	8,68,131	9,30,430	10,00,000	9,79,000	9,10,000
2. Burma .	19,07,353	15,13,442	15,16,202	15,77,000	15,89,000	16,05,000
3. Assam .	...	6,04,804	5,83,597	5,71,000	6,26,000	6,45,000
4. Bengal (new) .	...	25,46,712	24,29,759	23,53,000	24,08,000	23,74,000
5. Bihar and Orissa .	...	11,84,144	13,4,288	13,85,000	13,28,000	14,48,000
6. United Provinces .	19,63,228	17,15,992	17,31,053	17,00,000	17,61,000	18,80,000
7. Punjab .	13,64,724	12,44,915	12,20,574	12,06,000	13,42,000	12,28,000
8. Madras .	18,19,549	13,99,496	14,26,839	13,86,000	15,35,000	14,93,000
9. Bombay .	27,54,973	17,90,470	19,37,196	18,80,000	21,63,000	21,29,000
Eastern Bengal and Assam .	18,89,451	...	...	...	...	...
Bengal (old) .	29,18,136	...	...	...	...	...
Total	1,56,86,466	1,28,68,106	1,31,22,938	1,30,58,000	1,37,31,000	1,37,12,000
TOTAL INDIA	3,27,57,573	2,34,43,288	2,38,96,624	2,39,54,000	2,49,20,000	2,48,14,000
Equivalent in Sterling .	<i>£</i> 2,183,838	<i>£</i> 1,562,886	<i>£</i> 1,593,108	<i>£</i> 1,596,900	<i>£</i> 1,661,300	<i>£</i> 1,654,300
ENGLAND.						
1. Cost of the Secretary of State's establishment, etc. .	266,485	268,954	269,232	269,700	268,700	272,200
2. Stores, etc., for India .	114,442	111,949	121,307	134,500	140,000	93,000
3. Royal Visit and Coronation Durbar .	61,476	293	...	...	...	...
TOTAL <i>£</i>	442,403	381,196	390,539	404,300	408,700	365,200
GRAND TOTAL <i>£</i>	2,626,241	1,944,082	1,983,647	2,001,200	2,070,000	2,019,500

BUDGET OF THE GOVERNMENT OF INDIA FOR 1915-16. 139

(a) *India—Imperial.*

74. The total expenditure in 1914-15 is likely to exceed the Budget *Revised, 1914-15.* provision by ₹2.93 lakhs. There will be an increase of ₹2.84 lakhs in the charges of the Secretariats, and of ₹.75 lakh in the salary and expenses of the Governor General, owing mainly to telegram charges and other incidental expenditure which have been necessitated by the war. On the other hand, there will be a saving of ₹1.13 lakhs in the expenditure of the Audit and Account Department, in consequence of a lapse in the grant for the revision of establishments in certain offices.

75. The Budget grant for 1915-16 is placed at ₹.87 lakh less than the *Budget, 1915-16.* Revised estimate for the current year. A decrease of ₹1.58 lakhs is anticipated in the charges of the Secretariats, and of ₹.70 lakh in the salary and expenses of the Governor General, owing to a possible reduction in some of the items of special expenditure connected with the war. Provision has generally been made for sanctioned establishments; but in the case of the Currency Department, a special allotment has been made for a necessary revision of establishments.

(b) *Provincial.*

76. The total Revised for 1914-15 exceeds the Budget estimate by ₹6.73 *Revised, 1914-15.* lakhs. Important excesses over the Budget grant are expected in Bombay (₹2.83 lakhs), due mainly to (1) the cost of establishments entertained, and postage and telegram charges incurred, in the Secretariat in consequence of work arising from the war, (2) the remission of certain contributions hitherto recovered from district boards towards the cost of Government establishments, and (3) the purchase of furniture and equipment for the Government Houses in the Presidency; in Madras (₹1.49 lakhs), in consequence of the employment of officers on special duty in the Secretariat as well as of telegram charges and other incidental expenditure incurred in connection with the war; and in the Punjab (₹1.36 lakhs), owing to the construction of an additional railway saloon for the head of the province and other causes.

77. The total Budget estimate for 1915-16 is ₹.19 lakh less than the *Budget, 1915-16.* Revised for 1914-15. There is a rise of ₹1.20 lakhs in Bihar and Orissa, owing to a provision for new railway saloons for the head of the province; and of ₹1.19 lakhs in the United Provinces, in consequence of an allotment for the creation of an Executive Council. But these increases, and smaller excesses in Burma and Assam, are more than counterbalanced by a decrease of ₹1.14 lakhs in the Punjab and by less important reductions in the remaining provinces, due mainly to the absence of certain items of special expenditure which have been incurred in the current year.

(c) *England.*

78. The Revised estimate for 1914-15 exceeds the Budget by £4,400, while *Revised, 1914-15.* the Budget for 1915-16 is less than the Revised estimate for the current year by £43,500. The variations in both years occur mainly in the outlay on the *Budget, 1915-16.* purchase of stores for India.

140 BUDGET OF THE GOVERNMENT OF INDIA FOR 1915-16.

XVI A and 19 A.—LAW AND JUSTICE—COURTS OF LAW.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	3,27,874	3,51,532	3,29,821	3,15,000	3,63,000	3,68,000
2. Delhi . . . . .	...	58,774	1,61,864	1,84,000	2,50,000	1,70,000
3. Baluchistan	22,627	20,077	19,834	24,000	23,000	24,000
4. North-West Frontier	5,79,956	6,16,006	6,19,800	6,37,000	6,49,000	6,68,000
Total	9,30,457	10,46,389	11,31,319	11,60,000	12,85,000	12,30,000
<i>Provincial.</i>						
1. Central Provinces	25,24,371	25,77,687	27,86,972	27,78,000	28,14,000	29,41,000
2. Burma	47,65,061	48,24,039	48,81,629	50,40,000	50,19,000	52,07,000
3. Assam . . . . .	...	9,09,112	9,33,847	9,55,000	10,09,000	10,68,000
4. Bengal (new) . . . . .	...	96,39,400	1,00,37,547	99,53,000	1,03,04,000	1,01,24,000
5. Bihar and Orissa . . . . .	...	31,23,331	32,98,531	34,60,000	34,90,000	34,91,000
6. United Provinces	62,23,925	61,61,393	63,90,754	65,67,000	66,58,000	67,45,000
7. Punjab	42,17,010	42,17,547	42,55,055	44,08,000	46,56,000	46,94,000
8. Madras	62,19,485	66,61,302	69,67,819	70,21,000	82,98,000	84,56,000
9. Bombay	55,30,750	56,69,312	56,36,537	57,49,000	57,82,000	57,29,000
Eastern Bengal and Assam	49,95,633	...	...	...	...	...
Bengal (old)	92,76,209	...	...	...	...	...
Total	4,37,52,444	4,37,83,123	4,51,88,691	4,59,31,000	4,80,30,000	4,84,55,000
TOTAL INDIA	4,46,82,901	4,48,29,512	4,63,20,010	4,70,91,000	4,93,15,000	4,96,85,000
Equivalent in Sterling £	2,978,860	2,988,634	3,088,001	3,139,400	3,287,700	3,312,300
England	3,136	1,668	159	1,000	1,300	700
TOTAL £	2,981,996	2,990,302	3,088,160	3,140,400	3,289,000	3,313,000

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	1,56,543	76,782	95,437	3,90,000	3,10,000	3,19,000
2. Delhi . . . . .	...	9,702	20,624	22,000	17,000	20,000
3. Baluchistan	23,847	24,410	27,413	26,000	26,000	25,000
4. North-West Frontier	1,10,253	1,12,889	1,44,782	1,50,000	1,50,000	1,50,000
Total	2,90,643	2,23,783	2,88,306	5,88,000	5,03,000	5,14,000
<i>Provincial.</i>						
1. Central Provinces	2,06,735	2,35,053	2,89,281	3,00,000	2,65,000	2,57,000
2. Burma	5,50,824	6,47,791	6,84,281	6,68,000	6,66,000	6,79,000
3. Assam . . . . .	...	1,15,132	1,25,675	1,22,000	1,33,000	1,33,000
4. Bengal (new) . . . . .	...	8,14,901	8,42,811	8,95,000	8,62,000	9,13,000
5. Bihar and Orissa . . . . .	...	2,80,076	2,69,601	2,70,000	2,90,000	2,80,000
6. United Provinces	6,48,725	6,80,041	6,77,355	6,88,000	7,41,000	7,08,000
7. Punjab	4,34,527	4,88,534	5,54,353	5,36,000	6,39,000	6,78,000
8. Madras	9,22,333	10,63,626	10,94,576	11,23,000	11,30,000	11,47,000
9. Bombay	6,57,846	7,31,828	7,80,628	7,60,000	8,50,000	8,20,000
Eastern Bengal and Assam	4,51,058	...	...	...	...	...
Bengal (old)	6,92,199	...	...	...	...	...
Total	45,64,247	50,56,982	53,13,559	53,62,000	55,81,000	56,20,000
TOTAL	48,54,890	52,80,765	56,06,865	59,50,000	60,84,000	61,34,000
Equivalent in Sterling £	323,660	352,051	373,791	396,700	405,600	408,900

BUDGET OF THE GOVERNMENT OF INDIA FOR 1915-16. 141

EXPENDITURE.

(a) *Imperial.*

79. The total expenditure in 1914-15 is likely to exceed the Budget provision by ₹1.25 lakhs, mainly in consequence of charges connected with the Delhi conspiracy case. The Budget estimate for 1915-16 is less than the Revised for the current year by ₹.55 lakh, mainly owing to the absence of the special expenditure in Delhi mentioned above. Provision has generally been made for sanctioned establishments.

Revised, 1914-15.

Budget, 1915-16.

(b) *Provincial.*

80. The total Revised estimate for 1914-15 exceeds the Budget by ₹20.99 lakhs. The increase is shared by all the provinces, with the exception of Burma. The bulk of it is contributed by Madras (₹12.77 lakhs), and is due chiefly to a change in the method of distributing the charges of district administration between "3—Land Revenue" and "19 A—Courts of Law" (see paragraph 13). Important excesses over Budget grants are also expected in the Punjab (₹2.48 lakhs), mainly owing to charges connected with the Delhi conspiracy case, and the payment of grain compensation allowance to establishments; and in Bengal (₹3.51 lakhs), chiefly in consequence of (1) larger expenditure in connection with political cases, and (2) the payment of grain compensation allowance to establishments, and of arrears of salary in connection with the revision of the subordinate judicial service. Here too, a general factor which has contributed to increased expenditure in all the provinces is the restriction imposed on the grant of leave out of India and the temporary introduction of minimum rates of pay for members of the Indian Civil Service.

Revised, 1914-15.

81. The total Budget for 1915-16 is ₹4.25 lakhs higher than the Revised estimate for 1914-15. Provision for the full cost of sanctioned establishments has been made in all the provinces, and it is assumed that the restriction on the grant of leave out of India will continue to be in force throughout the ensuing year. Lump allotments have been made in the United Provinces for additional temporary courts, and in the Punjab for the revision of clerical establishments. A reduction of expenditure is expected in Bengal (₹1.80 lakhs), and in Bombay (₹.53 lakh), owing to smaller payments in civil and criminal cases, and to the absence in the former province of the payment of arrears of salary made to members of the subordinate judicial service in the current year.

Budget, 1915-16.

REVENUE.

(a) *Imperial.*

82. The total Revised estimate for 1914-15 is less than the Budget by ₹.85 lakh, mainly in consequence of smaller receipts from the transfer to Government, under the operation of section 52 of Act III of 1913, of certain assets in the charge of the Administrator General, Bengal, which have remained unclaimed for 12 years. The revenue in 1915-16 is not expected to differ materially from the Revised estimate of the current year.

Revised, 1914-15.

Budget, 1915-16.

(b) *Provincial.*

83. The total revenue in the current year is likely to exceed the Budget estimate by ₹2.19 lakhs, the improvement occurring mainly under magisterial fines in several provinces and under receipts in Bombay under section 23 of Act II of 1913. The Budget for 1915-16 provides for normal receipts in all the provinces.

Revised, 1914-16.

Budget, 1915-16.

142 BUDGET OF THE GOVERNMENT OF INDIA FOR 1915-16.

XVI B and 19 B.—LAW AND JUSTICE—JAILS.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	16,50,412	16,41,340	16,67,987	16,93,000	17,56,000	17,06,000
2. Delhi . . . . .	...	22,484	64,366	65,000	70,000	70,000
3. Baluchistan	31,365	29,652	34,001	32,000	30,000	33,000
4. North-West Frontier	1,47,837	1,51,779	2,09,693	2,07,000	2,14,000	2,37,000
TOTAL	18,29,614	18,45,255	19,76,047	19,97,000	20,70,000	20,46,000
<i>Provincial.</i>						
1. Central Provinces	5,52,623	5,61,448	6,80,139	6,56,000	6,81,000	6,80,000
2. Burma	13,60,332	15,66,335	18,32,603	16,08,000	15,03,000	15,13,000
3. Assam . . . . .	...	2,48,796	2,72,251	2,91,000	2,88,000	3,47,000
4. Bengal (new) . . . . .	...	19,61,832	22,62,882	20,76,000	23,78,000	21,95,000
5. Bihar and Orissa . . . . .	...	11,80,570	14,54,178	13,56,000	14,96,000	15,71,000
6. United Provinces	18,09,551	18,23,882	20,59,519	21,21,000	23,00,000	21,66,000
7. Punjab	12,27,575	13,14,605	14,27,260	15,00,000	15,81,000	17,32,000
8. Madras	14,06,873	13,89,871	14,92,324	15,51,000	15,62,000	16,09,000
9. Bombay	11,35,616	12,00,733	12,76,989	12,36,000	12,80,000	12,87,000
Eastern Bengal and Assam	9,31,926	...	...	...	...	...
Bengal (old)	23,86,876	...	...	...	...	...
TOTAL	1,08,11,372	1,12,48,672	1,27,65,145	1,23,95,000	1,30,69,000	1,31,00,000
TOTAL INDIA	1,26,40,986	1,30,93,327	1,47,41,192	1,43,92,000	1,51,39,000	1,51,46,000
Equivalent in Sterling £	842,732	872,889	982,746	959,400	1,009,300	1,009,800
England . . . . .	...	799	157	200	...	...
TOTAL £	842,732	873,688	982,908	959,600	1,009,300	1,009,800

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	3,49,438	3,51,785	4,03,586	3,87,000	3,69,000	3,68,000
2. Delhi . . . . .	...	9,392	31,555	20,000	30,000	28,000
3. Baluchistan	734	777	829	1,000	1,000	1,000
4. North-West Frontier	24,911	26,077	32,562	37,000	35,000	37,000
TOTAL	3,75,083	3,88,031	4,68,532	4,45,000	4,35,000	4,34,000
<i>Provincial.</i>						
1. Central Provinces	2,27,714	2,31,183	2,81,162	3,04,000	3,04,000	2,76,000
2. Burma	4,34,550	4,59,258	4,93,229	4,81,000	4,19,000	4,65,000
3. Assam . . . . .	...	80,424	91,622	87,000	1,01,000	1,02,000
4. Bengal (new) . . . . .	...	7,03,353	6,71,947	7,23,000	7,31,000	7,60,000
5. Bihar and Orissa . . . . .	...	6,43,671	7,26,397	6,60,000	7,00,000	8,10,000
6. United Provinces	3,62,682	3,66,917	3,73,035	3,81,000	3,61,000	3,32,000
7. Punjab	3,40,887	3,24,563	3,93,642	3,70,000	4,50,000	5,00,000
8. Madras	4,63,989	5,43,948	5,44,923	5,50,000	6,00,000	5,50,000
9. Bombay	2,19,507	3,04,589	2,82,232	3,05,000	2,75,000	2,85,000
Eastern Bengal and Assam	3,23,598	...	...	...	...	...
Bengal (old)	10,52,305	...	...	...	...	...
TOTAL	34,25,232	36,62,906	38,53,194	38,61,000	39,41,000	41,30,000
TOTAL £	38,00,315	40,50,937	43,26,726	43,06,000	43,76,000	45,64,000
Equivalent in Sterling £	253,354	270,062	288,448	287,100	291,700	304,200

BUDGET OF THE GOVERNMENT OF INDIA FOR 1915-16. 143

EXPENDITURE.

(a) *Imperial.*

84. The increase of R.73 lakh over the Budget grant for 1914-15 is *Revised, 1914-15.*
mainly due to higher outlay on commissariat supplies required for the convict
settlement at Port Blair. In 1915-16 provision has been made for sanctioned *Budget, 1915-16.*
establishments and for normal outlay in other directions.

(b) *Provincial.*

85. The total expenditure in 1914-15 will exceed the Budget estimate *Revised, 1914-15.*
by R6.74 lakhs. The increase is shared by all the provinces, with the excep-
tion of Assam, where an unimportant lapse in the Budget grant is expected,
and of Burma, where a large saving of R1.05 lakhs is anticipated owing to
smaller outlay on rations which has been rendered possible by the advance
purchase made in 1913-14. The rise of expenditure in the other provinces is
generally due to a higher growth in the jail population than was allowed for in
the Budget, an increase in the cost of dietary consequent on the prevalence
of high prices in several provinces, and a larger outlay on the purchase of
raw materials.

86. The total Budget for 1915-16 is higher than the Revised estimate *Budget, 1915-16.*
for 1914-15 by R.31 lakh. The grants are generally based on the sanctioned
scale of establishments, the probable jail population and normal outlay on raw
materials.

REVENUE.

(a) *Imperial.*

87. The figures show little variation.

(b) *Provincial.*

88. The increase of R.80 lakh in the revenue in the current year over the *Revised, 1914-15.*
Budget estimate is chiefly due to a higher demand for jail-made articles in the
Punjab. The variations in the other provinces cancel one another and call
for no remark. The Budget estimate for 1915-16 provides generally for normal
receipts. In Bihar and Orissa, an increase of R1.10 lakhs is expected over the *Budget, 1915-16.*
Revised estimate for 1914-15 owing to a probable increase in the receipts from
the sale of jail manufactures.

144 BUDGET OF THE GOVERNMENT OF INDIA FOR 1915-16.

XVII AND 20.—POLICE.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	9,51,235	9,17,991	10,37,218	10,67,000	11,34,000	10,74,000
2. Delhi . . . . .	...	1,56,022	3,92,675	4,25,000	4,32,000	4,07,000
3. Baluchistan	4,19,242	4,13,677	5,11,605	6,80,000	6,15,000	6,42,000
4. North-West Frontier	16,31,901	15,76,157	17,05,508	18,13,000	17,80,000	18,67,000
Total	30,02,378	30,63,847	36,47,006	39,85,000	39,61,000	39,90,000
<i>Provincial.</i>						
1. Central Provinces	33,45,697	33,31,457	34,11,226	34,30,000	35,10,000	36,21,000
2. Burma	1,26,76,077	1,29,23,819	1,31,18,008	1,36,50,000	1,35,81,000	1,36,08,000
3. Assam . . . . .	...	22,10,987	23,87,928	25,76,000	23,92,000	25,29,000
4. Bengal (new) . . . . .	...	83,99,859	94,71,081	1,08,98,000	1,03,80,000	1,05,35,000
5. Bihar and Orissa . . . . .	...	41,31,415	45,76,942	48,98,000	47,57,000	48,52,000
6. United Provinces	1,10,42,737	1,08,84,795	1,11,39,477	1,23,11,000	1,23,92,000	1,24,24,000
7. Punjab	58,63,176	58,54,374	58,93,463	60,65,000	61,19,000	64,26,000
8. Madras	84,59,187	88,16,509	92,47,539	95,21,000	1,09,94,000	1,12,26,000
9. Bombay	1,01,50,038	1,02,32,594	1,00,57,735	1,06,95,000	1,05,05,000	1,12,04,000
Eastern Bengal and Assam	58,09,322	...	...	...	...	...
Bengal (old)	86,70,975	...	...	...	...	...
Total	6,60,17,209	6,67,85,809	6,93,03,399	7,40,44,000	7,46,30,000	7,64,25,000
TOTAL INDIA	6,90,19,587	6,98,49,656	7,29,50,405	7,80,29,000	7,85,91,000	8,04,15,000
Equivalent in Sterling £	4,601,306	4,656,644	4,863,360	5,201,900	5,239,400	5,361,000
England	1,671	1,356	1,630	1,300	1,200	1,300
TOTAL	4,602,977	4,658,000	4,864,990	5,203,200	5,240,600	5,362,300

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	25,283	18,672	18,562	25,000	21,000	19,000
2. Delhi . . . . .	...	6,850	4,432	5,000	5,000	6,000
3. Baluchistan	11,243	10,448	14,865	14,000	15,000	15,000
4. North-West Frontier	22,980	31,003	20,782	30,000	32,000	33,000
Total	59,506	66,973	58,641	74,000	73,000	73,000
<i>Provincial.</i>						
1. Central Provinces	32,530	26,211	26,002	27,000	25,000	26,000
2. Burma	2,73,707	4,97,655	4,61,975	4,55,000	5,29,000	5,91,000
3. Assam . . . . .	...	1,08,099	1,22,398	1,26,000	1,37,000	1,31,000
4. Bengal (new) . . . . .	...	2,39,082	1,56,684	1,77,000	1,87,000	1,86,000
5. Bihar and Orissa . . . . .	...	53,983	46,517	49,000	38,000	41,000
6. United Provinces	91,032	97,089	1,01,626	87,000	87,000	1,04,000
7. Punjab	1,78,998	1,98,478	2,03,666	1,94,000	1,61,000	1,67,000
8. Madras	4,75,445	5,00,043	4,88,562	4,82,000	4,91,000	4,96,000
9. Bombay	3,88,184	2,45,679	2,89,014	2,36,000	2,55,000	2,86,000
Eastern Bengal and Assam	1,42,913	...	...	...	...	...
Bengal (old)	1,93,750	...	...	...	...	...
Total	17,81,559	19,66,319	18,96,444	18,33,000	19,10,000	20,23,000
TOTAL	18,41,065	20,33,292	19,55,085	19,07,000	19,83,000	21,01,000
Equivalent in Sterling £	122,738	135,553	130,339	127,100	132,200	140,100

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EXPENDITURE.

(a) *Imperial.*

89. The total expenditure in 1914-15 will fall short of the Budget provision by R·24 lakh. An excess of R·67 lakh under India General, due mainly to a rise in the charges of the Central Criminal Investigation Department, will be more than counterbalanced by lapses in ordinary grants in Baluchistan and in the North-West Frontier Province, and by a partial utilisation of the special allotment for police reorganization in the former province. In the Budget estimate for 1915-16, provision has been made for the full sanctioned strength of the police in the various minor administrations, and for the introduction of a further instalment of reforms in Baluchistan. A reduction is anticipated in the charges of the Central Criminal Investigation Department and of the Delhi province, owing to the absence of the special expenditure incurred in the current year in connection with the Delhi conspiracy case.

Revised, 1914-15.

Budget, 1915-16.

(b) *Provincial.*

90. The Revised estimate for 1914-15 exceeds the Budget by R5·86 lakhs. There is a large increase of R14·73 lakhs in Madras, due chiefly to the transfer from "3—Land Revenue" to "20—Police" of the charges of certain village servants, and to higher expenditure on the reclamation of criminal tribes. Excesses over Budget grants are also expected in the Central Provinces, the United Provinces and the Punjab, owing mainly to the restriction on the grant of leave out of India and the payment of grain compensation allowance in the last two provinces. The excesses in the United Provinces and the Punjab would have been larger, but for (1) the non-utilisation of the provision for the payment from Provincial revenues of village police in Gorakhpur, and for the substitution of regular police for town-watchmen in the Punjab, and (2) the recovery from certain railway administrations in the Punjab of arrears of contribution towards the cost of railway police. In the other provinces, the expenditure will fall short of the Budget estimate, owing to lapses in ordinary grants and in the special allotments for police reforms. In Burma, a portion of the saving will be utilised to augment temporarily the strength of the mounted police.

Revised, 1914-15.

91. The Budget estimate for 1915-16 is taken at R17·95 lakhs higher than the Revised estimate for the current year. The estimates provide generally for the full cost of sanctioned establishments and of the schemes of reform which have already been introduced, and they are framed on the assumption that the orders restricting the grant of leave out of India will remain in operation throughout the ensuing year. Provision for further reforms of an urgent character has also been made in Bombay, Bengal, Assam and some other provinces.

Budget, 1915-16.

REVENUE.

(a) *Imperial.*

92. The figures show little variation and call for no remark.

(b) *Provincial.*

93. The variations between the Budget and Revised estimates of the current year, and between the latter and the Budget estimate for 1915-16, are mainly due to higher recoveries on account of punitive police employed in certain tracts in Burma.

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XVIII AND 21.—PORTS AND PILOTAGE.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Provincial.</i>						
1. Burma	12,64,225	13,28,580	13,49,167	13,78,000	14,79,000	14,61,000
2. Assam . . . . .	...	63,048	60,902	55,000	55,000	54,000
3. Bengal (new) . . . . .	...	12,16,009	14,28,377	15,39,000	13,74,000	14,76,000
4. Bihar and Orissa . . . . .	...	1,080	957	1,000	1,000	7,000
5. Madras	21,138	41,145	45,677	36,000	37,000	45,000
6. Bombay	70,516	64,813	1,81,310	2,38,000	2,43,000	1,89,000
Eastern Bengal and Assam	1,13,059	...	...	...	...	...
Bengal (old)	12,55,725	...	...	...	...	...
Total India R	27,24,663	27,14,675	30,66,390	32,97,000	31,89,000	23,32,000
Equivalent in Sterling £	181,644	180,978	2,04,426	219,800	212,600	215,400
England	46	104	200	100	100	100
TOTAL	181,690	181,082	204,626	219,900	212,700	215,500

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Provincial.</i>						
1. Burma	4,83,315	4,96,172	5,18,919	5,33,000	4,34,000	4,84,000
2. Assam . . . . .	...	84	...	...	...	...
3. Bengal (new) . . . . .	...	17,52,191	16,76,604	17,16,000	15,25,000	16,20,000
4. Bihar and Orissa . . . . .	...	127	...	...	...	...
5. Madras	105	160	86	...	...	...
6. Bombay	97,033	1,02,450	1,08,524	1,09,000	1,24,000	1,59,000
Eastern Bengal and Assam	9,509	...	...	...	...	...
Bengal (old)	16,86,090	...	...	...	...	...
TOTAL R	22,76,052	23,51,184	23,04,133	23,58,000	20,83,000	22,63,000
Equivalent in Sterling £	151,737	156,746	153,609	157,200	138,900	150,900

EXPENDITURE.

Revised, 1914-15.

94. The total expenditure in 1914-15 is expected to fall short of the Budget provision by R1.08 lakhs. There will be a saving of R1.65 lakhs in Bengal, due mainly to a reduction in the charges of pilot establishments consequent on the dislocation of trade, and the non-payment of a contribution to the Chittagong Port for the purchase of a dredger; and of R.45 lakh in Bombay owing to a lapse in the provision for a light vessel off the Sind coast. On the other hand, the expenditure in Burma will exceed the Budget estimate by R1.01 lakhs, mainly in consequence of higher requirements for stores. The total Budget estimate for 1915-16 exceeds the Revised estimate for the current year by R.43 lakh. There is an increase of R1.02 lakhs in Bengal, where some allowance has been made for an improvement in trade conditions. But, on the other hand, a reduction is anticipated in Bombay in the outlay on the construction and maintenance of additional lights off the Sind coast.

Budget, 1915-16.

REVENUE.

Revised, 1914-15.

95. The falling off of R2.75 lakhs in the revenue in 1914-15, as compared with the Budget estimate, is caused chiefly by the dislocation of the seaborne trade in consequence of the war. The Budget estimate for 1915-16 anticipates some revival of trade in the ensuing year, and exceeds the Revised estimate for 1914-15 by R1.80 lakhs.

Budget, 1915-16.

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XIX AND 22.—EDUCATION.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India, General	5,04,754	7,64,023	9,15,504	15,33,000	9,36,000	9,33,000
2. Delhi . . . . .	...	1,25,857	1,42,355	2,25,000	2,34,000	1,56,000
3. Baluchistan	46,688	74,131	1,06,852	98,000	79,000	1,05,000
4. North-West Frontier	1,60,938	6,71,542	4,87,539	4,52,000	4,86,000	5,42,000
Total	7,12,380	16,35,553	16,52,750	23,08,000	17,35,000	17,36,000
<i>Provincial.</i>						
1. Central Provinces	17,82,548	21,16,637	22,02,034	33,94,000	25,85,000	34,04,000
2. Burma	20,21,673	23,44,622	29,23,909	30,41,000	32,16,000	31,34,000
3. Assam . . . . .	...	9,73,071	12,15,892	19,39,000	16,06,000	15,29,000
4. Bengal (new) . . . . .	...	73,76,829	81,12,515	1,45,43,000	85,23,000	1,05,62,000
5. Bihar and Orissa . . . . .	...	27,48,204	38,34,826	43,78,000	36,12,000	37,65,000
6. United Provinces	48,36,149	56,64,135	78,58,337	78,25,000	71,32,000	67,31,000
7. Punjab	23,55,101	34,46,632	44,69,352	42,03,000	41,99,000	44,66,000
8. Madras	45,66,761	65,53,050	79,51,125	79,42,000	79,38,000	77,69,000
9. Bombay	48,72,655	61,35,165	72,75,648	1,02,76,000	79,26,000	76,86,000
Eastern Bengal and Assam	31,53,532	...	...	...	...	...
Bengal (old)	58,54,112	...	...	...	...	...
Total	2,94,47,531	3,73,58,345	4,58,43,638	5,75,41,000	4,67,37,000	4,90,46,000
TOTAL INDIA ₹	3,01,59,911	3,89,93,898	4,74,96,388	5,98,49,000	4,84,72,000	5,07,82,000
Equivalent in Sterling £	2,010,661	2,599,593	3,166,426	3,989,900	3,231,400	3,385,500
England	10,528	10,539	10,383	10,000	10,300	9,300
TOTAL	2,021,189	2,610,132	3,176,809	3,999,900	3,241,700	3,394,800

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India, General	30,607	30,495	38,175	40,000	37,000	37,000
2. Delhi . . . . .	...	6,854	18,160	12,000	19,000	17,000
3. Baluchistan	13,451	14,075	17,996	19,000	19,000	19,000
4. North-West Frontier	848	671	13,173	21,000	25,000	23,000
TOTAL	44,906	52,095	87,794	92,000	1,00,000	96,000
<i>Provincial.</i>						
1. Central Provinces	1,46,171	1,99,888	2,03,667	2,23,000	2,16,000	2,29,000
2. Burma	2,17,634	2,39,331	2,89,331	3,25,000	3,60,000	3,85,000
3. Assam . . . . .	...	1,14,026	1,34,639	1,44,000	1,65,000	1,72,000
4. Bengal (new) . . . . .	...	7,77,676	8,10,953	8,62,000	8,12,000	8,86,000
5. Bihar and Orissa . . . . .	...	2,31,122	2,69,993	2,83,000	2,90,000	3,34,000
6. United Provinces	4,85,072	5,11,992	6,08,851	5,88,000	6,04,000	6,19,000
7. Punjab	3,91,763	4,37,675	4,49,433	4,99,000	4,66,000	4,83,000
8. Madras	3,22,612	2,96,297	3,11,011	2,99,000	3,20,000	3,21,000
9. Bombay	4,54,345	5,31,281	5,52,899	5,21,000	5,49,000	5,99,000
Eastern Bengal and Assam	3,39,867	...	...	...	...	...
Bengal (old)	6,81,783	...	...	...	...	...
TOTAL	30,39,247	33,39,788	36,30,777	37,49,000	37,82,000	40,23,000
TOTAL INDIA ₹	30,84,153	33,91,883	37,18,571	38,41,000	38,82,000	41,24,000
Equivalent in Sterling £	205,610	226,126	247,905	256,100	258,800	274,900

EXPENDITURE.

(a) *Imperial.*

Revised, 1914-15.

96. The Revised estimate for 1914-15 is less than the Budget by ₹5·73 lakhs. A portion of the saving is nominal and is caused by (1) the assignment to Provincial Governments of ₹2·42 lakhs out of the reserve for educational requirements, for which Budget provision was made under Education, and (2) the record under Medical and other heads of account of grants aggregating ₹2·60 lakhs made from this reserve for the Lady Hardinge Medical College for Women, Delhi, the improvement of British and Indian Army schools and other objects. The balance of the decrease is due to lapses in ordinary grants.

97. The reserve of ₹7·58 lakhs provided in the Budget out of the recurring appropriation of ₹124 lakhs from Imperial revenues for the improvement of education has been utilized as shown below:—

	₹ lakhs.
(i) Assigned to Provincial Governments	
{ recurring	·84
{ non-recurring	1·58
(ii) Allotted for recurring expenditure on the improvement of British and Indian Army schools	1·00
(iii) Allotted for recurring expenditure in Minor Administrations—	
(a) Delhi (inclusive of ₹1 lakh for the Lady Hardinge Medical College for Women)	1·03
(b) North-West Frontier Province	·57
(c) Other tracts	·15
	1·75
(iv) Allotted for non-recurring expenditure in Minor Administrations, etc.—	
(a) Delhi (inclusive of ₹1 lakh for the St. Stephen's College)	1·06
(b) Other Minor Administrations, etc.	1·35
	2·41
Grand Total	7·58

Budget, 1915-16.

98. The total Budget estimate for 1915-16 does not differ materially from the Revised estimate for 1914-15. The latter includes certain non-recurring grants, e.g., one of ₹2 lakhs to the Indian Institute of Science, Bangalore. The saving caused by the absence of these items of expenditure in the Budget for 1915-16 is counterbalanced by provision (1) for increased outlay in the North-West Frontier Province and Baluchistan on grants-in-aid and other objects, and (2) for a reserve of ₹2·19 lakhs for educational requirements. This reserve represents the portion of the special appropriation of ₹124 lakhs mentioned in paragraph 97 which has not yet been assigned permanently to Provincial Governments or allotted for recurring expenditure in minor administrations, etc. It will be seen from that paragraph that a sum of ₹3·99 lakhs out of this special appropriation was utilized in 1914-15 on non-recurring assignments to Provincial Governments and on non-recurring expenditure in minor administrations, etc., and this sum is accordingly available for redistribution in 1915-16. The amount has been allotted as follows in the Budget estimate for the ensuing year:—

	₹ lakhs.
(i) Assigned to Provincial Governments	
{ recurring	·17
{ non-recurring	1·42
(ii) Minor Administrations, etc.	
{ recurring	·17
{ non-recurring	·04
(iii) Unallotted reserve	2·19
Total	3·99

(b) *Provincial..*

Revised, 1914-15.

99. The total expenditure in 1914-15 is expected to be ₹108·04 lakhs less than the Budget estimate. The latter included special allotments under this head, aggregating about ₹242 lakhs, from the recurring and

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non-recurring assignments made from Imperial revenues in recent years for the development and improvement of education. Out of these allotments the expenditure expected in 1914-15 is about R149 lakhs only, of which R139 lakhs will be recorded under Education, while the balance will appear under Civil Works. Under the former head there is thus a decrease of about R103 lakhs, as compared with the Budget provision, in the outlay from special Imperial grants; and the expenditure from other Provincial resources will accordingly fall short of the corresponding budget provision by about R5 lakhs. This decrease is the net result of a number of variations in several provinces. In Bombay, there is a large saving of about R7 lakhs due to the non-utilisation of the provision for the opening of new primary schools and to lapses in other directions. On the other hand, there is a large excess of about R3 lakhs in the United Provinces owing to larger payment of educational contributions to district boards in connection with the revision of the financial settlements made with them.

100. The Budget estimate for 1915-16 exceeds the Revised estimate for the current year by R23·09 lakhs. Of this increase, about R12 lakhs will be financed from the special assignments made from Imperial revenues in recent years (including the grant of R10 lakhs made in the current year to the Calcutta University which is referred to in paragraph 223 and the whole of which has been made available for expenditure in 1915-16), the provision made under Education for expenditure from these contributions in the Budget for next year amounting to R151 lakhs, against a probable outlay of R139 lakhs in the current year. In spite of the financial situation, most of the Provincial Governments have allotted larger funds from their ordinary Provincial resources for the further development of education in various directions; and the following additions have been made to the Provincial budgets with reference to the recommendations of the respective Finance Committees.

Lakhs of Rs.	
Assam	1·00 for educational reforms generally.
United Provinces	·74 for grants-in-aid and other objects.
Punjab	1·82 mainly for additional grants-in-aid.
Madras	1·39 mainly for grants for the construction of hostels.

101. The following table shows the progress made by the Provincial Governments in utilising the various non-recurring grants given from Imperial revenues in recent years. To simplify the position, it has been assumed that the whole of the recurring grant for any year is fully utilised before any expenditure is debited against the non-recurring grant.

[In lakhs of Rs.]

Province.	Grants to end of 1915-16.	EXPENDITURE.					Unspent balance on 31st March 1916.
		To end of 1915-16.	In 1914-15 (Revised) recorded under		In 1915-16 (Budget) recorded under		
			Education.	Other heads.	Education.	Other heads.	
Central Provinces	23·40	1·87	1·33	3·84	6·10	...	10·26
Burma	33·75	9·32	1·94	4·00	...	...	18·49
Assam	15·70	3·97	2·35	2·90	·74	2·80	2·94
Bengal	1,44·61	27·51	—3·22	11·09	119·09	...	90·14
Bihar and Orissa	41·37	11·35	—2·32	5·69	—1·97	...	28·62
United Provinces	64·95	30·79	8·43	1·48	2·11	2·70	19·44
Punjab	39·34	21·45	5·33	4·00	6·59	1·97	...
Madras	64·44	31·10	6·93	7·73	1·19	1·88	15·61
Bombay	57·77	11·91	1·35	2·57	1·91	...	40·03
Total	485·33	149·27	22·12	43·30	35·76	9·35	225·53

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It will be seen that the Punjab expects to spend by the end of 1915-16 the entire balance of the grants allotted to it. The *minus* figure against Bihar and Orissa in 1915-16 indicates that it will not be possible in this province to utilise fully the recurring grant from Imperial revenues for educational expenditure.

REVENUE.

(a) *Imperial.*

102. The figures show little variation.

(b) *Provincial.*

103. The growth in the number of students in Government schools and colleges generally accounts for the improvements in the receipts in the current year and the further increase allowed for in the Budget of 1915-16.

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23.—ECCLESIASTICAL.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial,</i>						
1. India General	1,58,916	1,74,807	1,72,059	1,90,000	1,86,000	1,95,000
2. Delhi	...	6,187	12,691	12,000	16,000	19,000
3. Baluchistan	23,247	24,451	22,456	21,000	22,000	23,000
4. Central Provinces	75,975	93,420	98,280	1,05,000	1,01,000	1,03,000
5. Burma	1,27,942	1,33,239	1,44,884	1,56,000	1,37,000	1,44,000
6. Assam	...	18,110	16,765	21,000	19,000	21,000
7. Bengal (new)	...	1,91,885	1,84,515	2,00,000	1,97,000	2,08,000
8. Bihar and Orissa	...	81,471	33,243	34,000	32,000	36,000
9. United Provinces	2,53,065	2,59,256	2,71,749	2,72,000	2,60,000	2,82,000
10. Punjab	2,33,743	2,45,303	2,44,834	2,67,000	2,49,000	2,59,000
11. North-West Frontier	38,938	39,660	43,012	45,000	44,000	42,000
12. Madras	3,58,011	3,22,125	3,27,854	3,55,000	3,17,000	3,47,000
13. Bombay	3,43,913	3,27,058	3,42,035	3,40,000	3,30,000	3,46,000
Eastern Bengal and Assam	41,192	...	...	...	...	...
Bengal (old)	2,07,805	...	...	...	...	...
TOTAL INDIA R	18,62,747	18,85,972	19,13,457	20,18,000	19,10,000	20,25,000
Equivalent in Sterling £	124,183	125,798	127,564	134,500	127,300	135,000
England . . . £	305	205	148	300	400	300
TOTAL £	124,488	126,003	127,712	134,800	127,700	135,300

104. A saving of R1.06 lakhs is expected in the total grant for the current year, chiefly in consequence of the absence of the Lord Bishop of Madras and of some of the Chaplains on leave, and the deputation of others to military duty. In 1915-16 provision has been made for the sanctioned scale of expenditure.

Revised, 1914-15.

Budget, 1915-16.

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XX AND 24.—MEDICAL.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	5,78,682	14,54,197	14,26,721	20,73,000	13,62,000	20,89,000
2. Delhi . . . . .	...	5,30,575	1,85,882	1,42,000	5,36,000	2,36,000
3. Baluchistan	1,02,752	1,50,508	1,14,772	1,31,000	1,12,000	1,14,000
4. North-West Frontier	1,50,170	4,81,431	2,26,251	2,51,000	2,67,000	3,50,000
Total	8,31,604	26,16,711	19,53,626	25,97,000	22,77,000	27,89,000
<i>Provincial.</i>						
1. Central Provinces	9,81,058	10,70,733	11,66,605	19,05,000	15,23,000	13,61,000
2. Burma	21,88,473	21,90,764	20,69,540	22,71,000	32,05,000	20,85,000
3. Assam . . . . .	...	6,21,244	6,55,611	10,62,000	7,11,000	7,61,000
4. Bengal (new) . . . . .	...	26,42,133	28,50,459	47,81,000	30,23,000	36,13,000
5. Bihar and Orissa . . . . .	...	7,26,757	9,14,408	21,49,000	9,50,000	11,61,000
6. United Provinces	30,03,278	28,97,784	37,54,222	44,82,000	32,53,000	29,42,000
7. Punjab	21,26,662	25,82,514	13,72,398	14,37,000	27,91,000	22,73,000
8. Madras	18,27,119	20,51,628	24,86,398	25,17,000	24,99,000	21,10,000
9. Bombay	24,36,270	23,50,042	27,20,970	49,05,000	27,63,000	31,78,000
Eastern Bengal and Assam	12,57,082	...	...	...	...	...
Bengal (old)	25,06,729	...	...	...	...	...
Total	1,63,26,671	1,71,33,599	1,79,90,611	2,55,09,000	2,07,24,000	1,94,84,000
TOTAL INDIA R	1,71,58,275	1,97,50,310	1,99,44,237	2,81,06,000	2,30,01,000	2,22,73,000
Equivalent in Sterling £	1,143,885	1,316,687	1,329,616	1,873,700	1,533,400	1,484,900
England £	11,605	10,531	8,319	11,300	6,400	5,100
TOTAL £	1,155,490	1,327,218	1,337,935	1,885,000	1,539,800	1,490,000

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	5,868	5,707	6,036	5,000	6,000	6,000
2. Delhi . . . . .	...	83	826	2,000	1,000	1,000
3. Baluchistan	1,694	1,705	1,880	2,000	...	...
4. North-West Frontier	96	352	181	...	2,000	1,000
TOTAL	7,658	7,847	8,923	9,000	9,000	8,000
<i>Provincial.</i>						
1. Central Provinces	15,568	19,587	17,386	18,000	16,000	18,000
2. Burma	1,02,072	1,11,886	1,04,390	1,11,000	1,05,000	1,11,000
3. Assam . . . . .	...	18,709	23,920	25,000	25,000	26,000
4. Bengal (new) . . . . .	...	4,26,733	4,20,307	3,97,000	3,75,000	3,80,000
5. Bihar and Orissa . . . . .	...	16,207	13,852	16,000	17,000	19,000
6. United Provinces	54,592	54,657	72,485	1,41,000	2,18,000	2,15,000
7. Punjab	50,157	91,339	64,731	62,000	73,000	82,000
8. Madras	1,27,362	1,53,648	1,91,716	1,27,000	1,55,000	1,45,000
9. Bombay	2,44,092	3,25,370	2,77,970	2,60,000	3,00,000	2,90,000
Eastern Bengal and Assam	50,508	...	...	...	...	...
Bengal (old)	3,37,817	...	...	...	...	...
TOTAL	9,82,168	12,18,136	11,86,757	11,57,000	12,84,000	12,86,000
TOTAL INDIA R	9,89,826	12,25,983	11,95,680	11,66,000	12,93,000	12,94,000
Equivalent in Sterling £	65,988	81,732	79,712	77,700	86,200	86,300
England £	859	773	676	700	700	600
TOTAL £	66,847	82,505	80,388	78,400	86,900	86,900

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EXPENDITURE.

(a) *Imperial.*

105. The total Revised estimate for 1914-15 is less than the Budget by *Revised, 1914-15.* Rs 3.20 lakhs. The Budget grant for India General included a reserve of Rs 7.80 lakhs for the improvement of sanitation out of the special appropriation of Rs 51 lakhs made for this purpose from Imperial revenues in recent years. From this sum, non-recurring contributions aggregating Rs 5.70 lakhs have been given to Provincial Governments and a non-recurring allotment of Rs 2 lakhs has been made for anti-malarial and other sanitary measures in Delhi, the balance of Rs 10 lakh being utilised to meet the needs of minor administrations. The resultant reduction in the grant for India General amounts to Rs 7.7 lakhs: the fact that the actual reduction expected (Rs 7.11 lakhs) is a somewhat smaller figure, is due to a partially counterbalancing increase, mainly occurring in the charges of the Director General, Indian Medical Service, and of the Sanitary Commissioner, consequent on a reorganization of establishments. The increase of Rs 3.94 lakhs over the Budget grant for Delhi is due to (1) the special grant of Rs 2 lakhs mentioned above, and (2) the payment of a contribution of Rs 2 lakhs to the Lady Hardinge Medical College, a moiety of which represents the grant for 1913-14 which was not paid in that year, while provision for the other moiety was made in the Budget under "22.—Education." The Revised estimate for the North-West Frontier Province includes a sum of Rs 1 lakh for sanitary grants to local bodies for which provision was made in the Budget under "45.—Civil Works." The resultant excess over the Budget grant for Medical is partially counterbalanced by a refund by the Peshawar Municipality of a contribution paid to it in 1913-14 and by lapses in ordinary grants.

106. The total Budget estimate for 1915-16 exceeds the Revised estimate *Budget, 1915-16.* for the current year by Rs 5.12 lakhs. It provides for the cost of sanctioned establishments and allows for the temporary transfer of certain Medical officers to military duty. The Budget for India General includes a reserve of Rs 7.70 lakhs for the improvement of sanitation. This reserve represents the portion of the special appropriation of Rs 51 lakhs referred to in paragraph 105 which has not yet been assigned permanently to Provincial Governments or allotted for recurring outlay in minor administrations, etc. The estimate for Delhi provides for the recurring grant of Rs 1 lakh to the Lady Hardinge Medical College; and the decrease in the Budget, as compared with the Revised estimate for the current year, is due to the absence of the special grant of Rs 2 lakhs for sanitary measures and of the payment to the Lady Hardinge Medical College of the grant for 1913-14, which are included in the Revised estimate (see paragraph 105).

(b) *Provincial.*

107. The total Revised estimate for 1914-15 is *Revised, 1914-15.* Rs 47.85 lakhs less than the Budget. The latter included special allotments aggregating about Rs 78 lakhs for outlay under Medical from recurring and non-recurring appropriations made from Imperial revenues for the development of sanitation. The amount of expenditure out of these special Imperial subventions in the current year, which will be recorded under Medical, is now estimated at about Rs 48 lakhs, *i.e.*, Rs 30 lakhs less than the Budget provision. Apart from outlay out of the special Imperial grants, the expenditure in 1914-15 will thus fall short of the Budget grants by about Rs 18 lakhs. The saving, which is shared by all the provinces, is generally due to the transfer to temporary military duty of officers of the Indian Medical Service in Civil employ and to lapses in the allotments for ordinary and plague expenditure. The excesses over Budget grants shown against Burma and the Punjab in the table on page 66 are nominal, and are caused by the record under Medical of certain items of expenditure, budget provision for which was made under "45.—Civil Works."

108. The Budget estimate for 1915-16 is less than the Revised for 1914-15 *Budget, 1915-16.* by Rs 12.40 lakhs. The decrease occurs wholly in the outlay from special

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Imperial grants for which a provision of about R34 lakhs has been made in the Budget under Medical, against a probable expenditure of R48 lakhs under the same head in the current year. Provision has generally been made for the full cost of sanctioned establishments, due allowance being made for the temporary transfer from civil to military duty of a number of officers of the Indian Medical Service, as well as for normal outlay in other directions.

109. The following table shows the progress made by the Provincial Governments in utilising the various non-recurring grants made from Imperial revenues in the years 1911-12 to 1913-14 in aid of sanitation. To simplify the position, it has been assumed that the recurring grant is fully utilised before any expenditure is debited against the non-recurring grant; and the *minus* figure in 1914-15 and 1915-16 against two provinces indicates a lapse in the recurring grant also.

[In lakhs of Rs.]

Provinces.	Grants to end of 1915-16.	EXPENDITURE.					Balance.
		To end of 1913-14.	In 1914-15 (Revised) recorded under		In 1915-16 (Budget) recorded under		
			Medical.	Other heads.	Medical.	Other heads.	
Central Provinces	16.50	4.14	2.86	.14	3.00	...	6.36
Burma	21.50	9.32	...	5.04	...	...	7.14
Assam	6.96	4.00	.17	2.15	...	.26	.38
Bengal	40.55	12.23	.85	.48	..	...	28.99
Bihar and Orissa	17.82	8.97	...	4.93	—11	...	4.03
United Provinces	49.00	24.45	4.75	.95	1.50	...	17.35
Punjab	28.97	14.41	5.77	.23	2.50	...	6.06
Madras	39.25	10.68	3.00	12.25	...	9.00	4.32
Bombay	37.95	18.68	—01	...	—1.00	...	20.28
Total	258.50	106.88	17.39	26.17	5.89	9.26	92.91

REVENUE.

(a) Imperial.

110. The figures show little variation.

(b) Provincial.

Revised, 1914-15.

111. The increase of R1.27 lakhs in the revenue in 1914-15 over the Budget estimate is mainly due to the refund of contributions made to certain municipalities in the United Provinces in 1913-14, and to an improvement in the hospital receipts in Bombay and in some of the other provinces. The Budget estimate for 1915-16 practically repeats the Revised estimate for the current year.

Budget, 1915-16.

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25.—POLITICAL.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	61,56,080	59,54,979	66,13,582	65,69,000	66,07,000	65,34,000
2. Delhi . . . . .	...	44,388	...	...	1,000	1,000
3. Baluchistan	23,47,655	23,34,142	24,15,124	24,17,000	24,19,000	25,19,000
4. North-West Frontier	30,61,756	31,47,089	31,59,306	32,66,000	32,24,000	34,57,000
5. Punjab	6,23,668	6,52,497	6,92,886	7,49,000	6,50,000	6,35,000
6. Other Provinces	5,59,940	5,54,949	6,56,541	6,07,000	6,94,000	6,90,000
TOTAL	1,27,54,099	1,26,88,044	1,35,37,439	1,36,08,000	1,35,95,000	1,38,37,000
<i>Provincial.</i>						
1. Central Provinces	82,431	40,212	23,716	96,000	93,000	28,000
2. Burma	4,51,115	9,39,395	13,58,283	19,23,000	20,39,000	20,37,000
3. Assam . . . . .	...	6,91,696	16,15,625	6,37,000	5,42,000	6,67,000
4. Bengal (new) . . . . .	...	38,976	32,975	29,000	23,000	30,000
5. Bihar and Orissa . . . . .	...	52,132	64,917	53,000	55,000	53,000
6. United Provinces	6,273	4,139	2,797	10,000	4,000	8,000
7. Madras	1,02,709	95,175	88,834	92,000	87,000	88,000
8. Bombay	4,32,446	4,21,351	4,36,079	5,48,000	5,68,000	5,08,000
Eastern Bengal and Assam	5,38,984	...	...	...	...	...
Bengal (old)	57,779	...	...	...	...	...
TOTAL	16,21,737	22,83,076	36,23,227	33,28,000	33,56,000	34,24,000
TOTAL INDIA . R	1,43,75,836	1,49,71,120	1,71,60,666	1,69,36,000	1,69,51,000	1,72,61,000
Equivalent in Sterling £ England	953,389 9,769	998,075 7,843	1,144,044 15,146	1,129,100 15,100	1,130,100 24,000	1,150,700 5,600
TOTAL . £	968,158	1,005,923	1,159,190	1,144,200	1,154,100	1,156,300

112. The Imperial outlay shown against "Other Provinces" consists of the charges of the Political Residency at Aden and certain other expenditure—mainly in connection with political refugees and State prisoners—in several provinces.

INDIA.

(a) *Imperial.*

113. The total expenditure in 1914-15 is not expected to differ materially from the Budget provision. There will be a saving in the grant for the Turco-Persian Frontier Commission owing to its early termination, and in the charges of political refugees due to the death of Sardar Ayub Khan; but it will nearly be counterbalanced by an increase in the outlay on the buoying and lighting of the Persian Gulf, and by extra expenditure on telegram charges and in other directions at Aden and elsewhere necessitated by the war. The Budget estimate for 1915-16 is taken at R2.42 lakhs higher than the Revised estimate for the current year, the excess being mainly due to full provision for the revision of the Northern Waziristan Militia and certain other schemes which have been sanctioned during the current year.

(b) *Provincial.*

114. The total Revised estimate for 1914-15 does not differ materially from the Budget grant, an increase of R1.16 lakhs in Burma, mainly in the special expenditure in connection with the administration and proper control of the North-East Frontier, being nearly covered by a decrease of R.95 lakh in the similar expenditure in Assam. The total Budget estimate for 1915-16 exceeds the Revised estimate for the current year by R.68 lakh. Provision

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has been made for an increase of ₹1.25 lakhs in the special expenditure in Assam on the North-East Frontier with reference to the cost of establishments already sanctioned. But there will be a reduction in Bombay owing to the absence of certain payments of arrears of salary made in the current year.

ENGLAND.

Revised, 1914-15.

Budget, 1915-16.

115. The Revised estimate for 1914-15 exceeds the Budget by £8,900 mainly in consequence of higher outlay on stores required for lighting and bouying the Persian Gulf. No expenditure on this account is anticipated in 1915-16, and this explains the decrease of £18,400 in the Budget estimate as compared with the Revised estimate for the current year.

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XXI A. AND 26 A.—AGRICULTURE.

EXPENDITURE.

	Accounts, 1911-1913.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	8,83,255	6,80,936	7,68,693	8,25,000	7,80,000	8,31,000
2. Delhi . . . . .	...	2,553	7,293	13,000	13,000	12,000
3. Baluchistan	41,009	40,770	22,887	32,000	28,000	32,000
4. North-West Frontier	55,743	53,345	1,05,234	1,21,000	88,000	1,19,000
5. Other Provinces	2,50,044	4,16,080	3,36,908	3,79,000	29,000	30,000
TOTAL	12,30,056	11,93,684	12,41,020	13,70,000	9,38,000	10,24,000
<i>Provincial.</i>						
1. Central Provinces	5,00,761	6,33,241	7,25,222	7,42,000	7,56,000	8,54,000
2. Burma	3,77,047	4,22,707	4,69,492	5,02,000	5,39,000	5,68,000
3. Assam . . . . .	...	1,24,429	2,04,544	3,17,000	2,91,000	2,66,000
4. Bengal (new) . . . . .	...	7,72,137	9,06,776	11,86,000	9,76,000	11,17,000
5. Bihar and Orissa . . . . .	...	3,39,643	4,46,941	4,89,000	5,03,000	5,37,000
6. United Provinces	10,49,600	11,10,006	11,90,486	11,46,000	11,55,000	12,22,000
7. Punjab	7,16,430	7,44,876	8,55,270	10,53,000	11,49,000	11,72,000
8. Madras	6,06,087	7,45,830	8,95,246	9,38,000	9,53,000	10,73,000
9. Bombay	10,06,783	9,22,044	10,70,232	13,11,000	12,80,000	12,71,000
Eastern Bengal and Assam	3,70,492	...	...	...	...	...
Bengal (old)	7,57,065	...	...	...	...	...
TOTAL	53,84,265	58,13,913	67,64,209	76,84,000	75,82,000	80,80,000
TOTAL INDIA	66,14,321	70,12,597	80,05,229	90,54,000	85,20,000	91,04,000
Equivalent in Sterling £	440,955	467,507	533,682	603,600	568,000	606,900
England £	945	...	1,257	2,500	2,500	2,000
TOTAL £	441,900	467,507	534,939	606,100	570,500	608,900

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	1,62,633	1,25,406	1,28,052	1,20,000	1,08,000	1,31,000
2. Delhi . . . . .	...	2,468	1,086	...	...	...
3. Baluchistan	189	626	1,612	1,000	4,000	3,000
4. North-West Frontier	784	1,213	2,167	7,000	3,000	7,000
5. Punjab . . . . .	...	66,153	...	...	...	...
TOTAL	1,63,606	1,95,864	1,32,917	1,28,000	1,15,000	1,41,000
<i>Provincial.</i>						
1. Central Provinces	67,092	85,831	1,10,198	1,06,000	1,32,000	1,13,000
2. Burma	6,948	8,766	13,851	16,000	15,000	20,000
3. Assam . . . . .	...	6,902	8,232	11,000	9,000	11,000
4. Bengal (new) . . . . .	...	79,644	78,756	85,000	78,000	82,000
5. Bihar and Orissa . . . . .	...	20,747	21,407	24,000	23,000	48,000
6. United Provinces	1,51,055	1,42,337	1,83,256	1,69,000	1,86,000	1,98,000
7. Punjab	1,03,525	1,25,491	2,16,560	2,78,000	1,83,000	1,88,000
8. Madras	92,144	89,561	1,00,652	1,06,000	1,18,000	1,20,000
9. Bombay	1,01,468	1,02,339	1,22,622	1,14,000	1,23,000	1,43,000
Eastern Bengal and Assam	22,303	...	...	...	...	...
Bengal (old)	68,337	...	...	...	...	...
TOTAL	6,12,872	6,61,668	8,55,534	9,09,000	8,67,000	9,23,000
TOTAL INDIA	7,76,478	8,57,532	9,88,451	10,37,000	9,32,000	10,69,000
Equivalent in sterling £	51,765	57,169	65,897	69,100	65,500	71,300
England £
TOTAL £	51,765	57,169	65,897	69,100	65,500	71,300

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EXPENDITURE.

(a) *Imperial.*

Revised, 1914-15. 116. The total Revised Estimate for 1914-15 is less than the Budget by R4.32 lakhs. The decrease of R3.50 lakhs, shown against "Other Provinces" in the table on page 71, is explained by the fact that the salaries of officers of the Indian Civil Veterinary Department, with the exception of the Camel Specialist in the Punjab, are now recorded as Provincial expenditure, whereas the corresponding provision in the Budget was made in the Imperial section of the estimates. Apart from this special variation, a saving of R.82 lakh is now expected in the Budget provision owing to lapses in ordinary grants and the non-utilisation of a lump allotment for the creation of a separate Veterinary Department in the North-West Frontier Province. The Budget estimate provides generally for sanctioned establishments and repeats the lump allotment in the North-West Frontier Province.

Budget, 1915-16.

(b) *Provincial.*

Revised, 1914-15. 117. The total expenditure in 1914-15 is expected to fall short of the Budget estimate by R1.02 lakhs. Lapses in ordinary grants and in the lump allotments for fresh expenditure will occur in every province; but, except in Bengal, Bombay and Assam, they are obscured by the expenditure on the salaries of officers of the Civil Veterinary Department, which are being recorded in the Provincial section with effect from the current year. The Budget estimate for 1915-16 provides generally for sanctioned establishments. Special allotments have also been made in Bengal, in Madras and in some of the other provinces, for the further development of the agricultural and veterinary departments.

Budget, 1915-16.

REVENUE.

118. The figures do not show any important variation.

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XXIB AND 26B.—SCIENTIFIC AND MISCELLANEOUS DEPARTMENTS.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	44,35,731	44,68,543	45,24,624	48,83,000	44,85,000	45,71,000
2. Delhi . . . . .	...	14,819	9,200	2,000	4,000	2,000
3. Baluchistan	25,141	17,038	11,998	7,000	9,000	7,000
4. North-West Frontier	23,690	13,584	9,749	10,000	9,000	10,000
5. Other Provinces	12,01,708	1,55,750	94,545	46,000	35,000	42,000
TOTAL	56,86,270	46,69,734	45,90,116	49,48,000	45,42,000	46,32,000
<i>Provincial.</i>						
1. Central Provinces	62,604	80,190	72,130	93,000	75,000	95,000
2. Burma	63,237	67,027	69,103	74,000	84,000	78,000
3. Assam . . . . .	...	46,872	93,218	51,000	98,000	85,000
4. Bengal (new) . . . . .	...	8,91,816	5,19,023	5,44,000	5,28,000	5,05,000
5. Bihar and Orissa . . . . .	...	16,492	30,303	19,000	30,000	21,000
6. United Provinces	1,01,720	1,18,326	96,295	93,000	91,000	1,01,000
7. Punjab	54,796	76,438	1,10,413	1,55,000	94,000	1,72,000
8. Madras	7,30,101	11,20,234	8,82,452	8,07,000	9,78,000	11,34,000
9. Bombay	77,426	1,03,546	1,33,320	1,18,000	1,35,000	1,46,000
Eastern Bengal and Assam	74,632	...	...	...	...	...
Bengal (old)	5,96,101	...	...	...	...	...
TOTAL	17,60,617	25,20,941	20,06,262	19,54,000	21,08,000	23,37,000
TOTAL INDIA	74,46,887	71,90,675	65,96,378	69,02,000	66,50,000	69,69,000
Equivalent in Sterling £ England (mainly stores)	496,459	479,378	439,759	460,200	443,300	4,64,600
£	22,846	25,440	33,529	38,400	40,100	37,800
TOTAL	519,305	504,818	473,288	498,600	483,400	502,400

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	1,11,447	1,04,131	1,37,049	1,39,000	1,73,000	1,44,000
2. Delhi . . . . .	...	...	4,669	3,000	5,000	5,000
3. Baluchistan	660	762	736	1,000	...	...
4. North-West Frontier	88	111	212	...	1,000	1,000
TOTAL	1,12,195	1,05,004	1,42,666	1,43,000	1,79,000	1,50,000
<i>Provincial.</i>						
1. Central Provinces	26,937	30,164	32,194	30,000	27,000	28,000
2. Burma	857	720	310	1,000	2,000	1,000
3. Assam . . . . .	...	13,868	10,186	11,000	10,000	12,000
4. Bengal (new) . . . . .	...	1,38,237	1,98,925	1,87,000	4,30,000	3,53,000
5. Bihar and Orissa . . . . .	...	5,060	3,740	6,000	5,000	6,000
6. United Provinces	18,487	13,945	25,339	21,000	22,000	20,000
7. Punjab	2,570	5,261	1,555	1,000	8,000	23,000
8. Madras	5,49,620	4,79,461	5,71,567	5,52,000	8,22,000	7,93,000
9. Bombay	16,734	16,350	17,726	13,000	40,000	53,000
Eastern Bengal and Assam	22,748	...	...	...	...	...
Bengal (old)	1,71,203	...	...	...	...	...
TOTAL	8,09,136	7,03,116	8,61,542	8,27,000	13,66,000	12,89,000
TOTAL INDIA	9,21,331	8,08,120	10,04,208	9,70,000	15,45,000	14,39,000
Equivalent in Sterling £ England	61,422	53,874	66,947	64,700	103,000	95,900
£	998	761	962	900	900	900
TOTAL	62,420	54,635	67,909	65,600	103,900	96,800

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Details of expenditure shown against "Imperial" in the preceding table.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>(a) Scientific—</i>						
i. Survey of India .	25,80,259	26,27,411	25,94,086	28,55,000	25,12,000	25,80,000
ii. Geological Survey	3,07,997	3,00,501	3,06,073	3,20,000	2,69,000	3,22,000
iii. Meteorological Survey	3,85,054	3,97,114	4,27,266	4,93,000	4,75,000	4,77,000
iv. Archæological Survey	2,22,020	2,59,834	3,08,433	3,11,000	3,40,000	3,18,000
v. Central Museum .	1,75,269	1,59,271	1,44,177	1,47,000	1,41,000	1,33,000
vi. Central Research and X-Ray Institutes	1,65,716	1,72,545	1,93,865	1,85,000	1,85,000	1,69,000
vii. Other items .	63,489	76,513	75,251	59,000	69,000	63,000
<i>(b) Labour and Emig- ration—</i>						
Emigration and other charges .	7,496	9,548	4,249	9,000	10,000	9,000
<i>(c) Statistics—</i>						
i. Bureau of Com- mercial Intelli- gence, and other charges .	1,73,872	1,59,213	1,58,519	1,77,000	1,71,000	1,64,000
ii. Census .	13,06,891	2,04,346	40,802	2,000	2,000	2,000
<i>(d) Miscellaneous—</i>						
i. Imperial Library	41,059	40,929	39,692	46,000	45,000	46,000
ii. Examinations	61,846	46,016	47,590	55,000	52,000	54,000
iii. Chief Inspector of Explosives	74,885	72,070	82,939	86,000	80,000	85,000
iv. Inspector of Mines	1,11,004	90,207	98,312	1,28,000	1,16,000	1,31,000
v. Controller of Patents	6,218	37,972	39,768	42,000	32,000	42,000
vi. Actuary to Govern- ment of India	...	4,008	21,115	22,000	23,000	23,000
vii. Other items	3,195	12,231	7,979	11,000	20,000	14,000
TOTAL R	56,86,270	46,69,734	45,90,116	49,43,000	45,42,000	46,32,000

EXPENDITURE.

119. The figures shown against "Other Provinces" in the table at page 73 represent expenditure incurred in the several provinces in connection with ethnographical surveys and census operations as well as the cost of the Archæological Department in Burma.

(a) Imperial—India and England.

Revised, 1914-15.

120. The total Revised estimate for 1914-15 is less than the Budget by R3 81 lakhs. A saving of R3 43 lakhs is expected in the charges of the Imperial Survey Department owing to the temporary transfer to military duty of the military officers employed in the Department and the consequent curtailment of its operations. Lapses will also occur in the grants of the Geological Survey and certain other Departments.

Budget, 1915-16.

121. The total Budget grant for 1915-16 is higher than the Revised for the current year by R 56 lakh. Provision has generally been made for sanctioned establishments and normal operations; and in the case of the Imperial Survey Department it has been assumed that the military officers who have been transferred temporarily to military duty will not return to the Department during the ensuing year.

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(b) *Provincial.*

122. The total expenditure in 1914-15 is expected to exceed the Budget Revised, 1914-15. provision by R1.54 lakhs, mainly in consequence of larger outlay on the purchase of cinchona bark in Madras. The Budget estimate for 1915-16 exceeds Budget, 1915-16. the Revised for the current year by R2.29 lakhs, the increase being mainly due to enhanced provision for industrial experiments, and for the encouragement of industries, in Madras and the Punjab.

REVENUE.

(a) *Imperial.*

123. The figures do not show any important variation.

(b) *Provincial.*

124. The improvement in revenue in 1914-15 over the Budget estimate Revised, 1914-15. occurs chiefly in the receipts from the cinchona plantations in Bengal and Madras. The Budget estimate for 1915-16 anticipates some decline in these Budget, 1915-16. receipts in the ensuing year.

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27.—TERRITORIAL AND POLITICAL PENSIONS.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General . . .	1,22,768	1,19,737	1,12,559	1,07,000	1,15,000	1,25,000
2. Delhi . . . . .	...	13,137	36,635	47,000	60,000	51,000
3. Baluchistan . . .	46,302	50,659	49,278	57,000	45,000	45,000
4. Central Provinces . .	1,89,250	1,82,692	1,71,252	1,82,000	1,78,000	1,78,000
5. Burma	1,50,959	1,59,660	1,48,662	1,44,000	1,51,000	1,41,000
6. Assam . . . . .	...	4,686	4,511	5,000	5,000	5,000
7. Bengal (new) . . .	...	7,62,691	7,93,332	7,53,000	7,45,000	7,35,000
8. Bihar and Orissa . .	...	53,439	40,762	55,000	64,000	50,000
9. United Provinces . .	7,99,263	7,59,308	7,52,347	7,94,000	7,50,000	7,87,000
10. Punjab	1,35,266	1,21,803	81,638	91,000	76,000	70,000
11. North-West Frontier .	63,444	62,377	66,975	62,000	61,000	61,000
12. Madras	3,24,861	3,23,195	3,53,700	3,55,000	3,15,000	3,39,000
13. Bombay	5,48,984	5,06,950	5,31,218	5,21,000	5,21,000	5,22,000
Eastern Bengal and Assam	9,420	...	...	...	...	...
Bengal (old) . . .	8,48,899	...	...	...	...	...
TOTAL INDIA . R	32,39,416	31,25,384	31,42,969	31,73,000	30,86,000	31,09,000
Equivalent in Sterling £	215,961	208,359	209,531	211,600	205,800	207,200
England £	11,100	11,050	11,189	10,600	10,600	10,600
TOTAL . £	227,061	219,409	220,720	222,200	216,400	2,17,800

125. The total figures show little variation.

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28.—CIVIL FURLOUGH AND ABSENTEE ALLOWANCES.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
India R	19,597	18,406	19,208	20,000	13,000	13,000
Equivalent in Sterling £ England £	1,307 424,435.	1,227 410,957	1,280 450,326	1,300 432,000	900 360,000	900 83,000
TOTAL . . . £	425,742	412,184	451,606	433,300	360,900	83,900

126. Almost the whole of the expenditure recorded under this head is incurred in England. Leave allowances of officers paid in India are charged to the same head as their salaries, and the small sums shown against India represent leave allowances of officers lent to Foreign States, etc.

127. Owing to the recall of officers from leave in consequence of the war and the restriction imposed on the grant of leave out of India, the expenditure in the current year will fall short of the Budget provision by £72,400. ^{Revised, 1914-15.} The Budget estimate for 1915-16 anticipates a further reduction of £277,000 in these charges on the assumption that the orders restricting the grant of leave ^{Budget, 1915-16.} will remain in operation throughout the ensuing year.

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XXII AND 29.—SUPERANNUATION.

EXPENDITURE.

	Accounts, 1911-12.	Accounts, 1912-13.	Accounts, 1913-14.	1914-15.		Budget, 1915-16.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	9,95,017	10,33,139	12,06,141	12,69,000	12,60,000	12,60,000
2. Delhi . . . . .	...	85,057	1,70,773	1,61,000	1,76,000	1,72,000
3. Baluchistan	13,975	20,996	29,244	34,000	34,000	28,000
4. North-West Frontier	1,35,228	1,45,328	1,70,624	1,79,000	1,64,000	1,72,000
5. Other Provinces	1,06,754	1,01,128	1,08,782	1,06,000	1,06,000	1,11,000
TOTAL	12,50,974	13,85,648	16,85,564	17,49,000	17,40,000	17,43,000
<i>Provincial.</i>						
1. Central Provinces	7,24,164	7,57,493	8,66,965	8,70,000	9,25,000	9,80,000
2. Burma	8,03,470	8,55,679	9,27,028	10,31,000	10,73,000	11,95,000
3. Assam . . . . .	...	2,43,462	2,83,152	2,81,000	3,08,000	3,13,000
4. Bengal (new) . . . . .	...	29,25,688	31,00,288	32,31,000	32,84,000	34,29,000
5. Bihar and Orissa . . . . .	...	8,31,582	9,07,634	9,54,000	9,31,000	9,76,000
6. United Provinces	30,37,146	32,10,920	34,60,937	34,80,000	36,68,000	38,30,000
7. Punjab	18,71,378	19,17,806	21,72,893	22,24,000	23,17,000	23,91,000
8. Madras	25,98,314	27,66,814	31,24,098	32,64,000	34,71,000	35,13,000
9. Bombay	31,38,669	33,48,164	36,44,035	37,75,000	39,42,000	38,97,000
Eastern Bengal and Assam	8,63,089	...	...	...	...	...
Bengal (old)	29,16,661	...	...	...	...	...
TOTAL	1,59,52,891	1,68,57,608	1,84,87,030	1,91,10,000	1,99,19,000	2,05,24,000
TOTAL INDIA	1,72,03,865	1,82,43,256	2,01,72,594	2,08,59,000	2,16,59,000	2,22,67,000
Equivalent in Sterling £	1,146,924	1,216,217	1,344,840	1,390,600	1,443,900	1,484,500
England	2,040,496	2,068,102	2,054,647	2,059,000	2,058,000	2,059,000
TOTAL £	3,187,420	3,284,319	3,399,487	3,449,600	3,501,900	3,543,500

RECEIPTS.

	Accounts, 1911-12.	Accounts, 1912-13.	Accounts, 1913-14.	1914-15.		Budget, 1915-16.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	3,18,587	3,18,608	3,54,865	3,37,000	4,08,000	3,97,000
2. Delhi . . . . .	...	3,710	2,760	...	3,000	3,000
3. Baluchistan	3,448	3,428	3,568	4,000	5,000	5,000
4. North-West Frontier	19,420	15,779	19,653	18,000	23,000	23,000
5. Other Provinces	8,95,188	9,35,399	9,55,641	9,50,000	9,82,000	9,73,000
TOTAL	12,36,643	12,76,924	13,36,487	13,09,000	14,21,000	14,01,000
<i>Provincial.</i>						
1. Central Provinces	91,430	98,070	1,24,284	1,61,000	1,65,000	1,78,000
2. Burma	22,594	17,935	16,448	17,000	18,000	17,000
3. Assam . . . . .	...	3,414	4,391	4,000	5,000	5,000
4. Bengal (new) . . . . .	...	48,210	38,886	39,000	42,000	40,000
5. Bihar and Orissa . . . . .	...	21,116	24,271	24,000	28,000	28,000
6. United Provinces	86,002	66,808	70,992	66,000	81,000	75,000
7. Punjab	78,973	90,204	75,601	84,000	70,000	70,000
8. Madras	87,537	93,797	94,511	93,000	1,02,000	1,02,000
9. Bombay	3,41,588	3,64,236	3,88,255	3,90,000	4,40,000	4,20,000
Eastern Bengal and Assam	10,140	...	...	...	...	...
Bengal (old)	66,359	...	...	...	...	...
TOTAL	7,84,623	8,03,790	8,37,639	8,78,000	9,51,000	9,35,000
TOTAL INDIA	20,21,266	20,80,714	21,74,126	21,87,000	23,72,000	23,36,000
Equivalent in Sterling £	134,751	138,714	144,941	145,800	158,100	155,800
England	66,719	61,672	61,869	58,800	49,200	34,000
TOTAL £	201,470	200,386	206,810	204,600	207,300	189,800

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128. The figures of Imperial revenue shown against "Other Provinces" represent the receipts of certain abolished funds, the assets and liabilities of which were taken over by the Government, as well as the subscriptions paid by members of the Indian Civil Service for securing certain pensionary benefits for their families. The charges on account of such pensions as well as of the pensions of the abolished funds are recorded in the accounts as Imperial expenditure.

(a) *Imperial—India and England.*

129. The figures show little variation.

(b) *Provincial.*

130. The Revised estimate for 1914-15 exceeds the Budget by Rs 09 Revised, 1914-15. lakhs, the increase being due partly to a higher growth of pension charges than Budget, 1915-16. was anticipated and partly to a larger demand for the commutation of pensions. The Budget estimate for 1915-16 provides for the normal growth of the retired list.

REVENUE.

131. The variations in the figures are unimportant.

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XXIII AND 30.—STATIONERY AND PRINTING.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. Central Stationery Office	2,56,521	2,67,224	2,77,711	2,49,000	2,41,000	2,42,000
2. Stationery purchased for Central stores.	40,06,020	39,10,253	44,53,180	40,33,000	42,63,000	42,30,000
3. Government Presses (mainly Calcutta, Simla and Delhi)	15,71,665	17,15,030	17,38,997	17,35,000	17,77,000	18,42,000
4. Other charges	13,455	11,070	9,331	10,000	10,000	11,000
5. Deduct—Value of supplies to Local Governments and Administrations and to Postal and Telegraph Department, etc.	-48,40,807	-47,79,771	-49,68,584	-49,28,000	-46,66,000	-48,36,000
6. Delhi . . . . .	...	4,788	10,138	15,000	12,000	14,000
7. Baluchistan	2,800	1,532	2,100	3,000	3,000	3,000
8. North-West Frontier	82,738	91,183	1,09,250	1,16,000	1,12,000	1,22,000
TOTAL	10,92,392	12,21,309	16,32,123	12,33,000	17,52,000	16,28,000
<i>Provincial.</i>						
1. Central Provinces	3,37,128	3,26,223	4,05,077	4,04,000	4,01,000	4,25,000
2. Burma	7,83,162	7,94,109	6,91,512	7,59,000	7,57,000	7,46,000
3. Assam . . . . .	...	1,70,639	1,65,196	1,81,000	1,69,000	1,81,000
4. Bengal (new) . . . . .	...	13,34,429	14,85,406	14,44,000	13,56,000	13,87,000
5. Bihar and Orissa . . . . .	...	3,21,904	3,16,285	7,51,000	6,53,000	6,89,000
6. United Provinces	8,24,460	8,73,853	9,18,067	9,01,000	9,24,000	9,31,000
7. Punjab	7,17,330	6,72,460	6,67,651	7,06,000	7,41,000	7,70,000
8. Madras	15,54,759	17,43,062	15,87,854	15,09,000	15,64,000	15,92,000
9. Bombay	13,61,930	13,58,931	14,97,543	15,01,000	14,00,000	14,10,000
Eastern Bengal and Assam	7,10,167	...	...	...	...	...
Bengal (old)	10,90,495	...	...	...	...	...
TOTAL	73,79,431	75,95,610	77,34,591	81,56,000	79,65,000	81,31,000
TOTAL INDIA R	84,71,823	88,16,919	93,66,714	93,89,000	97,17,000	97,59,000
Equivalent in Sterling £	564,788	537,795	624,448	625,900	647,800	650,600
England { Stores £	98,374	85,314	99,812	86,200	110,000	95,000
{ Other charges £	6,529	6,433	5,496	7,600	8,100	8,100
TOTAL £	669,691	679,542	729,756	719,700	765,900	753,700

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	4,46,335	3,98,311	4,54,839	4,18,000	4,33,000	4,23,000
2. Delhi . . . . .	...	990	5,131	4,000	6,000	6,000
3. Baluchistan	192	561	205	...	...	...
4. North-West Frontier	18,008	17,993	20,387	20,000	23,000	24,000
5. Other Provinces	1,97,136	1,75,750	1,42,784	2,03,000	2,16,000	2,03,000
TOTAL	6,61,671	5,93,605	6,23,346	6,45,000	6,78,000	6,56,000
<i>Provincial.</i>						
1. Central Provinces	37,537	38,545	64,813	47,000	65,000	73,000
2. Burma	62,380	54,243	52,425	54,000	50,000	55,000
3. Assam . . . . .	...	10,490	7,633	9,000	7,000	8,000
4. Bengal (new) . . . . .	...	1,20,103	1,37,862	1,20,000	1,56,000	1,32,000
5. Bihar and Orissa . . . . .	...	29,497	29,110	29,000	30,000	30,000
6. United Provinces	1,43,212	1,52,927	1,67,652	1,53,000	1,56,000	1,66,000
7. Punjab	1,43,944	1,43,521	72,208	72,000	87,000	92,000
8. Madras	1,03,898	1,10,699	1,33,155	99,000	1,34,000	1,23,000
9. Bombay	1,24,474	1,27,537	1,13,039	1,22,000	1,11,900	1,06,000
Eastern Bengal and Assam	47,283	...	...	...	...	...
Bengal (old)	1,24,063	...	...	...	...	...
TOTAL	7,91,691	7,37,562	7,77,597	7,05,000	7,96,000	7,85,000
TOTAL INDIA R	14,53,362	13,31,167	14,01,243	13,50,000	14,74,000	14,41,000
Equivalent in Sterling £	96,891	92,078	93,416	90,000	98,300	96,000

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EXPENDITURE.

(a) *Imperial, India and England.*

132. The total Imperial expenditure in 1914-15, exclusive of the charges Revised, 1914-15. of the commercial departments, is likely to exceed the Budget provision by R8.84 lakhs, in consequence of a higher outlay in England and in India on the replenishment of stock, smaller supplies to the Postal and Telegraph Department, and extra expenditure on stationery and printing necessitated by the war. The Budget estimate for 1915-16 anticipates a reduction in the outlay on the purchase of stores in England and an increase in the supplies to Budget, 1915-16. Provincial Governments, etc.

(b) *Provincial.*

133. The total Revised estimate for 1914-15 is less than the Budget by Revised, 1914-15. R1.91 lakhs, a rise in the expenditure in Madras, the Punjab and the United Provinces being more than counterbalanced by savings in the other provin- Budget, 1915-16. ces. The Budget estimate for 1915-16 provides for a small increase in expenditure in almost all the provinces.

REVENUE.

134. The figures do not show any important variation. The Imperial revenue shown against "Other provinces" represents recovery of the value of stationery supplied to railways and to municipalities and other local bodies.

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XXIV AND 31.—EXCHANGE.

	Accounts, 1911-12.	Accounts, 1912-13.	Accounts, 1913-14.	1914-15.		Budget, 1915-16.
				Budget.	Revised.	
Revenue . . . R	15,85,457	15,13,188	17,96,110	10,00,000	10,75,000	...
Equivalent in Sterling £	105,697	100,879	119,741	66,700	71,700	...
Expenditure . . . R	...	...	...	...	...	...
Equivalent in Sterling £	...	...	...	..	...	...

135. This head records the comparatively small sums which have to be brought to account owing to the fact that the remittances from India to England by means of council bills and transfers, and the remittances in the opposite direction by sterling bills and transfers, are not effected exactly at the rate of 16 pence to the rupee. The amounts brought to account in this connection in the current year will not materially exceed the Budget estimate. For 1915-16, it is considered prudent not to provide for any credit under this head, in view of the uncertainty regarding the course of exchange in the next twelve months.

Revised, 1914-15.

Budget, 1915-16.

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XXV AND 32.—MISCELLANEOUS.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. Remittance charges mainly in connection with movements of Government funds . . .	4,48,723	6,65,248	5,50,269.	5,24,000	5,05,000	5,82,000
2. Special Commissions of enquiry . . .	8,008	1,41,701	5,61,686	42,000	2,50,000	65,000
3. Charges arising out of the War adjusted in Civil Department . . .	...	...	...	...	5,08,000	4,93,000
4. Other charges :						
(a) in Delhi . . .	...	9,840	38,386	90,000	50,000	98,000
(b) in the N.-W. Frontier Province . . .	28,849	25,586	36,272	44,000	34,000	42,000
(c) elsewhere . . .	4,76,533	3,16,809	33,13,006	10,59,000	13,46,000	13,04,000
Total . . .	9,62,113	11,59,184	44,99,619	17,59,000	26,93,000	25,84,000
<i>Provincial.</i>						
1. Central Provinces . . .	1,22,415	1,62,005	1,25,805	2,60,000	1,44,000	1,64,000
2. Burma . . .	5,52,943	4,52,004	4,89,160	5,44,000	5,15,000	5,23,000
3. Assam . . .	...	3,65,964	3,82,123	4,05,000	4,20,000	4,10,000
4. Bengal (new) . . .	...	4,26,610	5,87,418	10,81,000	4,48,000	10,16,000
5. Bihar and Orissa . . .	...	1,04,857	1,35,329	2,43,000	1,34,000	2,16,000
6. United Provinces . . .	2,51,451	1,86,440	4,41,144	13,96,000	2,52,000	3,96,000
7. Punjab . . .	3,07,508	5,45,225	3,76,195	12,21,000	3,82,000	8,07,000
8. Madras . . .	3,73,921	5,15,369	5,22,297	5,35,000	4,90,000	4,94,000
9. Bombay . . .	17,79,762	6,36,161	7,79,040	7,18,000	5,60,000	5,57,000
Eastern Bengal and Assam . . .	5,63,026	...	...	...	...	...
Bengal (old) . . .	3,96,802	...	...	...	...	...
Total . . .	43,47,828	33,93,635	38,38,511	64,03,000	39,45,000	45,83,000
TOTAL INDIA . R	53,09,941	45,52,819	83,38,130	81,62,000	60,38,000	71,67,000
Equivalent in Sterling £	353,996	303,521	555,875	544,200	402,500	477,800
England . . . £	34,913	27,257	46,360	80,700	152,900	43,700
TOTAL . £	388,909	330,778	602,235	624,900	555,400	521,500

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General . . .	13,89,759	6,66,587	7,00,680	21,42,000	20,84,000	4,90,000
2. Delhi . . .	...	10,550	36,383	43,000	51,000	50,000
3. Baluchistan . . .	6,769	37,404	4,980	6,000	5,000	5,000
4. North-West Frontier . . .	1,43,547	1,41,474	1,17,698	1,32,000	1,21,000	1,20,000
5. Other Provinces . . .	9,93,941	6,77,177	3,47,150	5,20,000	6,41,000	8,63,000
TOTAL . . .	25,34,016	15,33,192	17,06,891	28,43,000	29,02,000	15,28,000
<i>Provincial.</i>						
1. Central Provinces . . .	1,17,049	2,09,422	1,86,431	1,56,000	1,67,000	1,84,000
2. Burma . . .	76,016	1,21,139	73,337	77,000	82,000	80,000
3. Assam . . .	...	67,549	46,659	44,000	48,000	49,000
4. Bengal (new) . . .	...	7,72,339	7,68,760	5,92,000	6,89,000	6,90,000
5. Bihar and Orissa . . .	...	3,05,276	2,64,766	3,25,000	3,91,000	3,06,000
6. United Provinces . . .	4,00,649	3,31,376	5,45,347	3,50,000	4,20,000	4,52,000
7. Punjab . . .	9,69,875	10,05,405	6,36,691	6,30,000	4,24,000	5,53,000
8. Madras . . .	3,29,036	3,47,294	3,67,487	2,68,000	3,19,000	3,32,000
9. Bombay . . .	1,13,522	2,03,612	82,537	76,000	87,000	77,000
Eastern Bengal and Assam . . .	3,76,197	...	...	...	...	...
Bengal (old) . . .	6,68,402	...	...	...	...	...
TOTAL . . .	30,50,546	33,63,412	29,71,615	25,18,000	26,27,000	27,23,000
TOTAL INDIA . R	55,84,562	48,96,604	46,78,506	53,61,000	55,29,000	42,51,000
Equivalent in Sterling £	372,304	326,440	311,901	357,400	368,600	283,400
England . . . £	36,714	45,424	40,711	13,000	13,700	14,000
TOTAL . £	409,018	371,864	352,612	370,400	382,300	129,400

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136. Charges in connection with the remittance of Government treasure are Imperial in all provinces; so is the discount paid, or the premium levied, in connection with the sale of bills at treasuries and currency offices to facilitate trade remittances of funds. Extraordinary items of revenue realised, or of expenditure incurred, under this head in the various provinces are also treated as Imperial, if they exceed ₹10,000 in amount.

EXPENDITURE.

(a) India—Imperial.

Revised, 1914-15.

137. The Revised estimate for 1914-15 exceeds the Budget by ₹9·34 lakhs. A payment of ₹9·23 lakhs, for which no provision existed in the Budget, is to be made to the Mysore Durbar on account of the balance of arrears due to it in respect of the Bangalore Assigned Tract. Expenditure to the extent of ₹5·08 lakhs will be incurred in connection with the capture of enemy vessels, the internment of enemy subjects, and other miscellaneous items connected indirectly with the war. An increase of ₹2·08 lakhs is expected in the charges of special commissions of enquiry, mainly in connection with the appointment of the Budget Riots Committee and the Committee on Co-operation in India. A special payment of ₹1·28 lakhs has also been made to an officer as compensation for losses sustained by him. On the other hand, the bulk of the reserve of ₹8 lakhs (including ₹·5 lakh for Delhi) for unforeseen charges, which was provided in the Budget under Miscellaneous, has been appropriated to meet necessary and sanctioned outlay under other heads of account.

Budget, 1915-16.

138. The Budget estimate for 1915-16 provides for normal charges; for miscellaneous expenditure connected with the war likely to be incurred in the ensuing year; and for a reserve of ₹10·5 lakhs for unforeseen expenditure, of which ₹·5 lakh is for Delhi.

(b) India—Provincial.

Revised, 1914-15.

139. The total Revised estimate for 1914-15 is less than the Budget by ₹30·58 lakhs. The Budget estimate for "32—Miscellaneous" included a provision of ₹5·75 lakhs for relieving local bodies in some of the provinces of certain contributions hitherto recovered from them. Against this provision, no expenditure will be recorded under Miscellaneous, as the effect of the measure will be a reduction of revenue or an increase in expenditure under other heads of account; and there is a consequent saving of ₹5·75 lakhs in the Budget provision under Miscellaneous. The balance of the decrease in the Revised estimate for 1914-15 under the latter head, as compared with the Budget estimate, is mainly due to the record under other heads of account of expenditure against the lump provision for grain compensation allowance and against the various other reserves which were included in the Budget estimates of several provinces under Miscellaneous; to smaller remissions of agricultural and other loans in the United Provinces; and to lapses in the lump provision made in the Punjab for the revision of the copying agency establishment, and in the Central Provinces for the improvement of the furniture and equipment of Government offices.

Budget, 1915-16.

140. The Budget estimate for 1915-16 provides generally for normal charges and for the usual reserve for unforeseen expenditure in most provinces. In Bengal and the United Provinces, lump allotments have again been made for grain compensation charges; and in the Punjab provision has been made for the general introduction of the new copying agency rules.

(c) England.

Revised, 1914-15.

141. The expenditure in 1914-15 is likely to exceed the Budget provision by £72,200, owing mainly to an increase in the marine insurance and other miscellaneous charges connected with the supply of stores to India, and to certain payments to officers recalled from leave out of India. The Budget estimate

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for 1915-16 provides for normal charges, and allows for a decrease in the expenditure of the Public Services Commission, and in the miscellaneous charges connected with the supply of stores to India. Budget, 1915-16.

REVENUE.

(a) *India—Imperial.*

142. The total Revised estimate for 1914-15 does not differ materially from the Budget estimate, a reduction of about R2 lakhs in the revenue derived from premium on bills, consequent on the dislocation of trade, being more than counterbalanced by special receipts in connection with the captured enemy vessels. The Budget estimate for 1915-16 provides generally for normal revenue, and for certain special receipts from the anticipated sale of town sites in the Punjab. The large reduction of R13·74 lakhs in the total Budget estimate, as compared with the Revised estimate of the current year, is due to the fact that the latter included an extraordinary receipt of about R15½ lakhs from the write-off to revenue of the balances of the discharged-4 per cent. loans which had remained unclaimed for twenty years. Revised, 1914-15.
Budget, 1915-16.

(b) *India—Provincial.*

143. The total revenue in 1914-15 is likely to exceed the Budget by R1·09 lakhs. The improvement is mainly due to larger credits on account of unclaimed deposits, mostly in Bengal, the United Provinces and Madras; to increased receipts from fisheries in Madras; and to certain special receipts in Bihar and Orissa. In the Punjab, on the other hand, a large reduction is anticipated in the revenue, owing to heavy refunds of lapsed deposits and smaller receipts in connection with the copying agency establishment. The Budget estimate for 1915-16 provides for normal receipts, and for an increase in the recoveries in connection with the copying agency establishment in the Punjab consequent on the extension of the new copying agency rules. Revised, 1914-15.
Budget, 1915-16.

(c) *England.*

144. The figures show little variation.

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33 TO 36.—FAMINE RELIEF AND INSURANCE.

	Accounts, 1911-12.	Accounts, 1912-13.	Accounts, 1913-14.	1914-15.		Budget, 1915-16.
				Budget.	Revised.	
INDIA.						
Famine Relief { Imperial	17,14,503	28,33,278	23,62,671	29,53,000	27,56,000	1,06,000
{ Provincial	—100	...	...	15,25,000	15,92,000	...
Construction of Protec- tive Railways	4,37,689	4,10,978	1,17,532	2,000	—22,000	...
Construction of Protec- tive Irrigation Works	56,83,204	62,87,484	71,28,997	69,63,000	72,37,000	72,52,000
Reduction or Avoidance of Debt	68,69,505	51,48,053	51,37,329	30,22,000	31,52,000	73,94,000
TOTAL INDIA R	1,47,04,801	1,46,79,793	1,47,46,529	1,44,65,000	1,47,15,000	1,47,52,000
Equivalent in Sterling £	980,320	978,653	983,102	964,300	981,000	983,500
ENGLAND.						
Construction of Protec- tive Railways	15,096	14,012	741	...	...	...
Construction of Protec- tive Irrigation Works	4,584	7,335	16,157	35,700	19,000	16,500
TOTAL INDIA AND ENGLAND	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000

Revised, 1914-15. 145. The expenditure in the current year under the head Famine Relief is now estimated at R43.48 lakhs, the amount being distributed as shown below :—

	Lakhs of R
United Provinces	36.50
Punjab	2.00
Central Provinces	1.15
Bombay	1.10
Ajmer-Merwara, etc.	2.73
	43.48

About R13 lakhs of the outlay in the United Provinces, and the bulk of the expenditure in the other provinces, have been incurred in connection with fodder operations and other measures for the protection of cattle in the famine-stricken tracts. R15.92 lakhs of the expenditure in the United Provinces will appear in the Provincial section of the estimates under the standing arrangements which regulate the incidence of famine relief expenditure.

146. The amount available for famine insurance in 1914-15 accordingly amounts to R106.52 lakhs, of which R75 lakhs will be spent on protective works and R31.52 lakhs will be appropriated for the reduction or avoidance of debt.

Budget, 1915-16. 147. In the Budget estimate for 1915-16 provision has been made, as usual, for a total grant of R150 lakhs under this group head. A moiety of this sum will be allotted for the construction of protective works. Out of the other moiety, a small sum of R1.06 lakhs will be required to meet expenditure debitable to the head Famine Relief, in connection with the fodder operations of the current year and the formation of a reserve of famine tools. The remainder, namely R73.94 lakhs, will be utilised for the avoidance of debt. Of the last-named sum, R24.70 lakhs will appear in the Provincial section of the estimates as a result of the arrangements explained in the Financial Statement for 1907-08 (*vide* also paragraph 221).

CONSTRUCTION OF PROTECTIVE RAILWAYS.

148. The small *minus* figure entered in the Revised estimate for 1914-15 represents the value of surplus stores of the Dharmapuri-Hosur extension of the Morappur-Dharmapuri Railway. No outlay on the construction of Protective railways is contemplated in 1915-16.

CONSTRUCTION OF PROTECTIVE IRRIGATION WORKS.

149. In the Budget estimate for 1914-15, a total allotment of R80 lakhs was made for outlay on Protective Irrigation works. Of this sum, R74.98 lakhs represented the amount available from the Famine Insurance grant for this purpose; and the balance of R5.02 lakhs was the supplementary provision made from the general resources of Government to foster the rapid development of this important class of works. The latter provision was shown under a separate head in the Irrigation section of the estimates. *Revised, 1914-15.*

150. The probable expenditure according to the Revised estimate will amount to R85.24 lakhs, owing to a satisfactory progress of work on most of the important projects. R75.22 lakhs of the outlay will be recorded in the Famine Relief and Insurance section of the accounts and the remaining R10.02 lakhs will appear in the Irrigation section.

151. In the Budget estimate for 1915-16 the total allotment for Protective Irrigation works amounts to R75 lakhs, the whole of which will be met from the amount available from the Famine Insurance grant for this purpose. The distribution of the grant of R75 lakhs is given in the table below. *Budget, 1915-16.*

	1914-15.		Budget, 1915-16.
	Budget.	Revised.	
	R	R	R
1. Central Provinces :			
(i) Tandula Canal	10,74,000	10,88,000	11,41,000
(ii) Tank projects	6,03,000	6,57,000	6,59,000
(iii) Other projects, etc.	2,23,000	1,13,000	2,54,000
2. Burma	4,000	6,000	...
3. Bengal	3,000	3,000	2,000
4. Bihar :			
(i) Tribeni Canal	2,46,000	1,78,000	1,85,000
(ii) Other projects, etc.	30,000	25,000	15,000
5. United Provinces :			
(i) Betwa Canal (including Dhukwan weir)	13,000	26,000	31,000
(ii) Ken „ (including Gangao dam)	3,48,000	2,78,000	2,87,000
(iii) Dassan „	34,000	62,000	35,000
(iv) Ghaggar „	6,16,000	6,78,000	5,80,000
(v) Other projects, etc.	2,64,000	3,36,000	2,28,000
6. Madras :			
(i) Mopad project	3,91,000	3,29,000	3,52,000
(ii) Other projects	1,09,000	1,11,000	73,000
7. Bombay :			
(i) Godavari Canal	5,80,000	4,31,000	2,67,000
(ii) Chankapur Tank . . . . .	...	60,000	49,000
(iii) Pravara river project	10,99,000	8,81,000	10,53,000
(iv) Nira Right Bank Canal	31,40,000	32,27,000	32,00,000
(v) Other projects, etc.	81,000	29,000	81,000
8. Minor administrations	7,000	6,000	8,000
9. Reserve provision	1,30,000	...	...
<i>Deduct</i> —Allowance for possible lapses in grants	10,00,000	...	10,00,000
<i>Deduct</i> —Amount provided in the Irrigation Section (<i>vide</i> page 94) outside the Famine Insurance grant	80,00,000	85,24,000	75,00,000
	5,02,000	10,02,000	...
Net provision under head "85.—Construction of Protective Irrigation Works"	74,98,000	75,22,000	75,00,000

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XXVI to XXVIII and 38 to 41—RAILWAY REVENUE ACCOUNT.

	Accounts, 1911-12.	Accounts, 1912-13.	Accounts, 1913-14.	1914-15.		Budget, 1915-16.
				Budget.	Revised.	
STATE RAILWAYS—						
Gross Receipts . . .	₹ 50,36,86,936	₹ 55,02,95,453	₹ 56,31,92,029	₹ 56,60,06,000	₹ 53,45,96,000	₹ 53,01,26,000
<i>Deduct—</i>						
Working Expenses . . .	25,89,45,724	28,02,31,303	29,35,91,182	29,74,00,000	29,63,20,000	29,86,96,000
Surplus profits paid to Companies, etc.	72,30,008	1,06,44,626	66,12,854	96,26,000	1,02,86,000	73,23,000
Net Receipts . . .	23,75,11,204	25,94,19,524	26,29,87,993	25,89,80,000	22,79,90,000	22,41,07,000
Net Revenue equivalent at Rs15=£1 . . .	£ 15,834,080	£ 17,294,635	£ 17,532,533	£ 17,265,300	£ 15,199,300	£ 14,940,400
Interest and capital re- demption charges—						
Interest on Debt . . .	6,279,070	6,683,164	6,887,842	7,047,500	7,544,900	7,666,800
Annuities in purchase of Railways . . .	3,357,301	3,357,672	3,379,581	3,357,700	3,357,700	3,357,700
Sinking Funds . . .	177,677	184,437	191,707	199,400	199,400	208,100
Interest chargeable against Companies on advances . . .	385,140	389,384	415,303	343,700	97,600	98,900
Interest on Capital deposited by Com- panies . . .	1,825,970	1,854,062	1,952,416	2,187,600	1,988,300	2,253,300
	12,025,158	12,468,719	12,826,849	13,135,900	13,187,900	13,584,800
Net Result . . .	3,808,922	4,825,916	4,705,684	4,129,400	2,011,400	1,355,600
GUARANTEED RAIL- WAYS—						
Net Result . . .	...	3,980	...	...	...	...
Other Receipts . . .	57,645	73,174	93,101	64,400	69,000	88,800
Other Charges . . .	78,797	99,716	9,252	273,100	166,800	254,700
Net Result . . .	-21,152	-26,542	83,849	-208,700	-97,800	-165,900
TOTAL NET RESULT . . .	3,787,770	4,803,354	4,789,533	3,920,700	1,913,600	1,189,700
Redemption of capital from revenue . . .	812,928	840,561	869,165	898,775	898,775	929,427
STATISTICS—						
State Railways—						
Capital Expenditure to March 31st—						
Expenditure by Government* . . .	195,464,910	204,310,398	214,768,922	224,231,198	222,952,189	224,057,856
Expenditure by Companies . . .	38,604,907	39,687,927	41,510,962	43,099,027	42,508,262	42,870,562
Outlay on the East Indian Railway from Debentures raised by the Company . . .	14,587,268	14,587,268	14,587,268	14,587,268	14,587,268	18,087,268
Outlay on the South Indian Railway by the Company . . .	1,513,816	1,513,816	1,513,816	2,263,816	3,809,016	3,809,016
Outlay on the Bombay, Baroda and Central India Railway by the Company . . .	959,364	972,697	1,007,364	1,071,397	1,079,697	1,113,030
Outlay on the Great Indian Peninsula Railway by the Company . . .	3,253,158	3,253,158	3,253,158	3,253,158	3,253,158	6,253,158
TOTAL . . .	254,333,423	264,325,264	276,641,490	288,505,864	288,189,590	296,190,890
Miles open on April 1 . . .	24,873	25,200	25,437	26,464	26,106	26,379

* The figures against this line include contribution by the Jaipur Durbar towards Capital outlay on the Nagda Muttra Railway, as follows:—

£	£	£	£	£	£
66,667	66,667	266,667	333,334	333,334	400,000

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152. The Gross Receipts and Working Expenses of State Railways include the following figures on account of the Jorhat State Railway in Assam, which is the only line whose transactions are recorded in the Provincial section of the accounts :—

	Accounts, 1911-12.	Accounts, 1912-13.	Accounts, 1913-14.	Budget, 1914-15.	Revised, 1914-15.	Budget, 1915-16.
Gross Receipts	₹ 1,16,465	₹ 1,22,589	₹ 1,23,805	₹ 1,15,000	₹ 1,15,000	₹ 1,20,000
Working Expenses	84,107	84,546	89,499	91,000	1,07,000	96,000

153. The Budget estimate of Gross Receipts for 1914-15 was placed at ₹56.60 crores, a moderate increase over the receipts of the previous year, which in the Revised estimate had been placed at ₹55.70 crores, being expected to accrue from normal development of traffic and increased open mileage. Up to the time war was declared, this anticipation seemed likely to be realised, the returns of traffic receipts for the first four months having shown an improvement of 39 lakhs over the corresponding period of the year before. In August however there was a sharp fall of receipts, and though there has since been some little recovery the monthly earnings of railways have continued to be well below the level of the previous year. It is now estimated that the receipts of the year will not exceed ₹53.46 crores. Almost all railways share in the falling off of ₹3.14 crores compared with the Budget estimate, but much the greater part of it occurs on the Great Indian Peninsula, the Eastern Bengal and the North Western, which between them contribute ₹2.40 crores, the loss being attributable mainly to the restricted exports of cotton, jute and wheat. The result would have been worse but for improved coaching receipts obtained from the transport of troops.

154. The Revised estimate of Working Expenses shows a small reduction of ₹10.80 lakhs compared with the Budget estimate which is due for the most part to savings in running expenses consequent on the smaller volume of traffic worked.

155. The increase of ₹6.60 lakhs in the provision for payment of Surplus profits, etc., to Companies is due to the net receipts of the last quarter of 1913-14 having exceeded anticipations.

156. The Budget estimate of Gross Receipts for 1915-16 is taken at ₹53.01 crores or ₹45 lakhs lower than the Revised estimate of the current year. It is based on the assumption that the depression of trade and the disturbance of the economic life of the country caused by the war will continue in some measure throughout the ensuing year. On the other hand, allowance is made for some development which may be expected in spite of the war and for the earnings of new lines and extensions.

157. The grant for Working Expenses in 1915-16 exceeds the Revised estimate for the current year by ₹23.76 lakhs. The increase is due wholly to provision having been made for a larger programme of renewals of permanent way and rolling stock than that of the current year. Under ordinary Working Expenses the amount provided for next year is less than the Revised of the current year.

158. Consequent on the large decline in the traffic carried in 1914-15, the Budget estimate for 1915-16 shows a decrease under Surplus profits of ₹29.63 lakhs compared with the Revised estimate of the current year, the payments on this account being based on the profits earned in the preceding year.

Interest charges, etc.

159. The excess over the Budget estimate of 1914-15 under Interest and Capital redemption charges is due to the increase in the rate of interest charged on certain loan funds (*vide* paragraph 61).

In the details, the increase under Interest on Debt is to a large extent counterbalanced by decreases under Interest on Deposits and Advances to Railway Companies due to a change in the method of accounting for certain transactions relating to the Bengal-Nagpur Railway extensions.

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Budget, 1915-16.

160. The increase in the total Interest charges in 1915-16 is a result of the continued growth in the capital outlay on railways.

Other Receipts.

161. The receipts shown under this head represent recoveries from the Travancore Durbar of its share of the loss on the Travancore Branch of the South Indian Railway; the Government share of the surplus profits of the Rohilkhand and Kumaon, Southern Punjab and Amritsar-Patti Railways, payable under the terms of their respective contracts; and dividends on certain shares of the Ahmedabad-Dholka Railway allotted to Government in re-payment of expenditure incurred by it on behalf of the railway. The improvement of R 69 lakhs (£4,600) on the Budget estimate of receipts in the current year and the increase of R 2·97 lakhs (£19,800) provided in the Budget of 1915-16 is mainly due to the increase in the Government share of surplus profits of the Southern Punjab Railway Company.

Other Charges.

162. These consist of cost of land required by certain companies, the contracts with which provide for the free supply of all land wanted for the purposes of the railways undertaken by them and of miscellaneous items such as surveys and controlling establishments (including the Railway Board). A share of the cost of control is charged to the working expenses of each railway company and the recoveries thus made are adjusted by deduction from the miscellaneous expenditure. The details are:—

	Accounts, 1913-14.	1914-15.		1915-16.
		Budget.	Revised.	Budget.
	R	R	R	R
<i>Imperial.</i>				
1. Subsidized Companies—Land .	7,88,791	29,00,000	17,00,000	30,00,000
2. Miscellaneous Expenditure .	—6,87,945	11,82,000	7,91,000	8,04,000
<i>Provincial.</i>				
1. Subsidized Companies—Land .	38,896	15,000	10,000	17,000
2. Miscellaneous Expenditure— Surveys	—465	...	...	...
TOTAL	R 1,38,777	40,97,000	25,01,000	38,21,000
	£ 9,252	273,100	166,800	254,700.

Land.—A lapse of R12 lakhs is expected in the Imperial Budget grant for the current year, due to the postponement of several projects and to short outlay on the Sara-Serajganj, Phagwara-Rahon and Jullundur-Mukerian Railways. The principal allotments made in 1915-16 are for the Ahmedpur-Kutwa, Bankura-Damoodar, Dindigul-Palghat, Kalighat-Fulta, Sara-Serajganj, and Tinnevely-Tiruchendur Railways.

Miscellaneous Expenditure.—The lapse of R3·91 lakhs in the Revised estimate for 1914-15 is due chiefly to survey operations being restricted in consequence of officers having been placed on military duty. The Budget for 1915-16 is made up as follows:—

	R
Allotment for Surveys	9,00,000
Charges for Railway Board and other establishments	15,28,000
<i>Deduct</i> —Recoveries from Railway Companies on account of cost of supervision	16,24,000
TOTAL	8,04,000

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XXIX—XXX AND 42, 42-A and 43.—IRRIGATION.

IRRIGATION.	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
MAJOR WORKS.	R	R	R	R	R	R
Revenue { Direct Receipts	3,57,22,988	3,91,12,179	4,14,89,485	3,99,25,000	4,12,53,000	4,15,38,000
Land Revenue	2,02,71,977	2,30,73,667	2,52,65,614	2,43,21,000	2,54,58,000	2,61,43,000
Expenditure { Working Expenses	1,71,76,543	1,75,26,591	1,82,16,430	1,87,41,000	1,91,46,000	1,90,71,000
Interest	1,59,94,080	1,73,66,737	1,77,92,499	1,86,58,000	1,86,90,000	1,95,16,000
NET REVENUE IN INDIA	2,23,24,342	2,72,92,518	3,07,46,170	2,68,47,000	2,88,75,000	2,90,94,000
Equivalent in Sterling £	1,521,623	1,819,501	2,049,744	1,789,800	1,925,000	1,939,600
Expenditure in England (mainly Interest) . £	116,595	124,731	118,693	120,900	120,600	122,200
NET REVENUE	£ 1,405,028	1,694,770	1,931,051	1,668,900	1,804,400	1,817,400
CONSTRUCTION OF PROTECTIVE WORKS . . . . .	...	...	83,689	33,500	66,800	...
MINOR WORKS.						
Receipts—Direct	37,05,809	39,82,403	39,42,289	41,44,000	38,88,000	42,48,000
Expenditure	1,26,91,097	1,27,36,211	1,39,15,998	1,50,58,000	1,54,84,000	1,43,42,000
NET EXPENDITURE IN INDIA	89,85,288	87,53,808	99,73,709	1,09,12,000	1,15,96,000	1,00,94,000
Equivalent in Sterling £	599,019	583,587	664,914	727,500	773,100	672,900
Expenditure in England . £	840	1,894	1,156	...	300	...
NET EXPENDITURE	£ 599,859	585,481	666,070	727,500	773,400	672,900
STATISTICS OF MAJOR WORKS.						
Capital Outlay to March 31	53,59,97,753	56,32,30,455	59,16,14,071	61,75,56,000	61,74,95,000	64,12,33,000
Equivalent in Sterling £	35,733,184	37,552,030	39,440,938	41,170,400	41,166,300	42,749,200

163. Taking India as a whole, the net financial result of the working of Major Irrigation works in 1914-15 will be better than the Budget forecast by £135,500 (R20.33 lakhs). There is an improvement of R13.28 lakhs in the Direct Receipts and of R11.37 lakhs in the share of Land Revenue. But R4.32 lakhs of it are required to meet an increase in expenditure, mainly under Working Expenses. A further rise of £13,000 (1.95 lakhs) in the net profit is expected in the ensuing year. An advance of R2.85 lakhs is anticipated in the Direct Receipts and of R6.85 lakhs in the share of Land Revenue; and there will be a small reduction of R.75 lakh in Working Expenses. But allowance has been made for a large growth of R8.50 lakhs in the interest charges, in consequence of the considerable outlay now being incurred on new projects in the Punjab and elsewhere, the benefits of which will not be realised for some time to come. The net result under Minor Irrigation works in 1914-15 is worse than the Budget estimate by £45,900 (R6.88 lakhs) owing to a decline in revenue and an increase in expenditure; the estimate for next year provides for some rise in the receipts and for a large reduction in expenditure.

164. The figures for Land Revenue due to Irrigation have already been examined in paragraphs 10 and 11 along with those for Land Revenue proper. The details of the other heads are exhibited in the following tables.

General Result.

Major Irrigation.

Minor Irrigation.

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XXIX AND 42.—MAJOR WORKS.

Direct Receipts.

IRRIGATION.	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. Central Provinces . . .	58,508	93,231	1,39,771	1,34,000	1,07,000	1,04,000
2. Burma . . .	9,15,430	10,03,899	12,43,922	11,20,000	11,94,000	12,00,000
3. United Provinces . . .	3,13,702	2,43,041	4,44,386	2,20,000	2,56,000	4,79,000
4. North-West Frontier . . .	7,19,905	8,21,632	8,51,212	8,50,000	8,43,000	9,30,000
Total . . .	20,07,545	21,61,803	26,79,291	23,24,000	24,00,000	27,13,000
<i>Divided and Provincial.</i>						
1. Bengal . . .	...	2,73,918	2,46,579	2,67,000	2,40,000	2,40,000
2. Bihar and Orissa . . .	...	23,30,797	25,75,520	23,72,000	24,12,000	25,50,000
3. United Provinces . . .	82,60,232	79,57,265	93,25,086	88,84,000	1,00,44,000	89,75,000
4. Punjab . . .	2,13,07,959	2,47,46,266	2,46,57,424	2,42,03,000	2,42,05,000	2,52,01,000
5. Madras . . .	2,53,100	2,74,097	2,65,374	2,65,000	3,05,000	2,62,000
6. Bombay . . .	13,36,152	13,63,033	17,40,211	16,10,000	16,47,000	15,97,000
Bengal (old) . . .	25,58,000	...	...	...	...	...
Total . . .	3,37,15,443	3,69,50,376	3,88,10,194	3,76,01,000	3,88,53,000	3,88,25,000
TOTAL R . . .	3,57,22,988	3,91,12,179	4,14,89,485	3,99,25,000	4,12,53,000	4,15,38,000
Equivalent in Sterling £ . . .	2,381,533	2,607,478	2,765,966	2,661,700	2,750,200	2,769,200

WORKING EXPENSES.

<i>Imperial.</i>						
1. India General (Reserve) . . .	...	...	...	1,92,000	...	63,000
2. Central Provinces . . .	34,938	81,023	75,429	78,000	78,000	78,000
3. Burma . . .	3,62,822	4,47,428	4,45,896	5,62,000	9,00,000	6,02,000
4. United Provinces . . .	3,73,614	3,90,411	4,64,160	4,49,000	4,21,000	4,57,000
5. North-West Frontier . . .	3,21,398	3,10,719	3,03,887	3,00,000	3,69,000	6,00,000
Total . . .	10,92,772	12,29,581	12,89,372	15,81,000	17,68,000	18,00,000
<i>Divided and Provincial.</i>						
1. Bengal . . .	...	2,35,717	2,97,789	2,96,000	2,58,000	2,67,000
2. Bihar and Orissa . . .	...	12,66,071	13,01,899	14,62,000	14,12,000	14,20,000
3. United Provinces . . .	81,11,394	28,97,451	29,60,062	30,21,000	30,17,000	29,88,000
4. Punjab . . .	79,35,356	82,21,807	83,21,436	86,01,000	86,01,000	89,42,000
5. Madras . . .	22,23,700	20,50,980	23,77,656	22,36,000	25,25,000	21,10,000
6. Bombay . . .	14,11,254	16,24,984	16,68,166	15,44,000	15,65,000	15,44,000
Bengal (old) . . .	14,02,067	...	...	...	...	...
Total . . .	1,60,83,771	1,62,97,010	1,69,27,058	1,71,60,000	1,73,78,000	1,72,71,000
TOTAL INDIA R . . .	1,71,76,543	1,75,26,591	1,82,16,430	1,87,41,000	1,91,46,000	1,90,71,000
Equivalent in Sterling £ . . .	1,145,103	1,168,439	1,214,429	1,249,400	1,276,400	1,271,400
England . . . £	1	14
Total . . .	1,145,103	1,168,440	1,214,443	1,249,400	1,276,400	1,271,400

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DIRECT RECEIPTS.

(a) Imperial.

165. The total Revised estimate for 1914-15 exceeds the Budget by Revised, 1914-15.
R·76 lakh mainly owing to improved receipts from the Mandalay and Shwebo
canals in Burma. The total Budget estimate for 1915-16 provides for a rise of Budget, 1915-16.
R3·13 lakhs over the Revised for the current year, chiefly in consequence of
the expected opening of the Upper Swat River canal and the development of
the Imperial canals in the United Provinces.

(b) Divided and wholly Provincial.

166. The total Revised estimate for 1914-15 exceeds the Budget by Revised, 1914-15.
R12·52 lakhs. The bulk of the improvement is expected in the United Pro-
vinces, and is due to the irrigation of larger areas for the *rabi* and *kharif* crops,
consequent on a deficient rainfall. The total Budget for 1915-16 does not
differ materially from the Revised estimate for the current year. It is based Budget, 1915-16.
generally on the demand for *rabi* irrigation in the current year and on normal
requirements in connection with next year's *kharif*.

WORKING EXPENSES.

(a) Imperial.

167. The total expenditure in 1914-15 is likely to exceed the Budget Revised, 1914-15.
provision by R1·87 lakhs. An increase of R3·38 lakhs is expected in Burma,
due to higher outlay on the head works of the Mandalay canal and the recon-
struction of a drainage crossing on the South Mon canal; and of R·69 lakh in
the North-West Frontier Province mainly under Establishment charges, owing to
the formation of a new sub-division on the Lower Swat river canal. But a
portion of this increase will be met from the reserve of R1·92 lakhs for
unforeseen requirements and from a small lapse in the grant for the
United Provinces. The total Budget estimate for 1915-16 exceeds the Revised Budget, 1915-16.
estimate for the current year by R·32 lakh. Provision has been made in the
North-West Frontier Province for the maintenance charges of the Upper
Swat river canal, which is likely to be opened in the ensuing year; for
normal outlay in the other provinces; and for a reserve of R·63 lakh for
unforeseen expenditure.

(b) Divided and wholly Provincial.

168. The total expenditure in 1914-15 is likely to exceed the Budget grant Revised, 1914-15.
by R2·18 lakhs. The increase is due to higher outlay in Madras, chiefly on main-
tenance and repairs of the Kistna and Cauvery Delta systems, necessitated by
flood damages and other causes. The Budget estimate for 1915-16 provides Budget, 1915-16.
generally for a normal scale of expenditure and for outlay on certain improve-
ments urgently required on the Western Jumna and Sirhind canals in the
Punjab. The total Budget is less than the Revised estimate for 1914-15 by
R1·07 lakhs.

180 BUDGET OF THE GOVERNMENT OF INDIA FOR 1915-16.

42A.—EXPENDITURE ON PROTECTIVE IRRIGATION WORKS IN ADDITION TO THAT CHARGED UNDER FAMINE RELIEF AND INSURANCE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
India . . . R	12,55,344	5,02,000	10,02,000	...
Equivalent in sterling £	83,689	33,500	66,800	...

169. The figures have already been explained in paragraphs 150 and 151.

BUDGET OF THE GOVERNMENT OF INDIA FOR 1915-16. 181

XXX AND 43.—MINOR WORKS AND NAVIGATION.

Revenue.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	18,852	18,382	21,643	20,000	15,000	17,000
2. Delhi . . . . .	...	565	1,367	1,000	1,000	1,000
3. Baluchistan	46,405	67,211	68,734	86,000	64,000	80,000
4. Punjab	7,42,905	7,98,438	9,02,661	8,41,000	7,50,000	9,50,000
Total	8,08,162	8,84,596	9,92,405	9,48,000	8,30,000	10,48,000
<i>Divided and Provincial.</i>						
1. Central Provinces	31,045	47,423	56,221	62,000	43,000	70,000
2. Burma	12,75,025	14,41,267	13,68,741	16,04,000	15,14,000	15,76,000
3. Bengal (new) . . . . .	...	6,90,060	6,13,882	6,60,000	5,75,000	6,20,000
4. Bihar and Orissa . . . . .	...	75,522	72,167	73,000	73,000	73,000
5. United Provinces	1,50,841	1,79,913	1,32,109	1,44,000	1,30,000	1,64,000
6. Punjab	56,369	66,869	76,040	74,000	70,000	89,000
7. Madras	2,16,985	2,31,552	2,52,323	2,31,000	2,25,000	2,39,000
8. Bombay	3,65,836	3,65,201	3,78,401	3,48,000	3,78,000	3,69,000
Eastern Bengal and Assam	48	...	...	...	...	...
Bengal (old)	8,01,498	...	...	...	...	...
Total	28,97,647	30,97,807	29,49,884	31,96,000	30,58,000	32,00,000
TOTAL. R	37,05,809	39,82,403	39,42,289	41,44,000	38,88,000	42,48,000
Equivalent in Sterling £	247,054	265,494	262,819	276,200	259,200	283,200

Expenditure.

<i>Imperial.</i>						
1. India General	78,641	1,02,541	59,962	7,14,000	61,000	6,07,000
2. Delhi . . . . .	...	1,434	898	3,000	3,000	3,000
3. Baluchistan	3,04,208	3,63,780	3,84,187	2,28,000	3,06,000	1,36,000
4. Punjab	10,09,200	9,17,328	9,39,520	9,00,000	11,00,000	8,93,000
5. North-West Frontier	39,090	37,870	52,654	63,000	59,000	63,000
Total	14,31,139	14,22,953	14,37,221	19,08,000	15,29,000	17,02,000
<i>Divided and Provincial.</i>						
1. Central Provinces	5,35,221	4,64,743	5,73,720	9,67,000	9,04,000	6,00,000
2. Burma	14,26,708	12,85,756	10,95,549	14,50,000	12,50,000	12,10,000
3. Assam . . . . .	...	66,634	1,15,211	1,79,000	1,32,000	64,000
4. Bengal (new) . . . . .	...	15,35,237	19,26,421	22,46,000	27,96,000	22,94,000
5. Bihar and Orissa . . . . .	...	4,01,830	4,89,670	4,93,000	4,43,000	4,70,000
6. United Provinces	4,22,432	3,78,882	4,45,070	2,75,000	4,71,000	2,86,000
7. Punjab	1,07,297	3,98,397	2,82,970	96,000	2,18,000	1,52,000
8. Madras	35,70,377	36,34,683	40,22,399	41,22,000	44,50,000	42,00,000
9. Bombay	31,73,167	31,44,096	35,27,767	33,20,000	32,91,000	33,64,000
Eastern Bengal and Assam	1,29,956	...	...	...	...	...
Bengal (old)	18,94,800	...	...	...	...	...
Total	1,12,59,958	1,13,13,258	1,24,78,777	1,31,48,000	1,39,55,000	1,26,40,000
TOTAL INDIA R	1,26,91,097	1,27,36,211	1,39,15,998	1,50,56,000	1,54,84,000	1,43,42,000
Equivalent in Sterling £	846,073	849,081	927,733	1,003,700	1,032,300	956,100
England	840	1,894	1,156	...	300	...
GRAND TOTAL £	846,913	850,975	928,889	1,003,700	1,032,600	956,100

182 BUDGET OF THE GOVERNMENT OF INDIA FOR 1915-16.

REVENUE.

(a) *Imperial.*

Revised, 1914-15.

170. The decline of R1.18 lakhs in the revenue in the current year as compared with the Budget estimate is chiefly due to a smaller demand for water from the Imperial canals in the Punjab. The Budget estimate for 1915-16 is based on a normal demand for irrigation.

Budget, 1915-16.

(b) *Divided and Provincial.*

Revised, 1914-15.

171. The total Revised estimate for 1914-15 is less than the Budget by R1.38 lakhs. The decrease is mainly due to a fall in revenue from canals in certain districts in Burma, and in the navigation canals in eastern Bengal consequent on a reduction in the jute traffic. The Budget estimate for 1915-16 provides for normal collections in all the provinces.

Budget, 1915-16.

EXPENDITURE.

(a) *Imperial—India and England.*

Revised, 1914-15.

172. The Budget estimate of the current year included the usual grant of R5 lakhs in aid of special expenditure entailed by the recommendations of the Irrigation Commission, and a reserve of R.73 lakh for unforeseen requirements. From these special provisions, R1.53 lakhs have been assigned to the United Provinces to meet Provincial outlay on tank restoration works; R2 lakhs will be required for special repairs on the Imperial inundation canals in the Punjab necessitated by heavy rainfall; and R.69 lakh will be spent on the Khushdil Khan reservoir and Surkhab river projects in Baluchistan. The balance of the special allotments will lapse. These causes account for the decrease of R3.74 lakhs in the Revised estimate for 1914-15, as compared with the Budget.

Budget, 1915-16.

173. The total Budget estimate for 1915-16 exceeds the Revised for the current year by R1.68 lakhs. Provision has been made for the special grant of R5 lakhs. But a reduction is anticipated in the expenditure on the Imperial inundation canals in the Punjab, owing to the absence of the special repairs undertaken in the current year; and in Baluchistan no allotments have yet been made for the projects which are financed from the special grant mentioned above.

(b) *Divided and Provincial.*

Revised, 1914-15.

174. The total Revised estimate for 1914-15 exceeds the Budget grant by R8.07 lakhs. There is an increase of R5.50 lakhs in Bengal, owing to the purchase of a dredger for the maintenance of waterways; of R3.28 lakhs in Madras, due to special repairs necessitated by flood damages; of R1.96 lakhs in the United Provinces, caused mainly by expenditure on tank restoration works financed by special assignments from Imperial revenues (see paragraph 172); and of R1.22 lakhs in the Punjab, in consequence of outlay on certain necessary projects for which no provision was made in the Budget. But these excesses will be partially counterbalanced by lapses in grants in Burma and in the remaining provinces.

Budget, 1915-16.

175. The total Budget estimate for 1915-16 is taken at R13.15 lakhs less than the Revised estimate of the current year. The decrease is partly due to the absence of the special expenditure incurred in the current year and referred to in the preceding paragraph. Provision has generally been made for sanctioned establishments and for a normal scale of expenditure. But in Burma, some curtailment of grants has been necessary owing to the position of the Provincial finances.

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44.—CONSTRUCTION OF RAILWAYS CHARGED TO PROVINCIAL REVENUES.

	Accounts, 1911-1913.	Accounts, 1913-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Provincial.</i>						
Assam . . . R	12,53	63,984	21,213	29,000	24,000	20,000
	836					
£	836	4,266	1,414	1,900	1,600	1,300

176. The charges represent capital outlay in connection with the Jorhat Railway and are unimportant in character.

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XXXI and 45.—CIVIL WORKS.

EXPENDITURE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	34,19,254	71,05,987	28,97,403	38,99,000	31,16,000	35,73,000
2. Delhi . . . . .	...	8,16,633	19,16,010	17,03,000	14,82,000	13,36,000
3. Baluchistan	8,60,851	9,61,402	11,62,343	10,05,000	11,01,000	10,11,000
4. North-West Frontier	23,35,928	26,25,826	34,62,786	34,23,000	33,12,000	25,86,000
5. Other Provinces	46,21,372	39,89,659	44,25,688	53,57,000	55,06,000	50,01,000
Total	1,12,37,405	1,54,99,507	1,43,64,230	1,53,87,000	1,45,17,000	1,35,07,000
<i>Provincial.</i>						
1. Central Provinces	56,36,262	67,66,686	63,83,785	75,76,000	80,09,000	67,53,000
2. Burma	1,01,61,370	82,57,096	1,01,11,603	1,47,38,000	1,03,75,000	1,02,63,000
3. Assam . . . . .	...	43,16,217	66,17,426	49,23,000	54,16,000	42,50,000
4. Bengal, (new) . . . . .	...	90,02,139	1,02,18,648	1,10,36,000	1,17,79,000	83,97,000
5. Bihar and Orissa . . . . .	...	59,81,947	83,23,760	1,02,88,000	95,82,000	90,58,000
6. United Provinces	71,21,797	73,84,393	90,03,926	75,78,000	71,50,000	75,68,000
7. Punjab	62,75,248	68,75,537	96,94,507	1,11,83,000	92,98,000	77,22,000
8. Madras	1,10,12,637	1,56,63,903	1,64,89,730	1,80,02,000	1,66,43,000	1,09,73,000
9. Bombay	1,35,42,061	97,85,149	1,19,03,975	98,69,000	1,05,69,000	80,57,000
Eastern Bengal and Assam	67,18,032	...	...	...	...	...
Bengal (old)	88,21,485	...	...	...	...	...
Total	6,92,83,892	7,40,33,067	8,92,47,360	9,51,93,000	8,93,21,000	7,33,81,000
TOTAL INDIA	8,05,26,297	8,95,32,574	10,36,11,590	11,05,85,000	10,38,38,000	8,68,88,000
Equivalent in Sterling £ England	5,368,419	5,968,838	6,907,440	7,372,400	6,922,600	5,792,600
	84,793	90,665	101,184	82,200	86,400	21,200
TOTAL	5,453,212	6,059,503	7,008,624	7,454,600	7,009,000	5,813,800

REVENUE.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		Budget, 1915-1916.
				Budget.	Revised.	
<i>Imperial.</i>						
1. India General	6,38,618	1,13,050	83,228	66,000	72,000	72,000
2. Delhi . . . . .	...	4,649	1,42,894	48,000	1,54,000	1,43,000
3. Baluchistan	44,838	41,443	43,914	40,000	45,000	44,000
4. North-West Frontier	1,37,210	2,90,186	1,48,739	1,42,000	1,56,000	1,51,000
5. Other Provinces	2,33,632	2,45,548	2,70,028	2,44,000	2,48,000	2,18,000
Total	10,53,848	6,94,876	6,88,803	5,40,000	6,75,000	6,33,000
<i>Provincial.</i>						
1. Central Provinces	5,64,490	13,15,898	2,41,530	2,34,000	2,52,000	2,52,000
2. Burma	2,96,425	3,31,317	3,45,615	3,31,000	3,34,000	3,35,000
3. Assam . . . . .	...	1,40,764	1,50,703	1,54,000	1,60,000	1,62,000
4. Bengal (new) . . . . .	...	5,27,559	6,00,292	5,29,000	6,34,000	5,82,000
5. Bihar and Orissa . . . . .	...	2,88,251	3,54,127	3,15,000	3,68,000	3,74,000
6. United Provinces	4,27,046	4,49,720	5,38,595	4,24,000	4,54,000	4,25,000
7. Punjab	6,20,941	5,10,712	5,21,946	5,04,000	4,03,000	3,96,000
8. Madras	2,71,824	3,05,312	3,32,418	3,21,000	4,02,000	3,87,000
9. Bombay	7,04,497	7,67,301	7,65,577	2,39,000	3,15,000	2,95,000
Eastern Bengal and Assam	3,46,260	...	...	...	...	...
Bengal (old)	6,18,536	...	...	...	...	...
Total	38,50,019	46,36,834	37,90,803	30,51,000	33,22,000	32,03,000
TOTAL INDIA	49,03,867	53,31,710	44,79,606	35,91,000	39,97,000	38,41,000
Equivalent in Sterling £	326,924	355,447	298,640	239,400	266,400	256,100

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177. The Imperial revenue and expenditure shown against "Other Provinces" represent the transactions in connection with the buildings of the various departments, e.g., Salt, Customs, etc., the receipts and charges of which are wholly Imperial.

EXPENDITURE.

(a) Imperial.—India and England.

178. The total expenditure in 1914-15 is expected to fall short of the Budget estimate by Rs 8.07 lakhs. The decrease is mainly due to a partial utilisation of the reserve for unforeseen expenditure, and to lapses in the allotments for the new Custom House and for the extension of the Currency Office and of the Mint at Bombay; for the new Post Office at Allahabad; and for a new police building and for improvements to roads in Delhi. *Revised, 1914-15.*

179. In 1915-16 the total Imperial grant has been fixed at Rs 100 lakhs, exclusive of Rs 5.05 lakhs allotted for expenditure incurred in the Civil Department, mostly in the several minor administrations, and of sums aggregating Rs 33.20 lakhs to be spent by the administrations of the North-West Frontier Province (25 lakhs) and Baluchistan (8.20 lakhs). A large curtailment of grants has been made everywhere in view of the financial position. *Budget, 1915-16.*

180. The purposes to which the grant of Rs 100 lakhs mentioned in the preceding paragraph will be applied are shown below :—

	In lakhs of rupees.	
	Rs	Rs
(a) Ordinary grant—		
(1) Establishment and miscellaneous charges	15.32	
(2) Repairs	20.96	
(3) Works in progress	25.65	
(4) New works—		
(a) costing up to Rs 5,000	8.78	
(b) costing more than Rs 5,000	9.78	
(5) Payments in England for stores, furlough allowances, etc.	3.18	
(6) Reserve for Archæological expenditure	1.28	
(7) Reserve for other unforeseen expenditure	3.75	
	88.70	
(b) Delhi Province—		
(1) Works in progress . . . . .	.97	
(2) New works—		
(a) costing up to Rs 5,000 . . . . .	.91	
(b) costing more than Rs 5,000	2.31	
(3) Repairs	5.51	
(4) Establishment and Tools and Plant	1.41	
(5) Archæological expenditure19	
	11.30	
	100.00	

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181. The following is a list of the new works and works in progress on which it is probable that allotments of R1 lakh or more will be made from the ordinary grant in the ensuing year :—

Province.	Name of work.	Amount of grant.
		R
Bihar and Orissa .	Post and Telegraph office buildings in the new Capital with quarters for Postmaster and Signallers .	1,50,000
Bombay	New Custom House at Karachi	1,58,000
"	" at Bombay	4,00,000
"	Extension of the Currency Office at Bombay	1,25,000
"	Quarters for the Preventive officers, Customs Department, at Bombay (Matunga)	1,15,000
Delhi	New Kotwali at Delhi	1,47,000
Burma	New Custom House at Rangoon	1,45,000
"	New Telegraph Office at Rangoon	2,70,000
Madras	Acquisition of premises for the Currency Office at Madras	1,50,000
Central Provinces .	New Postal building, Nagpur	1,00,000

(b) India—Provincial.

Revised, 1914-15.

182. The total Revised estimate for 1914-15 is less than the Budget by R58.77 lakhs. The Budget provided for an outlay of about R80½ lakhs on Civil Works from the special Imperial assignments made in recent years for education, sanitation etc. The total outlay of this class in the current year is now estimated at about R89 lakhs; and eliminating this special expenditure as well as the corresponding Budget provision, the Revised estimate under Civil Works falls short of the Budget by about R67 lakhs. The real saving is larger, for a portion of the expenditure against some of the ordinary grants provided in the Budget under Education, Medical and other heads is recorded in the accounts under Civil Works. Considerable lapses in the grants provided under the latter head, otherwise than from the special appropriations from Imperial revenues referred to above, are expected in Bengal (R11 lakhs), Bihar and Orissa (R17 lakhs), Burma (R14 lakhs), the United Provinces (R7 lakhs), and the Punjab (R6 lakhs), owing mainly to a curtailment of the programme of construction contemplated in the Budget which has become necessary in consequence of the financial situation. In Bombay alone, the expenditure is expected to exceed the Budget grant owing mainly to the purchase of land from the Bombay City Improvement Trust for the Parel Laboratory.

Budget, 1915-16.

183. The table below compares the details of the grants for 1915-16 in the various provinces, so far as settled at present, with the probable expenditure in the current year.

REVISED, 1914-15.

[Lakhs of Rupees.]

PROVINCES.	GRANTS TO		OUTLAY IN THE PUBLIC WORKS DEPARTMENT ON			Other items.	TOTAL.
	Local Boards and Municipalities.	Other local bodies.	Original works.	Repairs.	Establishment charges.		
1. Central Provinces	5.87	...	43.83	17.82	10.50	2.02	80.09
2. Burma	6.00	...	48.55	34.00	18.60	1.60	108.75
3. Assam	10.86	...	23.02	12.03	7.11	1.14	54.16
4. Bengal	13.66	11.55	54.86	22.95	12.40	2.37	117.79
5. Bihar and Orissa	11.94	...	58.40	8.94	9.25	7.29	95.82
6. United Provinces	4.84	...	28.65	24.87	11.06	2.08	71.50
7. Punjab	19.91	...	45.41	17.00	8.50	2.16	92.98
8. Madras	70.96	6.96	61.82	8.92	14.12	3.65	166.43
9. Bombay	8.27	...	58.18	21.08	15.08	3.08	105.69
TOTAL	152.81	18.51	422.77	167.61	106.62	25.39	893.21

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BUDGET, 1915-16.

[Lakhs of Rupees.]

PROVINCES.	GRANTS TO		OUTLAY IN THE PUBLIC WORKS DEPARTMENT ON			Other items.	TOTAL.
	Local Boards and Municipalities.	Other local bodies.	Original Works.	Repairs.	Establishment charges.		
1. Central Provinces	2.02	...	31.26	21.74	10.50	2.01	67.53
2. Burma	12.00	...	31.22	33.00	20.00	6.41	102.63
3. Assam	4.41	...	14.78	14.24	7.48	1.59	42.50
4. Bengal	10.16	11.55	28.88	22.00	13.50	.88	86.97
5. Bihar and Orissa	8.63	...	60.51	8.25	9.00	4.59	90.98
6. United Provinces	4.53	...	31.94	24.38	12.08	2.75	75.68
7. Punjab	13.14	...	35.08	17.50	8.78	2.72	77.22
8. Madras	30.93	3.01	50.55	8.44	15.05	1.75	109.73
9. Bombay	8.27	...	28.25	21.93	15.00	7.12	80.57
TOTAL	94.09	14.56	312.47	171.48	111.39	29.82	733.81

184. The total Budget estimate for 1915-16 is less than the Revised estimate for the current year by R159.40 lakhs. The large decrease reflects the policy of retrenchment which has been dictated by the financial position brought about by the war. Heavy reductions have been made in the provision for grants to local bodies and for original works, in view of the decline in the Provincial revenues and the need for restricting the drafts on Provincial balances. Allotments aggregating R30½ lakhs only have been made for outlay on Civil Works from the special Imperial assignments made in recent years, against a corresponding outlay of R89 lakhs included in the Revised estimate of the current year.

Budget, 1915-16.

185. The total provision for grants to local boards and municipalities in 1915-16 is R58.22 lakhs less than the similar expenditure in 1914-15. The bulk of the decrease occurs in Madras (R40.03 lakhs) and is due to a reduction in the special non-recurring grants given to local bodies for minor sanitary works, the construction of roads and bridges and various other purposes. A reduced provision for similar non-recurring grants has been made in most other provinces also.

186. The figures shown under "Grants to other local bodies" consist mainly of contributions to the Calcutta Improvement Trust (R11.50 lakhs), and to the Madras Corporation (R3 lakhs) for water-supply and drainage works. The first of these contributions represents grants from Imperial revenues passed through the Provincial account. It includes the final instalment of the non-recurring payment of R50 lakhs.

187. The total provision for Original Works in 1915-16 is less than the probable expenditure in the current year by over a crore of rupees. The grants have been restricted in all the provinces to urgent requirements. Provision has been made in Bihar and Orissa for progress of work in connection with the Bankipore buildings and the Lunatic Asylum at Ranchi.

188. The Budget grants for Repairs and for Establishment charges are generally based on normal requirements, and in the latter case on the assumption that the orders restricting the grant of leave out of India will continue to be in operation throughout the ensuing year. The increase under "Other Items" as compared with the Revised estimate for the current year is mainly due to the provision of the usual reserve in Bombay and Burma.

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REVENUE.

(a) *Imperial.*

Revised, 1914-15. 189. The total Revised estimate for 1914-15 exceeds the Budget by ₹1.35 lakhs, mainly in consequence of higher receipts in Delhi from the rent of buildings occupied by Government officials and the supply of electric energy. The total Budget estimate for 1915-16 does not differ materially from the Revised for the current year.

Budget, 1915-16.

(b) *Provincial.*

Revised, 1914-15. 190. The total Revised estimate for 1914-15 shows a rise of ₹2.71 lakhs over the Budget estimate. Increased receipts are expected in all the provinces from the rent and sale of Government buildings and from other sources. The decrease of ₹1.01 lakhs shown against the Punjab in the table on page 98 is due to the remission of certain contributions hitherto recovered from local bodies, budget provision for which was made under "32—Miscellaneous" (see paragraph 139). The Budget estimate for 1915-16 provides generally for normal receipts in all the provinces.

Budget, 1915-16.

BUDGET OF THE GOVERNMENT OF INDIA FOR 1915-16. 189

XXXII and 46.—ARMY.

EXPENDITURE.	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		1915-1916.
	R	R	R	Budget.	Revised.	Budget.
INDIA—						
<i>Effective Services—</i>						
Administration	69,23,994	69,75,270	71,56,430	69,92,860	63,44,000	58,56,960
Military Accounts	29,15,540	29,15,887	30,13,241	29,50,820	28,09,000	24,94,870
Regimental Pay, etc.	12,45,65,223	12,20,93,251	12,23,80,051	12,43,98,430	10,86,00,000	8,25,51,710
Supply and Transport	3,01,50,763	3,36,92,689	3,42,78,307	3,49,60,900	3,14,38,000	2,60,24,920
Veterinary	4,93,567	5,00,023	5,02,617	5,03,920	4,07,000	3,23,900
Clothing	12,53,800	15,68,321	19,26,690	19,98,870	34,72,000	27,34,290
Remounts	47,13,862	49,28,434	46,52,456	54,71,930	54,53,000	43,74,970
Medical Services	57,83,758	56,96,320	57,50,474	60,26,400	53,19,000	42,55,040
Medical Stores	5,65,779	5,06,157	5,51,826	5,06,570	5,21,000	5,35,610
Ordnance	88,17,906	98,54,097	95,87,161	1,06,75,350	1,06,43,000	80,23,340
Ecclesiastical	4,17,979	4,30,154	4,27,183	4,37,430	4,43,000	4,12,460
Education	12,52,272	12,41,097	13,47,675	14,57,350	10,40,000	5,97,350
Compensation for Food, etc.	48,96,685	57,56,698	62,81,040	63,95,000	57,10,000	43,37,000
Miscellaneous Services	89,22,432	31,25,192	28,42,085	21,09,280	3,11,29,000	7,37,71,660
Hutting	3,04,955	6,98,816	2,10,375	2,00,000	2,00,000	2,00,000
Conveyance by Road, River, and Sea	8,74,856	15,95,814	8,47,034	9,00,950	7,99,000	7,51,600
Conveyance by Rail	43,35,239	38,62,387	42,48,200	46,01,570	43,45,000	37,74,770
Cantonments	13,63,144	14,75,915	24,27,498	13,63,810	16,09,000	13,87,550
Unadjusted Expenditure	-1,52,782	-6,79,193	1,29,023	...	...	...
TOTAL	R 20,84,03,972	20,62,37,329	20,85,59,916	21,25,46,000	22,02,81,000	22,19,18,000
<i>Non-effective Services—</i>	R 1,04,85,675	1,07,43,291	1,09,57,429	1,10,03,000	1,10,41,000	1,55,87,000
TOTAL INDIA	R 21,88,89,647	21,69,81,120	21,95,17,345	22,35,49,000	23,13,22,000	23,75,05,000
Equivalent in sterling	£ 14,592,643	£ 14,465,408	£ 14,634,430	£ 14,903,200	£ 15,421,400	£ 15,833,600
ENGLAND—						
<i>Effective Services—</i>						
Payments to War Office for British Forces	914,000	941,643	917,287	920,000	930,700	930,700
Furlough Allowances, etc., of British Forces	135,990	141,456	145,302	139,000	81,000	4,000
Consolidated Clothing Allowances of British Soldiers	48,460	455	412	16,000	20,800	20,400
Furlough Allowances, Indian Service	363,216	355,676	361,405	365,000	265,000	133,000
Indian Troop Service	273,947	263,421	298,777	322,000	88,800	4,000
Other Heads	61,824	107,354	115,919	108,100	144,300	75,600
Clothing Stores	58,676	52,712	92,665	60,000	123,000	93,300
Ordnance and Miscellaneous Stores	340,189	506,097	500,328	693,000	510,200	403,000
Medical Stores	104,612	95,980	94,406	99,900	98,000	90,400
Supply and Transport Stores	51,005	52,379	44,122	57,500	70,500	116,700
Military Farms Stores			11,294	11,000	10,800	13,800
Operations in Persian Gulf (Stores)	50,620	43,348	39,373	50,000	18,600	...
Stores taken to India with Troops	36,825	24,409	17,586	29,100	19,100	13,200
TOTAL	£ 2,439,364	2,569,430	2,638,876	2,870,600	2,380,800	1,907,100
<i>Non-effective Services—</i>						
Payments to War Office for British Forces	898,331	919,183	927,029	945,000	946,000	650,000
Pensions, Indian Service	1,431,735	1,425,242	1,407,596	1,405,000	1,375,000	1,365,000
Other Heads	174,473	177,263	181,243	182,000	203,000	218,000
TOTAL	£ 2,504,539	2,521,688	2,515,873	2,532,000	2,524,000	2,233,000
TOTAL ENGLAND	£ 4,943,903	5,111,118	5,154,749	5,402,600	4,904,800	4,140,100
TOTAL EXPENDITURE	£ 19,536,546	19,576,526	19,789,239	20,305,800	20,326,200	19,973,700
RECEIPTS.						
India	R 1,04,91,423	1,33,60,617	1,27,84,798	1,26,11,000	1,19,46,000	1,11,96,000
Equivalent in sterling	£ 699,428	£ 890,708	£ 852,320	£ 840,700	£ 796,400	£ 746,400
England	£ 479,938	£ 337,095	£ 351,186	£ 351,600	£ 355,100	£ 323,700
TOTAL RECEIPTS	£ 1,179,366	1,227,803	1,203,506	1,192,300	1,151,500	1,075,100
TOTAL NET EXPENDITURE	£ 18,857,180	18,948,723	18,585,733	19,113,500	19,174,700	18,898,600

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*Revised, 1915-16,
compared with
Budget, 1914-15.
Expenditure—
India.*

191. The anticipated Army expenditure in India for the current year is estimated at R23,13·22 lakhs (£15,421,400) or R77·73 lakhs (£518,200) more than the Budget estimate. Foremost among the causes which have contributed to this increase may be mentioned an additional outlay of R27·00 lakhs (£180,000) owing to the recall of officers from furlough and suspension of leave consequent on the war, but against this there is a decrease at Home in furlough allowances of R23·70 lakhs (£158,000). In connection with the war, it has been necessary to incur expenditure on the internal defence of the country and other necessary measures amounting to R37·62 lakhs (£250,800). Food prices were higher throughout the year and the Budget provision on this account is likely to be exceeded to the extent of R8 lakhs (£53,300). A large number of Indian Medical Service and Royal Engineer officers have been withdrawn from Civil employ for military duty, and their ordinary pay charges, amounting to R9·62 lakhs (£64,100), must now be charged to the Army grant. On the other hand, a saving of R10·5 lakhs (£70,000) has accrued by the delay in the return of certain Indian troops to India from the Colonies and the consequent lapse in the Budget provision on their account.

Amongst other variations may be mentioned a charge of R3 lakhs (£20,000) for bounties paid to British soldiers for extension of service, previous to the outbreak of war. The War Office will also contribute a similar sum, the total payments amounting to R6 lakhs (£40,000). Owing to the suspension of the Arms Traffic operations in the Persian Gulf, a saving of R5·53 lakhs (£36,900) has been secured, which has more than covered the extra expenditure amounting to R4 lakhs (£26,700) in connection with the recent disturbances on the North-West Frontier. Some further land has been acquired in connection with the new Cantonment at Delhi at a cost of R1·90 lakhs (£12,700). A large increase of the strength of Volunteer Corps has caused an extra expenditure of R1·50 lakhs (£10,000). Owing to the war, several schools of instruction, e.g., the Staff College, Cavalry School and Flying School, have been temporarily closed; the ordinary inland relief of troops has been curtailed; and charges in India in connection with the Indian troop service have been lower. These three causes account for a decrease of R6·46 lakhs (£43,100).

Home.

192. The gross expenditure under the Army head at Home is expected to fall below the current year's Budget provision of £5,402,600 by £497,800. Owing to the war, it has not been possible to comply fully with the original store demands, and a lapse of £108,900 is anticipated from this cause. The recall of officers from leave has reduced the payments of furlough allowances by £158,000, while the suspension of the Indian troop service, for which a Budget provision of £322,000 was made, results in a decrease of £233,200. The expenditure at Home in connection with the Arms Traffic operations in the Persian Gulf is £28,400 less.

*Receipts—India
and Home.*

193. The total receipts during the current year are somewhat lower than the anticipations of March last. In India there is a decrease of R6·65 lakhs (£44,300) and at Home an increase of £3,500; the former is largely due to the bulk of the present British garrison and units in the field being supplied with clothing in kind instead of obtaining it, as usual, on payment out of clothing allowances received.

Net Expenditure.

194. In the net, therefore, the expenditure during the current year—Home and India—under the head "Army" is expected to exceed the Budget provision of R28,67·03 lakhs (£19,113,500) by R9·18 lakhs (£61,200).

*Special Expendi-
ture.*

195. The Special or Schedule provision was R95·24 lakhs (£634,900), of which R63·42 lakhs (£422,800) represented expenditure at Home. War conditions have interfered with the supply of stores from Home, and a lapse of R30·55 lakhs (£203,700) is expected. The Indian expenditure is larger than the estimate by R3·18 lakhs (£21,200), in consequence of its having been found necessary to accelerate the augmentation of the Army Bearer Corps and to form an additional Divisional Signalling Company; also to acquire further land for the new cantonment at Delhi, to improve the conditions of service of the Military Assistant Surgeon class, and to meet a moiety

BUDGET OF THE GOVERNMENT OF INDIA FOR 1915-16. 191

of the cost of bounties given early in the financial year to British soldiers to prolong their service in India. The net result is a lapse of ₹27·37 lakhs (£1,92,500).

196. For the coming year, the grant for Army expenditure in India amounts to ₹23,75·05 lakhs (£15,833,600), or ₹61·83 lakhs (£412,200) more than the Revised estimate of the current year. Broadly stated, this is due to an increased provision of ₹35 lakhs (£233,300) consequent on the suspension of leave owing to the war, and to the provision of a sum of ₹45 lakhs (£300,000) to meet the possible wound and family pension charges of Indian combatants and non-combatants. The last mentioned provision is counterbalanced by a corresponding reduction of the Home non-effective payments to the War Office, so that the latter is in reality bearing the charge. The following are other important causes of variation. The outlay on account of military measures necessary for the internal safety of India, and the charge against the Army estimates for the pay of Indian Medical Service and Royal Engineer officers transferred from other Departments for employment on military duty, are likely to exceed the corresponding expenditure in the current year by ₹13·88 lakhs (£92,500) and ₹14·68 lakhs (£97,900), respectively. A rise of ₹7·6 lakhs (£50,700) is expected in respect of food charges. An increase of ₹5·57 lakhs (£37,100) is due to the fact that, under what is termed the "Friday system of payment", the pay of a 53rd week will fall to be disbursed to British troops in 1915-16. An increase of ₹2·03 lakhs (£13,500) represents the growing strength of volunteers in India. Finally, the return of certain units lent for Colonial garrison duty increases expenditure next year by ₹7·27 lakhs (£48,500). On the other hand, changes in the composition of the local garrison and other causes are expected to give a saving of ₹46 lakhs (£306,700). In view of war conditions, the usual reliefs of troops in India will not take place, and this largely accounts for a lowering of the railway charges by ₹5·7 lakhs (£38,000). The following three items of expenditure in the current year will not recur in 1915-16, *viz.*, payments of bounty to British soldiers ₹3 lakhs (£20,000); acquisition of land in connection with the new cantonment at Delhi ₹1·9 lakhs (£12,700); and Arms Traffic operations ₹2·37 lakhs (£15,800).

197. The Home Estimates for 1915-16 amount to £4,140,100, or £764,700 less than the expenditure anticipated during the current year. The reduced scale of Army expenditure at Home is due to the present exceptional conditions. As already stated above, a sum of £300,000 has been deducted (by way of set off against a provision made in India in respect of wound and family pension charges caused by the war) from the payments which it is the practice to make to the War Office in respect of the portion of the retired pay of British forces which has been earned by service in India. The store demands are lower by £90,300, in consequence of a curtailment of special demands. The suspension of the Arms Traffic operations in the Persian Gulf accounts for a reduction of £53,600. The furlough allowances are less by £210,000, and the provision on account of the Indian troop service in 1915-16 is £4,000 only, which implies a reduction of £84,800 as compared with the current year.

198. The receipts in 1915-16 are estimated at ₹161·26 lakhs (£1,075,100), or £76,400 less than those of the current year. This falling off is attributable to war conditions, and more particularly to the fact that the bulk of the present British garrison in India are being supplied with articles of clothing in kind instead of being paid an allowance with which to purchase them.

199. The net Army expenditure for 1915-16 is thus ₹41·41 lakhs (£276,100) below the Revised estimate of the current year. This is made up of a decrease of £738,300 at Home and an increase of £462,200 in India.

200. The total estimated expenditure in 1915-16, *viz.*, ₹29,96·06 lakhs (£19,973,700) shows a decrease of ₹49·82 lakhs (£332,100) on the outlay contemplated in the current year's Budget. Excluding the transfer from the Home to the Indian Estimates of £300,000 for non-effective payments, there is a decrease of £962,500 at Home and an increase of £630,400 in India. The large decrease at Home is chiefly in furlough allowances (£368,000), in the stoppage of the Indian troop service (£318,000), the suspension of the Arms Traffic operations (£82,000), and smaller store demands (£199,200). The

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increase in India may be ascribed broadly to an extra expenditure of R62 lakhs (£413,300) owing to the recall to duty of all effective officers and the suspension of leave generally; to extra war expenditure of R51·5 lakhs (£343,300) on account of the internal safety of India; to the higher pay charges of Indian Medical Service and Royal Engineer officers transferred from civil to military duty, R24·3 lakhs (£162,000); and to increased food charges, R15·6 lakhs (£104,000). On the other hand, changes in organisation and other special measures give a decrease of R47·00 lakhs (£313,300).

The receipts for the coming year are £117,200 below the current year's Budget, and the net Army expenditure falls below the current year's Budget by £214,900.

Special Expenditure.

201. For the coming year, Special or Schedule expenditure will be reduced to a minimum, the provision made being only R17·53 lakhs (£116,900) against £634,900 in the Budget of 1914-15.

XXXIII and 46-A.—MARINE.

		Accounts, 1911-12.	Accounts, 1912-13.	Accounts, 1913-14.	1914-15.		1915-16. Budget.
					Budget.	Revised.	
EXPENDITURE.							
India	R	37,61,939	38,36,942	38,35,541	35,22,000	36,06,000	35,23,000
Equivalent in sterling	£	250,796	255,796	255,703	234,800	240,400	234,900
England	£	199,932	224,132	257,142	270,100	215,300	415,500
Total	£	450,728	479,928	512,845	504,900	455,700	650,400
RECEIPTS.							
India	R	12,73,487	13,15,039	13,43,125	14,07,000	13,38,000	10,23,000
Equivalent in sterling	£	84,900	87,669	89,542	93,800	89,200	68,200
England	£	...	...	...	...	...	...
Total	£	84,900	87,669	89,542	93,800	89,200	68,200
NET EXPENDITURE	£	365,828	392,259	423,303	411,100	366,500	582,200

Revised, 1914-15, compared with Budget, 1914-15.

202. The total expenditure (India and Home) falls short of the Budget by £49,200 and there is a fall in receipts to the extent of £4,600; the net expenditure is thus £44,600 less than the Budget.

Expenditure, Receipts and Net Expenditure: India and Home.

The increase in Indian expenditure is due chiefly to larger purchases of stores to replenish stocks. Smaller supplies of stores and absence of outlay on special measures—see paragraph 203—account for the lower Home expenditure. The decrease in receipts in India is mainly due to the Royal Indian Marine vessels not being available to take up remunerative transport work as usual.

Special Expenditure.

203. The sum of £43,000 provided in the Budget on account of a new dredger required for the Bombay Dockyard and a new station ship for Rangoon, has lapsed.

Budget, 1915-16, compared with Revised, 1914-15. India and Home.

204. The Budget for 1915-16, as compared with the Revised of 1914-15, shows an increase of £194,700 in expenditure, made up of an increase at Home of £200,200 and a decrease in India of £5,500. The former is mainly accounted for by the provision of £188,600 for the two vessels referred to above and for a new despatch vessel required for duty in the Persian Gulf. The receipts in India are lower by £21,000, as no remunerative employment for Royal Indian Marine transports is anticipated next year.

Special Expenditure.

205. An allotment of £188,600 has been provided in 1915-16 for the new vessels mentioned above.

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XXXIV and 47.—MILITARY WORKS.

		Accounts, 1911-12.	Accounts, 1912-13.	Accounts, 1913-14.	1914-15.		1915-16. Budget.
					Budget.	Revised.	
ORDINARY.							
EXPENDITURE.							
India	R	96,54,399	95,84,652	96,23,778	96,81,000	98,61,000	84,90,000
Equivalent in sterling	£	643,627	638,977	641,585	645,400	657,400	566,000
England	£	22,120	24,162	31,225	17,400	30,400	14,000
TOTAL	£	665,747	663,139	672,810	662,800	687,800	580,000
RECEIPTS.							
India	R	11,81,866	10,82,428	11,49,059	12,00,000	11,25,000	11,55,000
Equivalent in sterling	£	78,791	72,162	76,604	80,000	75,000	77,000
England . . . . .	£	...	...	...	...	...	...
TOTAL	£	78,791	72,162	76,604	80,000	75,000	77,000
Net expenditure, Ordinary	£	586,956	590,977	596,206	582,800	612,800	503,000
SPECIAL DEMANDS.							
EXPENDITURE.							
India	R	34,31,705	32,24,856	39,60,330	52,95,000	48,00,000	24,05,000
Equivalent in sterling .	£	228,780	214,990	264,022	353,000	320,000	160,300
England	£	15,130	9,250	10,465	6,600	9,200	4,000
TOTAL	£	243,910	224,240	274,487	359,600	329,200	164,300
TOTAL NET EXPENDITURE	£	830,866	815,217	870,693	942,400	942,000	667,300

206. Under this head the Ordinary expenditure, and the expenditure on Military Works Schedule (Special Demands) measures, are separately compiled in the ordinary course of accounting. Under Ordinary expenditure, the Revised anticipates an excess of £25,000, which is entirely due to expenditure in connection with the special provision of mess houses, officers' quarters, furniture, etc. The bulk of this outlay will eventually yield some return in the shape of rent.

*Revised, 1914-15,
compared with
Budget, 1914-15,
India and Home.
Ordinary
Expenditure.*

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Receipts.

207. The Military Works receipts represent the rents derived from military quarters and mess houses, recoveries for water supply and electrical power, the sale proceeds of stores, and the rental and repair recoveries from silladar cavalry units whose lines have been taken over by the Military Works Services. The slight decrease is mainly due to anticipated lower rental recoveries.

Special Demands, expenditure.

208. Under Special Demands, there is a decrease of R4.56 lakhs (£30,400), due mainly to the transfer of R1.90 lakhs to the Army head to complete the purchase of the site of the new cantonment at Delhi, and a lapse of R.88 lakhs on account of the Flying School which has been temporarily closed.

Net Expenditure. Total.

209. On Military Works expenditure as a whole, a net decrease of only £400 is expected.

Budget, 1915-16, compared with Budget, 1914-15. India and Home. Ordinary Expenditure.

210. The Ordinary Military Works grant for 1915-16 has been fixed at R87.00 lakhs (£580,000), as compared with R99.42 lakhs (£662,800) in the current year. It has been restricted to the lowest possible extent in consequence of existing conditions.

Receipts.

211. Lower rental recoveries are expected in 1915-16, in view of the abnormal conditions prevailing, and the receipts therefrom are estimated at R11.55 lakhs (£77,000), or R0.45 lakhs (£3,000) less than those originally anticipated in the current year.

Special Demands, expenditure.

212. The allotment made for Special Demands amounts to R24.65 lakhs (£164,300), or R29.29 lakhs (£195,300) less than in 1914-15. The decrease is due to existing conditions having rendered it necessary to confine expenditure in 1915-16 to works in progress. The main allotments are R9.67 lakhs for works in the new cantonment at Delhi, R6.11 lakhs for the reconstruction of Indian troops' and followers' lines, and R one lakh each for the Indian Infantry lines at Aden and new Cavalry lines at Lucknow.

Net Expenditure. Total.

213. The total net expenditure of R1,00.1 lakhs (£667,300) proposed in 1915-16 is less than the Budget provision of 1914-15 by R41.26 lakhs (£275,100).

47A.—SPECIAL DEFENCES.

		Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		1915-1916. Budget.
					Budget.	Revised.	
EXPENDITURE.							
India	R	40,570	88,287	1,07,225	2,67,000	1,57,000	2,18,000
Equivalent in Sterling	£	2,705	5,886	7,148	17,800	10,500	14,600
England	£	2,001	3,381	9,236	15,200	13,000	6,500
Total	£	4,706	9,267	16,384	33,000	23,500	21,100

Revised, 1914-15.

214. The Revised shows a decrease of £9,500 owing to less expenditure being anticipated on stores and works.

Budget, 1915-16.

The allotment for next year amounts to R3.16 lakhs (£21,100), and includes R.98 lakh (£6,500) carried forward by the Secretary of State on account of store demands on hand.

These charges are treated as wholly Special.

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MILITARY SERVICES : SUMMARY.

	Accounts, 1911-1912.	Accounts, 1912-1913.	Accounts, 1913-1914.	1914-1915.		1915-1916, Budget.
				Budget.	Revised.	
EXPENDITURE—						
India . . .	₹ 23,57,78,260	23,37,15,857	23,70,44,219	24,23,14,000	24,97,46,000	25,21,41,000
Equivalent in Sterling . . .	£ 15,713,551	15,581,057	15,802,948	16,154,200	16,649,700	16,809,400
England . . .	£ 5,183,086	5,372,043	5,462,817	5,711,900	5,172,700	4,580,100
Total Expenditure . . .	£ 20,901,637	20,953,100	21,265,765	21,866,100	21,822,400	21,389,500
RECEIPTS—						
India . . .	₹ 1,29,46,776	1,57,58,084	1,52,76,982	1,52,18,000	1,44,09,000	1,33,74,000
Equivalent in Sterling . . .	£ 863,119	1,050,539	1,018,466	1,014,500	960,600	891,600
England . . .	£ 479,938	337,095	351,186	351,600	355,100	328,700
Total Receipts . . .	£ 1,343,057	1,387,634	1,369,652	1,366,100	1,315,700	1,220,300
NET EXPENDITURE . . .	£ 19,558,580	19,565,466	19,896,113	20,500,000	20,506,700	20,169,200

215. The total net military expenditure during the current year is expected to exceed the original Budget provision by £16,700 only. But though the intended total outlay has been closely approached, many causes have operated to disturb the details of the original programme. War conditions have required the presence at duty of the full establishments and leave has been suspended. The progress of expenditure in certain directions has been impeded, while the war has entailed extra expenditure in connection with the internal safety of the country. Food charges have risen; the expenditure on the Indian troop service during the current year has been considerably reduced; and the Arms Traffic operations have also been suspended.

Finally, the special or schedule expenditure, for which the Budget allotted £1,070,500, has been restricted to £805,100.

216. The Budget estimate for 1915-16 assumes that war conditions will continue to be operative throughout the year, and expenditure will accordingly be restricted to the minimum necessary for efficiency. The total grant for military services has thus been fixed at £20·17 million net, or about £½ million less than the Budget provision of the current year; and the allotment for Special expenditure has similarly been taken at the reduced figure of £190,900.

217. Both the Revised Estimate of the current year and the Budget of 1915-16, provide for the full ordinary maintenance cost of the troops, etc., employed with the Overseas Indian Expeditionary Forces as, in accordance with the Resolutions in both Houses of Parliament, Indian revenues will continue to bear the ordinary pay and other charges of the absent troops, etc. It is estimated that India's contribution on this account during 1914-15 will amount to £1·9 million and in 1915-16 to £4·8 million. Over and above this contribution from Indian revenues, the ordinary cost of the Imperial Service Troops employed with the Overseas Forces will be met by the Native States concerned. His Highness the Nizam of Hyderabad has also generously contributed £400,000 and His Highness the Maharaja of Mysore £333,000 towards the general expenses of the war; and similar loyal contributions, aggregating £40,000, have been offered by other Indian Princes.

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TRANSFERS BETWEEN IMPERIAL AND PROVINCIAL.

	Account, 1911-12.	Accounts, 1912-13.	Accounts, 1913-14.	1914-15.		Budget, 1915-16.
				Budget.	Revised.	
Transfers from Imperial to Provincial—						
1. Recurring assignments under the terms of the Provincial Settlements, including permanent additions subsequently made to them, with the exception of special recurring grants for Education and Sanitation	5,44,000	16,09,000	1,06,32,000	1,13,06,000	1,18,87,000	1,37,51,000
2. Special recurring grants for—						
(i) Education . . . . .	...	55,96,000	1,05,38,000	1,13,45,000	1,14,29,000	1,14,46,000
(ii) Sanitation . . . . .	...	...	36,50,000	36,70,000	36,70,000	36,70,000
3. Assignments in connection with the scheme for the incidence of famine relief expenditure (<i>vide</i> paragraph 54 of Financial Statement for 1907-1908)	37,50,000	37,50,000	37,50,000	29,12,000	29,28,000	24,70,000
4. Non-recurring grants—						
(i) Under the terms of the Provincial settlements	6,94,000	4,90,000	15,33,000	8,21,000	2,61,000	...
(ii) For Education . . . . .	...	3,81,70,000	8,000	9,000	11,87,000	1,51,000
(iii) For Sanitation	50,00,000	1,50,00,000	1,00,000	...	5,50,000	...
(iv) For medical relief, agriculture and allied objects	35,00,000	...	25,35,000	...	...	...
(v) For public works expenditure and discretionary outlay	22,00,000	1,50,00,000	...	15,00,000	15,00,000	...
(vi) Other items	2,18,30,000	14,44,000	53,00,000	29,35,000	39,66,000	27,89,000
Total Transfers	3,75,18,000	8,10,59,000	3,80,46,000	3,44,93,000	3,73,76,000	3,42,77,000

(a) *Recurring assignments excluding special grants for Education and Sanitation.*

Revised, 1914-15.

218. The increase of Rs 5.81 lakhs in the Revised estimate over the Budget of the current year is mainly due to the following three items:—

	Lakhs of Rupees.
(1) Recurring assignment to the Punjab in exchange for the surrender by it of Rs 100 lakhs of its Provincial balance	3.50
(2) Contribution from Imperial to Provincial Revenues in the various provinces, owing to the transfer to the Provincial section of the salaries of officers of the Imperial Civil Veterinary Department which were hitherto debited in the Imperial section of the accounts	3.34
(3) Reduction in compensatory assignment to Madras, in connection with the remission of the village service cess in proprietary estates, due to slower progress in the resumption of <i>inam</i> lands of village servants	— .76
TOTAL	6.08

BUDGET OF THE GOVERNMENT OF INDIA FOR 1915-16. 197

219. The Budget estimate for 1915-16 exceeds the Revised by $\text{R}18\cdot64$ lakhs. The bulk of this increase is due to an assignment of $\text{R}15\cdot11$ lakhs in aid of Provincial resources in Burma, the balance being made up as follows:—

	Lakhs of Rupees.
(1) Increase in the Punjab Government's share of the sale proceeds of sites for shops and residences in certain towns in the Punjab. (These receipts are credited in the Imperial section of the accounts, but the Local Government is entitled to a moiety)	1·96
(2) Increase in compensatory assignment to Madras in connection with the remission of the village service cess in proprietary estates, due to progress in the resumption of <i>inam</i> lands of village servants	1·59
(3) Petty adjustments of a recurring nature	—·05
Total	3·53

(b) Special recurring grants for Education.

220. The variations between the Budget and the Revised estimates for the current year, and between the latter and the Budget estimate for 1915-16, are due to the allotment of small sums, for recurring outlay on specific items of Provincial expenditure, from the undistributed balance of the recurring appropriation of $\text{R}124$ lakhs made from Imperial revenues in recent years for the improvement of education (see paragraphs 97 and 98).

(c) Assignments in connection with the scheme for the incidence of Famine Relief expenditure.

221. The variations in the amount of assignments for the famine insurance of Provincial Governments provided in the estimates for 1914-15 and 1915-16 arise from the circumstances mentioned below. Under the scheme for the incidence of famine relief expenditure introduced in 1907, the details of which were explained in paragraphs 48 to 57 of the Financial Statement for 1907-08, certain annual assignments are made to Provincial Governments, and the latter use the funds so placed at their disposal to build up a reserve of credit with the Imperial Government which can be utilised when necessary to meet famine relief expenditure. To avoid the possible accumulation of an unnecessarily high credit, it was decided (1) to fix a maximum limit to the reserve of each province, and (2) when that limit was reached in any province, to discontinue the annual assignment until the credit had been reduced by expenditure on famine relief. The limit for the Central Provinces was fixed at $\text{R}80$ lakhs; and it is estimated that this figure will be reached in 1914-15 with an assignment of $\text{R}4\cdot56$ lakhs, instead of $\text{R}4\cdot42$ lakhs as anticipated in the Budget estimate for the current year, and that in 1915-16 the assignment to the province on this account will be *nil*.

(d) Non-recurring grants under the terms of the Provincial Settlements.

222. The Budget estimate for the current year provides for an assignment of $\text{R}8\cdot21$ lakhs to the United Provinces to bring the Provincial share of divisible Land Revenue up to the amount (*viz.*, $\text{R}240$ lakhs) guaranteed in the settlement. Owing to an improvement in the Land Revenue collections in the province, the amount of such assignment is now estimated at $\text{R}2\cdot61$ lakhs only.

(e) Non-recurring assignments for Education.

223. The following are the details of the non-recurring grants given in the two years for expenditure in aid of education:—

	Lakhs of rupees.	
	1914-15.	1915-16.
(1) Additional grant to the Calcutta University for hostels	10·00	...
(2) Additional grant to the Dacca University	1·00	1·00
(3) Grant to the Islamia College, Lahore, for the equipment and maintenance of science laboratories	·26	·30
(4) Other petty items	·61	·21
Total	11·87	1·51

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A sum of R10 lakhs has been made over to the Government of Bengal in the current year for payment to the Calcutta University of the grant for the construction of hostels which was recently announced by His Excellency the Viceroy. The remaining contributions entered above have been given from the undistributed balance of the recurring appropriation of R124 lakhs made from Imperial revenues in recent years for Educational expenditure.

(f) *Non-recurring grants for Sanitation.*

224. The following allotments have been made during the current year from the undistributed balance of the special recurring appropriation of R51 lakhs made from Imperial revenues in recent years for the improvement of sanitation :—

	Lakhs of Rupees.
(1) To the Punjab, for a grant to the Simla Municipal Committee for the improvement and extension of the sewage system .	3.30
(2) To the United Provinces, for sanitary improvement of the pilgrin route to Badrinath and Kedarnath	1.00
(3) To the United Provinces, for the establishment of an experimental sullage farm at Lucknow	1.00
(4) To Bombay, for a grant to the Bombay Sanitary Association .	.20
TOTAL .	5.50

(g) *Miscellaneous non-recurring grants.*

225. The following are the details of the miscellaneous non-recurring grants which will be given in the two years :—

	Lakhs of rupees.	
	1914-15.	1915-16.
(1) Contribution to meet provincial expenditure in Burma and Assam in connection with the North-East Frontier	27.47	28.52
(2) Assignment to Madras in respect of the balance outstanding at the credit of village service funds in the proprietary estates at the time of their abolition	7.32	...
(3) Grant to the United Provinces for tank restoration works, out of the special provision made in the Imperial Budget under Minor Irrigation Works for the improvement of irrigation	1.53	...
(4) Contribution to the Punjab in aid of outlay on buildings required by it in consequence of the creation of the Delhi Province	1.26	...
(5) Yearly instalments of the contribution to the Calcutta Improvement Trust for a period of 60 years .	1.50	1.50
(6) Grant for five years to the Chittagong Port in aid of dredging and revetment operations . . . . .	.75	.75
(7) Miscellaneous adjustments, representing mainly refund of expenditure undertaken on behalf of the Imperial Government or of Provincial revenue erroneously credited as Imperial .	—17	—2.88
Total .	39.66	27.89

CAPITAL EXPENDITURE ON RAILWAYS AND IRRIGATION AND OTHER WORKS NOT CHARGED TO REVENUE.

RAILWAY CONSTRUCTION.

226. In the Budget for 1914-15, a sum of R18 crores was allotted for expenditure on the railway construction for which the Government of India undertake financial responsibility. During the course of the year the grant was reduced by R20·94 lakhs with reference to the excess over the allotment of the previous year and a further lapse of R46·86 lakhs is now anticipated, making the probable expenditure of the year R17,32·20 lakhs. For 1915-16 a grant of R12 crores has been provided, of which R4,45·62 lakhs have been allotted specifically for the supply of rolling stock.

227. The distribution of the total expenditure on Railway Construction between State and Companies' agency in each of the three years from 1913-14 to 1915-16 is as follows:—

	1913-1914. Accounts.	1914-1915.		1915-1916. Budget.
		Budget.	Revised.	
1. Outlay on State Lines :				
(a) India	R 11,22,69,200	11,74,69,000	12,17,49,000	9,23,13,000
	£ 7,484,613	7,831,300	8,116,600	6,187,500
(b) England	£ 2,998,587	2,641,400	2,434,100	1,450,200
TOTAL	£ 10,483,200	10,472,700	10,550,700	7,637,700
2. Outlay of Companies :				
(a) India	R 5,33,315	2,27,000	—80,33,000	—1,27,22,000
	£ 35,553	15,100	—535,600	—848,100
(b) England	£ 1,787,480	1,512,200	1,532,800	1,210,400
TOTAL	£ 1,823,033	1,527,300	997,300	362,300
Total of Programme	£ 12,306,233	12,000,000	11,548,000	8,000,000

The following outlay in England on account of purchased lines worked by companies is included in the Indian figures under outlay on State lines:—

£4,956,669 4,697,300 4,571,600 3,031,300

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228. The details of the Budget grant for 1915-16 are shown below :—

[Lakhs of rupees.]

	OPEN LINE.			CONSTRUCTION OF	
	Rolling Stock.	Other items.	Total.	Lines in progress.	New lines.
I.—OUTLAY ON STATE RAILWAYS :—					
1. Assam-Bengal :—					
(i) Open line	14.08	6.92	21.00	...	...
(ii) Bhairab Bazar-Tangi . . . . .	...	10.50	10.50	...	...
(iii) Kalaura-Sylhet . . . . .	...	...	...	1.30	...
2. Bengal Nagpur :—					
(i) Main line	40.91	57.75	98.66	...	...
(ii) Lokaro-Ramgarh . . . . .	...	...	...	.93	...
(iii) Vishnupur Santragachi . . . . .	...	...	...	...	15.00
3. Bezwada Extension . . . . .	...	.02	.02	...	...
4. Bombay, Baroda and Central India :—					
(i) Main line	14.20	103.80	118.00	...	...
(ii) Dholka-Dhanduka . . . . .	...	...	...	...	5.00
5. Burma Extensions :—					
(i) Open line . . . . .	.05	.50	.55	...	...
(ii) Southern Shan States . . . . .	...	.05	.05	...	15.00
6. Dhane-Kurnool . . . . .	...	.05	.05	...	...
7. East Indian :—					
(i) Open line	69.10	34.40	103.50	...	...
(ii) Bokaro-Ramgarh . . . . .	...	...	...	.93	...
(iii) Burdwan-Howrah . . . . .	...	...	...	23.50	...
8. Eastern Bengal System :—					
Open line	54.30	69.24	123.54	...	...
9. Great Indian Peninsula System :—					
(i) Main line	85.48	204.67	290.15	...	...
(ii) Itarsi-Nagpur, etc. . . . .	...	...	...	50.00	...
(iii) Agra-Delhi Chord . . . . .	.03	.05	.08	...	...
(iv) Bhopal . . . . .	...	.19	.19	...	...
(v) Harbour Branch Extension . . . . .	...	...	...	19.00	...
(vi) Cawnpur-Banda . . . . .	...	2.15	2.15	...	...
10. Jodhpur-Hyderabad (British Section) . . . . .	...	.43	.43	...	...
11. Lower Ganges Bridge . . . . .	...	2.00	2.00	...	...
12. North Western :—					
(i) Main line	92.83	43.17	136.00	...	...
(ii) Railway facilities at Delhi . . . . .	...	2.00	2.00	...	...
(iii) Bahoki-Mirpurkhas conversion . . . . .	...	7.00	7.00	...	...
(iv) Laki-Pezu Tank . . . . .	...	...	...	7.70	...
13. Oudh and Rohilkhand :—					
Main line	21.02	.86	21.88	...	...
14. South Indian System—					
(i) Main line	15.74	15.66	31.40	...	...
(ii) Coonoor-Ootacamund . . . . .	.18	...	.18	...	...
(iii) Tinnevely-Quilon—British Section . . . . .	.25	.01	.26	...	...
(iv) Do. Native State Section . . . . .	.29	.05	.34	...	...
15. Tirhoot and extensions :—					
(i) Open line . . . . .	.40	1.20	.80	...	...
(ii) Boserah-Khagaria . . . . .	...	...	...	1.00	...
16. Reserve . . . . .	...	20.62	20.62	...	15.00
	408.06	583.24	991.30	104.36	150.00
II.—OUTLAY OF INDIAN RAILWAY COMPANIES :—					
1. Burma	8.52	11.27	19.79	...	...
2. Lucknow-Bareilly . . . . .	...	.62	.62	...	...
3. Madras and Southern Mahratta :—					
(i) Open line	29.04	.89	29.93
(ii) Guntur-Tenali	4.00	...
	37.56	12.78	50.34	4.00	...

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By far the greater portion of the programme grant for 1915-16 will, as hitherto, be devoted to the improvement of open lines of railway.

229. The figures in the table in paragraph 227 do not include the expenditure on Protective Railways met from the Famine Insurance grant, nor that on Branch Line Companies. Including this expenditure and also some small expenditure from Provincial revenues, the total expected outlay on railway construction in the three years ending 1915-16 is as follows :—

	Accounts, 1913-14.	Revised Estimate, 1914-15.	Budget Estimate, 1915-16.
	R	R	R
Total as in preceding table	18,45,93,516	17,32,20,000	12,00,00,000
Famine Protective lines	1,28,642	—22,000	...
Branch lines	26,89,042	72,73,000	48,21,000
Provincial State line	21,213	24,000	20,000
Grand Total in Rupees	18,74,32,413	18,04,95,000	12,48,41,000
Grand Total in sterling at R15 to the £	12,495,494	12,033,000	8,322,700

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CONSTRUCTION OF PRODUCTIVE IRRIGATION WORKS.

230. The figures are—

	Accounts, 1913-14.	Budget, 1914-15.	Revised, 1914-15.	Budget, 1915-16.
Total in Rupees	1,92,83,925	1,80,00,000	1,74,46,000	1,65,00,000
Equivalent in Sterling	1,282,262	1,200,000	1,163,100	1,100,000

Revised, 1914-15.

Budget, 1915-16.

231. The expenditure in 1914-15 will fall short of the Budget grant by Rs 54 lakhs, owing mainly to a partial utilisation of the reserve for unforeseen requirements. The Budget grant for 1915-16 has been fixed at Rs 165 lakhs, the decrease as compared with the outlay in the current year being mainly due to a reduction in the requirements of the Triple Canal Project in the Punjab which is nearing completion.

232. The following table shows the distribution of the expenditure in 1914-15 and of the grant for 1915-16 :—

Name of Project.	Expenditure in	
	1914-15.	1915-16
	₹	₹
<i>Works in operation—</i>		
Mandalay Canal	3,53,000	1,70,000
Mon Canals	78,000	1,30,000
Ganges Canal, including Mat and Hathras branches and permanent head works	9,06,000	9,72,000
Agra Canal	1,15,000	77,000
Western Jumna Canal	75,000	3,00,000
Upper Bari Doab „	6,20,000	5,50,000
Sirhind Canal	4,50,000	3,48,000
Lower Chenab Canal	4,50,000	5,00,000
Lower Jhelum „	50,000	1,00,000
Godavari Delta Saystem	82,000	1,66,000
Kistna „ „	1,14,000	68,000
Cauvery „ „	81,000	87,000
Periyar System	53,000	29,000
Kurnool-Cuddapah Canal	45,000	64,000
Dad Canal	75,000	10,000
Eastern Nara Works	4,000	1,85,000
Begari Canal	93,000	84,000
Other Projects	3,50,000	2,70,000
<i>Works under construction—</i>		
Asola Mendha Tank works	1,22,000	1,33,000
Weinganga Canal	9,33,000	9,95,000
Mahanadi „	15,08,000	18,12,000
Ye-u Canal	6,11,000	6,37,000
Twante Canal	7,52,000	8,00,000
Gorai Canal	2,26,000	2,12,000
Upper Chenab Canal	16,44,000	13,50,000
Upper Jhelum „	32,50,000	21,00,000
Lower Bari Doab Canal	14,51,000	11,28,000
Upper Swat River Canal	26,45,000	13,90,000
Toludur Project	3,10,000	6,57,000
Seharwah Project . . . . .	...	1,23,000
Reserve . . . . .	...	10,53,000
TOTAL ₹	1,74,46,000	1,65,00,000
Equivalent in Sterling £	1,163,100	1,100,000

Of the total grant of Rs 165 lakhs, about Rs 121 lakhs will be allotted to canals under construction; and the balance (*viz.*, about Rs 44 lakhs) will be devoted to the completion and development of canals in operation.

BUDGET OF THE GOVERNMENT OF INDIA FOR 1915-16. 203

INITIAL OUTLAY ON THE NEW CAPITAL AT DELHI.

233. The figures are:—

	Accounts, 1913-14.	Budget, 1914-15.	Revised, 1914-15.	Budget, 1915-16.
Total in Rupees	67,06,999	1,00,00,000	54,51,000	40,00,000
Equivalent in sterling	£ 447,134	866,700	363,400	266,700

234. The expenditure in the current year is now expected to amount to Revised, 1914-15.
 ₹54.51 lakhs made up as follows:—

	[Lakhs of Rupees.]
(i) Works Expenditure	45.00
(ii) Acquisition of land	1.68
(iii) Establishment and miscellaneous charges	7.83
TOTAL	54.51

Of the works expenditure, about ₹14 lakhs will be spent on the preparation of sites, the laying out of service roads, the provision of a temporary supply of water and of electric power, and other preliminary work; ₹19 lakhs on the purchase of tools and plant and other stores; and ₹10 lakhs on work on the Secretariat, and the construction of certain residential buildings and roads. Budget, 1915-16.

235. The provisional distribution of the Budget estimate of ₹40 lakhs is given below:—

	[Lakhs of Rupees.]
(i) Works Expenditure	28.50
(ii) Acquisition of land	1.23
(iii) Establishment charges and other miscellaneous expenditure	10.27
	<u>40.00</u>

Of the grant of ₹28.50 lakhs for works outlay, about one-fourth will be required for the preparation of sites and other preliminary work and for the further purchase of tools, plant, and other stores. The balance will be applied mainly to the construction of roads and buildings, work on which has been commenced during the current year.

WAYS AND MEANS.

HOME TREASURY.

Introductory.

236. The bulk of the payments made in England on account of the Government of India consist of expenditure chargeable to the Indian revenues; and if such payments represented the only transactions, the Ways and Means programme would be a simple arrangement, as the whole of the expenditure would ordinarily be met by remittance of funds from India. The capital outlay on the construction of railways and irrigation works, however, necessitates heavy borrowing; and when practicable, a large portion of the money required is raised in England, either direct or through the agency of Companies. A further complication is introduced by the practice under which all payments made in England to Railway Companies working purchased lines, for purchase of stores and other capital purposes, as well as all moneys raised by them and paid into the Home Treasury, are brought to account under the appropriate heads in this country and are treated in the Home accounts and estimates as remittances to or from India respectively. Operations connected with the Gold Standard Reserve, and with the replacement of one particular form or item of direct or indirect debt by another, also largely swell the receipts and charges of the Home Treasury without affecting the general Ways and Means programme.

237. The following are the details of the transactions appearing in the Budget and Revised estimates of the Home Treasury for 1914-15 and in the Budget estimate of 1915-16.

	Budget, 1914-1915.	Revised, 1914-1915.	Budget, 1915-1916.
	£	£	£
RECEIPTS.			
Temporary debt renewed . . . . .	...	...	7,000,000
Capital raised and deposited by Railway Companies—			
For Capital outlay	552,400	1,576,700	2,400
*For discharge of debentures	2,630,900	...	1,996,600
Deposits and Advances—			
Gold Standard Reserve	8,812,200	10,021,200	7,963,500
*War transactions: Recoveries from War Office . . . . .	...	762,000	1,089,000
Other items	54,500	213,400	5,700
Remittance Account between England and India—			
Railway transactions (capital)	1,250,000	2,325,200	7,010,000
Ditto (capital advance)	6,600	33,300	6,500
Gold withdrawn from Paper Currency Reserve . . . . .	...	1,000,000	...
Gold received from India . . . . .	...	604,800	...
War transactions: Recoveries from War Office . . . . .	...	9,373,000	9,086,000
Other transactions	1,561,700	1,243,500	1,269,000
Total Receipts, excluding Council Bills and Loans	14,868,300	27,153,100	35,428,700
DISBURSEMENTS.			
Excess of Expenditure over Revenue	20,031,000	19,680,700	18,764,900
Capital Expenditure not charged to Revenue—			
Outlay on State Railways, Irrigation Works and Delhi	2,790,400	2,552,000	1,572,700
Outlay of Railway Companies	1,514,600	1,552,200	1,212,800
*Payments to Railway Companies for discharge of debentures	2,630,900	...	1,996,600
Permanent Debt discharged	500,000	500,000	907,500
Temporary Debt discharged . . . . .	...	...	7,000,000
Deposits and Advances—			
Gold Standard Reserve	8,809,400	10,038,000	7,967,500
*War transactions . . . . .	...	762,000	1,089,000
Other transactions	16,300	254,500	2,000
Remittance Account between England and India—			
Railway transactions (capital)	500,000	...	510,000
Ditto (capital advance and revenue)	4,750,900	4,651,200	3,085,100
War transactions . . . . .	...	570,000	823,000
Other transactions	520,300	1,030,100	1,200,700
Total Disbursements	42,063,800	41,590,700	46,131,800
NET DISBURSEMENTS	27,195,500	14,437,600	10,703,100
<i>Financed as follows—</i>			
Council Bills	20,000,000	6,900,000	7,100,000
Permanent Debt incurred	4,635,000	...	...
Temporary Debt incurred . . . . .	...	7,000,000	...
Reduction of cash balance	2,560,500	537,600	3,603,100
Total	27,195,500	14,437,600	10,703,100
Opening Balance	7,457,000	8,157,700	7,620,100
Closing Balance	4,896,500	7,620,100	4,017,000

* The heads marked with an asterisk appear on both the receipt and payment sides. As the receipt and disbursement under each of them are generally equal, they do not affect the Ways and Means of the year to any material extent.

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238. The outstanding feature of the current year is the reduction by *Revised, 1914-15.* £13·1 million of the amount expected from the sale of Council Bills, the demand for which has been very slack during the greater part of the year in consequence of the dislocation of India's export trade. The total drawings of the Secretary of State in 1914-15 are now estimated at £7·5 million, of which £6 million will be appropriated as a remittance of the Gold Standard Reserve, and £6·9 million will be available to meet the disbursements of the Home Treasury against a Budget estimate of £20 million. The resultant shortage of funds for treasury requirements in England will, however, be more than counterbalanced by (1) an improvement of £700,700 in the opening balance of the year, mainly owing to higher receipts from Council Bills, and to smaller payments for military and other stores in 1913-14 than had been allowed for in the Revised estimate for that year; (2) a large receipt of £8,803,000 from the War Office in respect of recoverable outlay incurred on behalf of the Imperial Government in India in connection with the European war; (3) an increase of £2,365,000 in the receipts from Debt incurred in England and of £2,582,500 in the net deposits of capital by Railway Companies including those working purchased lines; (4) a withdrawal of £1 million from gold held on account of the Paper Currency Reserve in England against a corresponding payment made to the Reserve in India; (5) a receipt of £604,800 in respect of gold sent from India to Egypt and France; and (6) a decrease of £350,300 in the net expenditure chargeable to Revenue, and of £344,200 in the capital expenditure on railways, irrigation works, etc., inclusive of the net outlay of the various companies. On the other hand, a fall of £828,000 is anticipated in the net miscellaneous receipts which are treated in the Home accounts as remittances from India, caused chiefly by a decrease in the receipts for money orders issued in the Colonies and a larger demand for stores on the part of Provincial Governments in India; and allowing for a small deterioration of £93,900 in the net result of the Deposit and Advance transactions shown in the table on the preceding page, the cash balance in the Home Treasury at the end of 1914-15 will stand at £7,620,100, *i.e.*, £2,723,600 above the Budget estimate. *General Result.*

239. The details of the transactions in respect of capital raised and deposited by Railway Companies are as follows:— *1914-15 Capital raised and deposited by Railway Companies.*

	Budget, 1914-15.	Revised, 1914-15.
RECEIPTS.		
<i>(a) Subscribed Capital—</i>		
<i>(i) To discharge Debentures—</i>	£	£
Assam-Bengal Railway	780,900	...
Bengal-Nagpur Railway	1,750,000	...
Madras and Southern Mahratta Railway	100,000	...
<i>(ii) To meet Capital outlay—</i>		
Bengal-Nagpur Railway	550,000	1,557,300
	3,180,900	1,557,300
<i>(b) Miscellaneous—</i>		
Transfer fees, etc.	2,400	19,400
TOTAL RECEIPTS	3,183,300	1,576,700
ISSUES.		
For discharge of Debentures	2,630,900	...
For Capital outlay, <i>i.e.</i> , Stores, Establishment Charges, etc.	1,514,600	1,552,200
TOTAL	4,145,500	1,552,200

The Budget estimate provided for the replacement by fresh capital of £2,630,900 debentures of the Assam-Bengal, Bengal-Nagpur, and Madras and Southern Mahratta Railway Companies; and for a receipt of £550,000 in respect of the debenture stock of the nominal value of £3 million issued by the Bengal-Nagpur Company in January 1914. The actual receipt on this

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account has exceeded the estimate by £8,600, and a further sum of £998,700 has been received from an issue of £1 million of new debentures by the same Company which was not contemplated in the Budget programme. On the other hand, it has not been found practicable to replace any of the debentures, though all of them have been renewed.

1914-15.

Railway
remittances.

240. The following are the details of the Railway remittance transactions. As already explained, they occur almost wholly in connection with the capital account of the purchased lines worked by companies :—

	Budget, 1914-15.	Revised, 1914-15.
	£	£
RECEIPTS.		
<i>Debenture Capital—</i>		
South Indian Railway	1,250,000	2,295,200
<i>Repayment of Capital Advances—</i>		
Bombay, Baroda and Central India Railway . . . . .	...	30,000
<i>Miscellaneous—</i>		
Transfer fees, etc.	6,600	33,300
TOTAL	1,256,600	2,358,500
ISSUES.		
<i>Advances for purchase of stores—</i>		
East Indian Railway	1,864,700	2,100,000
South Indian Railway	629,500	325,000
Bengal and North-Western Railway	55,100	69,000
Great Indian Peninsula Railway	1,616,900	1,630,900
Bombay, Baroda and Central India Railway (including Rajputana-Malwa Railway)	537,700	480,000
TOTAL	4,703,900	4,604,900
<i>Discharge of Debentures—</i>		
South Indian Railway	500,000	...
<i>Miscellaneous payments—</i>		
East Indian Railway: rental paid to South Behar Railway Company	30,000	30,000
Rohilkhand and Kumaon Railway: Interest on Debenture Stock allocated to State works	17,000	16,300
TOTAL ISSUES	5,250,900	4,651,200

241. The Budget estimate provided for the replacement by fresh Capital of £500,000 debentures of the South Indian Railway Company, and for the issue of £750,000 new Capital by the same company. New 4 per cent. Debenture stock of the face value of £2,318,200 has been issued by the company, producing the amount shown above, and the debentures which matured during the year have been renewed. A sum of £30,000 will also be received from the Bombay, Baroda and Central India Railway Company in repayment of an advance made to it by the Secretary of State.

Loans, 1914-15.

242. The Budget programme contemplated the issue of new India stock of the nominal value of £5 million, which was expected to produce £4·635 million. No new issue of India stock has been made during the year; but £7 million India bills have been issued, *viz* :—

- (1) £2 million in September with a currency of 12 months at an average rate of £95-18-11·41 ;
- (2) £2½ million in November with a currency of 12 months at an average rate of £95-16-8·85 ;
- (3) £2½ million in November with a currency of 6 months at an average rate of £96-3-6·33.

£500,000 India bonds were redeemed during the year, as provided in the Budget estimate.

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243. The Budget estimate provides for a net disbursement of £10,703,100. ^{1915-16.} The decrease of £3,734,500 below the net disbursement in the current year's ^{The Budget} Revised is the net result of the following variations:— ^{Estimate.}

<i>Worse.</i>	£
Permanent Debt discharged, <i>more</i>	407,500
Deposits, Advances and Miscellaneous Remittance transactions, <i>net</i>	87,500
Receipt from the War Office in respect of recoverable outlay incurred in India in connection with the war, <i>less</i>	510,000
Gold withdrawn from Paper Currency Reserve, <i>less</i>	1,000,000
Gold received from India, <i>less</i>	604,800
Outlay on new Capital at Delhi, <i>more</i>	25,600

<i>Better.</i>	£
Net expenditure on Revenue account, <i>less</i>	915,800
Net payments to Railway Companies, <i>less</i>	4,479,200
Outlay on State Railways, <i>less</i>	983,900
Outlay on Irrigation Works, <i>less</i>	21,000

244. The details working up to the decrease of £4,479,200 in the net payments to Railway Companies shown in the preceding paragraph are given below:—

	Revised, 1914-15.	Budget, 1915-16.
	£	£
RECEIPTS—		
Capital deposits by Railway Companies—		
For capital outlay	1,576,700	2,400
For discharge of debentures	—	1,996,600
Remittance account between England and India—		
Railway transactions	2,358,500	7,016,500
Total receipts	3,935,200	9,015,500
DISBURSEMENTS—		
Railway and Irrigation capital not charged to Revenue—		
Outlay of Railway Companies	1,552,200	1,212,800
Payments for discharge of debentures	—	1,996,600
Remittance account between England and India—		
Railway transactions	4,651,200	3,595,100
Total disbursements	6,203,400	6,804,500
NET DISBURSEMENTS	2,268,200	—2,211,000
Decrease		4,479,200

245. Provision has been made in the Budget for the discharge of £500,000 ^{Loans, 1915-16.} India Bonds and £407,500 Indian Midland Railway Debentures which mature during the year. On the discharge of the latter, all the Indian Midland Railway Debentures will have been paid off. The Budget estimate also provides for the replacement of all the India Bills issued during 1914-15.

246. Of the net disbursement of £10,703,100 in 1915-16, it is proposed to meet £7,100,000 by Council Bills and £3,603,100 by drawing on the cash balances of the Home Treasury, which are estimated to stand on the 31st March 1916 at £4,017,000 inclusive of £4,200 held on behalf of the Gold Standard Reserve.

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1914-15 and 1915-16 Gold Standard Reserve.

247. The following are the details of the transactions of the Gold Standard Reserve in England :—

	1914-15.		1915-16.
	Budget.	Revised.	Budget.
	£	£	£
RECEIPTS.			
(a) Dividend on investments, Discount on Treasury Bills and Interest on Loans at short notice	520,500	488,500	374,300
(b) Remittance from India through Council Bills	...	600,000	...
(c) Exchequer Bonds, British Treasury Bills and Colonial Government Securities, etc., paid off	8,291,700	5,482,700	7,589,200
(d) Release of Gold at the Bank of England	...	3,450,000	...
Total	8,812,200	10,021,200	7,963,500
CHARGES.			
Investments made	8,278,200	949,900	7,306,000
Payments of Transfers and Bills on London	...	8,707,000	...
Deposit of Gold at the Bank of England	530,000	380,000	661,000
Custody of Gold at the Bank of England	1,200	1,100	500
Total	8,809,400	10,038,000	7,967,500

248. The following statement shows the transactions and balances of the fund in the two years in England and India taken together :—

	Budget, 1914-15.	Revised, 1914-15.	Budget, 1915-16.
	£	£	£
OPENING BALANCE—			
(a) Invested (cost price)	17,914,000	17,745,500	13,212,700
(b) Uninvested—			
(1) Gold set aside in the Bank of England	4,320,000	4,320,000	1,250,000
(2) Rupees held in India	4,000,000	4,000,000	...
(3) Gold held in India	...	...	5,238,300
(4) Cash in the Home Treasury placed at short notice	23,200	25,000	8,200
(5) Balance due from Treasury balance in India	...	22,200	...
(6) Temporary loan to Treasury balance in India	...	...	7,000,000
	26,257,200	26,112,700	26,709,200
CLOSING BALANCE—			
(a) Invested (cost price)	17,900,500	13,212,700	12,929,500
(b) Uninvested—			
(1) Gold set aside in the Bank of England	4,850,000	1,250,000	1,911,000
(2) Rupees held in India	4,000,000	...	...
(3) Gold held in India	...	5,238,300	5,483,300
(4) Cash in the Home Treasury placed at short notice	26,000	8,200	4,200
(5) Temporary loan to Treasury Balance in India	...	7,000,000	7,000,000
	26,776,500	26,709,200	27,328,000
Difference between opening and closing balance representing net income in the year and made up as follows :—			
(1) Interest, etc., on investments in England (<i>vide</i> paragraph 247)	520,500	488,500	374,300
Less charge for custody of gold	—1,200	—1,100	—500
(2) Arrears of profit on new rupee coinage in India	...	3,000	...
(3) Interest on temporary loan to Treasury balance in India	...	106,100	245,000
TOTAL	519,300	596,500	618,800

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219. £8·707 million of sterling bills and telegraphic transfers have been sold in India on London during the current year. The amount has been credited in India to the Gold Standard Reserve. The opposite payments in London have been met partly from gold held on account of the Gold Standard Reserve at the Bank of England; partly from the proceeds of the Council Bills sold in England on the Reserve in India; and partly from the proceeds of the short-term securities of the British and Colonial Governments which have matured, and from the dividends on investments realised, during the year.

250. The following is a summary of the figures relating to Council Bills and the Sterling Debt of Government and of Railway Companies (omitting transfer fees, etc.) included in the estimates for 1914-15 and 1915-16:—

1914-15 and 1915-16. Summary of Debt transactions and Capital account of Railway Companies.

	Budget, 1914-15.	Revised, 1914-15.	Budget, 1915-16.
	£	£	£
RECEIPTS.			
Council Bills	20,000,000	6,900,000	7,100,000
Permanent Debt incurred (India Stock)	4,635,000	...	...
Temporary Debt incurred . . . . .	...	7,000,000	7,000,000
Receipts on account of the Subscribed Capital of Rail- way Companies	3,180,900	1,557,300	1,996,600
Receipts on account of the Debenture Capital of Rail- way Companies working purchased Railways	1,250,000	2,295,200	7,010,000
OUTGOINGS.			
Permanent Debt discharged	500,000	500,000	907,500
Temporary Debt discharged . . . . .	...	...	7,000,000
Discharge of Railway Com- panies' Debentures (inclu- sive of Debentures of Com- panies working purchased lines)	3,130,900	...	2,506,600

The programme herein announced of the probable drawings on India and of the transactions in connection with the Government Sterling Debt and the borrowings of Railway Companies, represents the present intentions of the Secretary of State. But in view of the varying conditions of Indian finance and of the London money market, no assurance can be given that this programme will be adhered to either in amount or in form. The Secretary of State reserves to himself the right to vary the programme to any extent that may be considered necessary during the course of the year. The estimate of Council drawings is for the amount necessary to provide for the Secretary of State's requirements, but additional Bills will as usual be sold if needed to meet the demands of trade.

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INDIA.

251. The following is a summary of the Estimates of Ways and Means in India during 1914-15 and 1915-16 :—

	BUDGET ESTIMATE, 1914-1915.		REVISED ESTIMATE, 1914-1915.		BUDGET ESTIMATE, 1915-1916.	
	Rupee figures.	Equivalent in £ at R15=£1.	Rupee figures.	Equivalent in £ at R15=£1.	Rupee figures.	Equivalent in £ at R15=£1.
RECEIPTS.						
1. Excess of Revenue over Expenditure charged to Revenue	R 51,93,12,000	£ 21,267,500	R 25,34,23,000	£ 16,894,900	R 23,71,17,000	£ 15,807,800
2. Capital raised through Companies towards outlay on State Railways	1,22,50,000	816,600	3,55,13,000	2,367,500	9,80,00,000	6,533,300
3. Capital contributed by Native States towards outlay on State Railways	10,00,000	66,700	10,00,000	66,700	10,00,000	66,700
4. Unfunded Debt incurred, mostly Savings Bank deposits (net)	2,65,81,000	1,772,100	-7,60,64,000	-5,070,900	-82,97,000	-219,900
5. Appropriation for Reduction or Avoidance of Debt	30,22,000	201,500	31,52,000	210,100	73,94,000	492,900
6. Other Deposits and Remittances (net)—						
(a) War Transactions	56,89,000	379,300	3,07,30,000	2,048,600	-1,50,60,000	-1,004,000
(b) Other Transactions	—	—	-83,95,000	-593,000	-45,91,000	-305,900
7. Remittance account between England and India—						
Transactions of Railway Companies (net) excluding debenture capital	7,11,65,000	4,744,300	6,92,69,000	4,617,900	4,61,78,000	3,078,600
TOTAL RECEIPTS EXCLUDING LOANS	43,90,19,000	29,268,000	30,51,27,000	20,541,800	36,67,41,000	24,449,500
DISBURSEMENTS.						
8. Capital Expenditure not charged to Revenue—						
(a) State Railways and Irrigation Works	13,47,64,000	8,984,300	13,82,95,000	9,219,700	10,87,28,000	7,248,500
(b) Initial expenditure on new Capital at Delhi	84,70,000	564,700	45,83,000	305,500	27,48,000	183,200
(c) Outlay by Companies (net)	2,27,000	15,100	-80,83,000	-535,600	-1,27,22,000	-848,100
9. Permanent Debt discharged (net)	29,06,000	193,700	15,92,000	106,100	12,56,000	83,800
10. Provincial surpluses (—) or deficits (+)	4,80,69,000	3,205,900	3,33,24,000	2,255,000	1,61,63,000	1,077,600
11. Imperial and Provincial Loans (net)	25,36,000	169,100	19,35,000	128,900	-85,85,000	-259,000
12. Remittance account between England and India—						
(a) Capital raised by Railway Companies (net)	1,12,50,000	750,000	3,48,78,000	2,325,200	9,75,00,000	6,500,000
(b) Remittance of gold to England	—	—	90,72,000	604,800	—	—
(c) Transfers through Paper Currency Reserve	—	—	1,50,00,000	1,000,000	—	—
(d) War transactions	—	—	15,79,00,000	10,536,600	11,34,90,000	7,566,000
(e) Other transactions (net)	1,57,14,000	1,047,600	55,17,000	367,900	8,94,000	59,600
†13. Council Bills	30,00,00,000	20,000,000	9,98,58,000	6,657,200	10,89,00,000	7,260,000
TOTAL DISBURSEMENTS	52,39,56,000	34,930,400	49,44,51,000	32,961,800	43,30,72,000	28,871,600
NET DISBURSEMENTS	8,49,37,000	5,662,400	18,62,94,000	12,419,500	6,63,31,000	4,422,100
FINANCED AS FOLLOWS:						
Permanent Debt incurred	5,00,00,000	3,333,300	5,00,00,000	3,333,300	4,50,00,000	3,003,000
Temporary Debt incurred (net)	—	—	11,00,00,000	7,333,300	—	—
Reduction of (+) or addition to (—) Treasury Balances	3,49,37,000	2,329,100	2,62,94,000	1,752,900	2,13,31,000	1,422,100
TOTAL	8,49,37,000	5,662,400	18,62,94,000	12,419,500	6,63,31,000	4,422,100
Opening Balance	23,06,07,000	14,707,100	23,41,24,000	15,608,800	20,78,30,000	13,855,400
Closing Balance	18,56,70,000	12,375,000	20,78,30,000	13,855,400	18,64,99,000	12,433,300

* Head (10) represents expenditure defrayed by reduction of Provincial balances.

† The figures shown under head (13) differ from those given in the Home Treasury Ways and Means statement, as Bills drawn by the Secretary of State towards the end of one year are paid in India in the next. The figures of the present statement represent payments in India.

1914-15. Main features of Budget estimates.

252. In the Budget estimate for 1914-15, the cash balance in the Indian Treasuries on the 1st April 1914, was taken at R22,06 lakhs. It was estimated : (1) that the net Imperial revenue in India would amount to R31,93 lakhs, (2) that the net deposits in Savings Banks and Provident Institutions would increase during the year by R2,66 lakhs, (3) that a sum of R30 lakhs would be available from the Famine Insurance grant for the avoidance of debt, and

(4) that the remittance and capital transactions of Railway Companies, etc., would result in a net credit of ₹7,31 lakhs. On the other hand, provision was made: (1) for a net expenditure of ₹4,81 lakhs from Provincial balances, (2) for capital expenditure in India on railways (inclusive of outlay by companies) and canals to the extent of ₹13,50 lakhs, (3) for an outlay of ₹85 lakhs on the construction of the new Capital at Delhi, (4) for the discharge of ₹29 lakhs of the permanent debt, (5) for net payments of ₹25 lakhs and ₹100 lakhs, respectively, in connection with Imperial and Provincial loans and miscellaneous deposit and remittance transactions, and (6) for the payment of Council Bills to the extent of ₹30,00 lakhs. The total payments mentioned above aggregate ₹50,70 lakhs, against a total receipt of ₹42,20 lakhs; and it was proposed to meet the net disbursement of ₹8,50 lakhs by raising a rupee loan of ₹5 crores and by drawing on the cash balances to the extent of ₹3,50 lakhs.

253. The results according to the Revised estimates show considerable variations from this forecast. The year opened with a balance which was ₹1,35 lakhs more than the Budget forecast, the increase being mainly due to the improvement in the revenue account in 1913-14 over the Revised estimate for that year (see paragraph 6). The full amount of the contemplated rupee loan of ₹5 crores was duly raised in July. The European war and the consequent dislocation of India's trade have, however, led to a large shortage in the revenue collections in India; while heavy withdrawals from our Postal Savings Banks have taken place since the outbreak of the war. It has accordingly been found necessary to borrow large sums temporarily from the Gold Standard Reserve, besides taking advantage of the offer of a temporary loan of ₹50 lakhs from the Gwalior State. Taking India as a whole, there will be a deterioration of ₹5,16 lakhs in the combined revenue account of the Imperial and Provincial Governments; of ₹10,26 lakhs under Unfunded Debt, a net payment of ₹7,60 lakhs being now anticipated on this account against a net receipt of ₹2,66 lakhs in the Budget; of ₹22 lakhs in the net credits connected with the remittance and capital transactions of Railway Companies, etc.; and of ₹44 lakhs under miscellaneous Deposit and Remittance transactions, being the net result of (1) higher drafts on the banking accounts maintained with our treasuries by various local bodies; (2) a large return of small coin from circulation; (3) a reduction in the balance of uncashed railway cheques at the end of the year as compared with that at its beginning; (4) smaller payments on account of foreign money orders; and several other variations. A payment of ₹1,50 lakhs has been made from treasury balances to the Paper Currency Reserve in India against a withdrawal of an equivalent amount of gold from the Reserve in England to meet the requirements of the Home Treasury; and a remittance of ₹91 lakhs in gold has also been made from India against a corresponding payment into the Home Treasury. Further, outlay to the extent of ₹12,72 lakhs will be incurred in India on behalf of His Majesty's Government in connection with the war, against which a payment will be made by the War Office into the Home Treasury of the Government of India. Our total claim against the Imperial Government on account of this recoverable expenditure in 1914-15 is estimated at ₹15,79 lakhs, see item 12 (d) in the table at page 124. But out of this sum, ₹3,07 lakhs represent the value of military stores and war *materiel* issued from our stock, in respect of which no cash outlay on replacement will be incurred in the current year and which will not, therefore, involve any reduction in our cash balances in 1914-15; and the latter amount accordingly appears in the table at page 124 as a credit under Deposits—see item 6 (a). The total deterioration in our financial position from the various circumstances mentioned above amounts to ₹31,21 lakhs. But it will be partly counterbalanced by improvements in other directions, aggregating ₹22,43 lakhs, made up as follows: (1) an increase of ₹1,35 lakhs in the opening balance of the year; (2) a reduction of ₹20,01½ lakhs in the payment of Council Bills; (3) a lapse of ₹47 lakhs in the grant for capital expenditure in India on railways (inclusive of outlay by companies) and canals, and of ₹39 lakhs in the Indian grant for Imperial Delhi; (4) a saving of ₹13 lakhs in the provision for the discharge of debt, mainly owing to the postponement

1914-15.

Main features of Revised estimates.

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of the repayment of the instalment of the Gwalior loan of 1887 which fell due during the year ; (5) a reduction of R6 lakhs in the net payments on account of *takavi* and other loans ; and (6) a small increase of about R1½ lakh in the amount available from the Famine Insurance grant for the reduction or avoidance of debt. With the help of the temporary loan of R50 lakhs from the Gwalior Durbar and of temporary borrowing to the extent of R10,50 lakhs from the Gold Standard Reserve, we accordingly expect to close the year with a cash balance of R20,78 lakhs, or R2,22 lakhs more than the Budget estimate.

1914-15.
Rupee loan.

254. It was announced last year, subject to the usual reservations, that a new 3½ per cent. rupee loan of R5 crores would be raised in 1914-15. Tenders for this loan were opened on the 3rd July and the result was as follows :—

Total amount tendered.	Amount accepted.	Average rate of accepted tenders.	Minimum rate accepted.
R	R	R a. p.	R a. p.
11,76,57,900	5,00,00,000	95 9 7.295	95 9 0

1915-16.
Main features of Budget estimate.

255. In 1915-16 the net Imperial revenue in India is estimated at R23,71 lakhs ; a sum of R74 lakhs will be available from the Famine Insurance grant for the avoidance of debt ; the remittance and capital transactions of Railway Companies, etc., are likely to result in a net credit in India of R4,77 lakhs ; and a net receipt of R39 lakhs is anticipated in connection with Imperial and Provincial loans, owing mainly to the recovery of a portion of the large amounts of *takavi* issued in 1913-14 and in the earlier part of the current year. On the other hand, provision has been made : (1) for an expenditure of R1,62 lakhs from Provincial balances ; (2) for a net payment of R33 lakhs on account of Unfunded Debt ; (3) for payments of R13 lakhs and R55 lakhs respectively in connection with the discharge of permanent debt, and miscellaneous deposit and remittance transactions ; (4) for capital expenditure of R9,60 lakhs in India on railways and canals and of R27 lakhs on Imperial Delhi ; (5) for a recoverable outlay of R11,35 lakhs in connection with the war, and for a net expenditure of R1,51 lakhs on the replacement of military stores and *materiel* supplied from our stock to His Majesty's Government ; and (6) for the payment of Council Bills to the extent of R10,89 lakhs. The total amount of funds required by the Government of India next year therefore aggregates R36,25 lakhs, while the receipts at its disposal amount to only R29,61 lakhs.

1915-16.
Borrowing in India.

256. Of the net disbursement of about R6½ crores, it will be possible to meet about R2 crores from the cash balance which will be held in India at the end of the current year ; and to provide for the shortage, it is proposed to borrow in India next year a sum of R4½ crores. With a loan of this amount, the closing balance at the end of 1915-16 will stand, according to the present estimate, at R18,65 lakhs. The announcement now made regarding the rupee borrowing is in accordance with present intentions ; but full liberty is reserved, as usual, to vary the programme now announced to any extent that may be considered desirable.

1914-15 and 1915-16.

257. The following table gives details of the transaction of Savings Banks and Provident Funds during a series of years, and the estimated transactions for 1914-15 and 1915-16 :—

Post Office Savings Bank, etc.

Year.	Net additions to deposits, cash.	Interest.	Total addition.
1904-05	78,94,000	45,87,000	1,24,81,000
1905-06	31,49,000	46,80,000	78,29,000
1906-07	50,94,000	52,25,000	1,03,19,000
1907-08	14,86,000	53,50,000	68,36,000
1908-09	—26,22,000	54,63,000	28,41,000
1909-10	51,82,000	57,20,000	1,09,02,000
1910-11	1,05,06,000	60,82,000	1,65,88,000
1911-12	1,95,69,000	67,79,000	2,63,48,000
1912-13	1,68,26,000	73,79,000	2,42,05,000
1913-14	2,37,05,000	84,07,000	3,21,12,000
1914-15 (Revised)	—8,45,73,000	77,72,000	—7,68,01,000
1915-16 (Budget)	—1,06,86,000	65,65,000	—41,21,000

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The net withdrawals from Postal Savings Banks in the current year to end of January have amounted to ₹8,67 lakhs, and the net withdrawals in February and March are estimated at ₹25 lakhs, bringing the total net withdrawals from these banks in 1914-15 to ₹8,92 lakhs. The Budget estimate for 1915-16 anticipates a further net withdrawal of ₹1,50 lakhs from Postal Savings Banks, and a growth of ₹43 lakhs in the deposits in the various Provident funds for Government servants.

J. B. BRUNYATE.

The 22nd March 1915.

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Appendix I.

**PRO FORMÁ ACCOUNT OF EXPENDITURE ON DELHI AND THE
DELHI PROVINCE.**

Prefatory Note.

I.—Scope of pro formâ account.

The following *pro formâ* account, with its supporting statements, exhibits the expenditure, initial and annual, on Delhi and the Delhi Province and also any receipts and savings which form a direct set-off to that expenditure. The account has been prepared in consultation with the Comptroller General and carries his approval as regards both its form and its substantial completeness at the present date subject to the qualifications implied in the following prefatory remarks; it will be added to, or amplified later, if experience should show this to be necessary.

2. The main item of the account, as regards non-recurring expenditure, is the Delhi project proper, the figures for which appear against item 1 of Part I.—*Initial Outlay*. The principal recurring charge is that representing the expenditure in the new province, which appears as item 1 of Part II.—*Annual Expenditure*.

3. The account necessarily exhibits any expenditure occurring under the named heads, without qualification on account of contributory causes. It must, therefore, be clearly understood that the increase of expenditure, including that in the Delhi Province, is not wholly due to the change of Capital. Thus, an increase of the garrison at Delhi on strategic grounds had been already independently and strongly recommended to the Government of India by the Chief of the General Staff and endorsed by His Excellency the Commander-in-Chief in July 1911, before the transfer of the Capital had been officially proposed, and the reconstruction of the accommodation of the troops already there had long been recognised as pressing. Similarly, the recent advance in the policy relating to education and sanitation, particularly the latter, would, under any circumstances, have involved increased expenditure in this city. For practical purposes, these considerations must be ignored in the figured statements, as well as various similar points of minor pecuniary significance. The same principle will be applied to the Railway expenditure, *i.e.*, the cost of any remodelling of the railway system which is connected with the constitution of the new Capital will be exhibited in full in the *pro formâ* account. A wholly independent railway requirement, such as the permanent marshalling yard which will eventually replace the temporary yard now in use, will not be shown.

II.—Relation between the pro formâ account and the regular accounts.

4. A brief explanation is added below connecting the various items in the *pro formâ* account with the entries in the published accounts and estimates. Some further explanations are also to be found in the account itself and in its supporting statements.

5. The capital expenditure directly incurred on the construction of the new Imperial Capital at Delhi is shown in the regular accounts under the special head "51—Initial Expenditure on the new Capital at Delhi." The only other item of expenditure which will be recorded in the capital section of the regular accounts is that arising from diversions or re-arrangements of the railway system, which will appear under the head "48—State Railways." Item 1 of Part 1
of *pro formâ*
account.
Item 3 (b), *ibid.*

6. The initial expenditure incurred during the years 1911-12 and 1912-13 in connection with the provision of temporary accommodation for the Government of India at Delhi, pending the construction of the new Capital, has been treated, on the advice of the Comptroller General, as a revenue charge, under a special minor head styled "Temporary Delhi" subordinate to the major head "45—Civil Works". Any non-recurring receipts which may eventually be obtained in connection with these temporary works, *e. g.*, from the sale of lands and buildings when no longer required by the Government of India, will be similarly credited under a special head subordinate to the major head Item 2, *ibid.*
Item II; *ibid.* "XXXI—Civil Works."

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7. The remaining expenditure is mainly brought to account in one of two ways : either, first, as expenditure of the new Province ; or, secondly, as departmental expenditure chargeable to the Department in which it is incurred.

Items 1 and I of Part II of *pro formâ* account.

8. The expenditure and receipts appertaining to the *quasi*-provincial administration of the Imperial area are brought to account in the same way as in the case of other minor administrations, and are eventually published separately, like the figures for Coorg and Baluchistan, in an appendix to the Civil Estimates. But as the Civil Estimates are not published till late in the year, a special arrangement has been made by which the figures for the Delhi province under each major head are separately shewn in the various sections of the Financial Secretary's memorandum (*e.g.*, I and 3, Land Revenue, page 21). It will be noted that any grants which may specially be given from Imperial revenues in aid of the Delhi Municipality or other local funds will be brought into the regular accounts and, consequently, into the *pro formâ* account also, since they will appear as charges of the Delhi administration.

Items 3 (a) and III of Part I of *pro formâ* account.

9. Expenditure which does not appertain to provincial administration is recorded, as in the case of other provinces, under its appropriate departmental head in the regular accounts. Thus expenditure on the land and buildings required for the new Cantonment, and any corresponding receipts, appear under the Army and Military Works heads, respectively, under both of which a special Delhi sub-head has been opened. Railway capital outlay has already been referred to. Railway revenue charges and receipts similarly come under the Railway account head. In these cases, the *pro formâ* account necessarily exhibits only initial expenditure and non-recurring receipts, as Military expenditure is not being permanently increased and the influence of the new Capital on the ordinary daily receipts and working expenses of the Railways cannot evidently be satisfactorily isolated. This latter consideration also applies to the case of Postal and Telegraph expenditure, which moreover represents ordinary administrative expenditure of the department, and is relatively insignificant in amount. For these reasons, in the case of this department, neither the initial outlay nor the recurring receipts and expenditure have been included.

Items 4 to 7 and I and IV of Part I, and Items 2 and 3 and II to V of Part II of *pro formâ* account.

10. There are also a few items of expenditure and of actual receipt or of definite saving which are not recorded in the accounts of the Delhi Province or in the departmental accounts, but which it is necessary to take into consideration in calculating the expenditure in Delhi and the Delhi Province. Most of these are self-explanatory, but attention may be called to the intended treatment of the sale-proceeds of vacated lands and buildings at Calcutta (if any) and elsewhere. These will be credited under the major heads, "XXV—Miscellaneous" and "XXXI—Civil Works", and the *pro formâ* account will take credit only for actual Imperial receipts. No account will be taken, in the statements themselves, of book transactions, or of the considerable savings obtained from the vacation of rented accommodation, *i.e.*, of relief in respect of rental payments which the Local Government obtains by giving up private buildings previously leased for provincial establishments, and moving the latter into offices formerly occupied by the Government of India. Any reference made to such savings will, therefore, be found in an explanatory footnote. [See Part I, Note 5.]

Item I of Part I.

11. Outlay on stores and all other expenditure incurred in England under a capital head or as a revenue charge, which can be distinguished as appertaining to the construction of Delhi or to the administration of the Delhi Province, have been included in the *pro formâ* account.

PRO FORMA ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART I.—INITIAL OUTLAY.

[Figures in thousands of Rupees.]

EXPENDITURE.				RECEIPTS.			
	Actuals to end of 1913-14.	Revised Estimate, 1914-15.	Budget Estimate, 1915-16.		Actuals to end of 1913-14.	Revised Estimate, 1914-15.	Budget Estimate, 1915-16.
1. DELHI PROJECT: Capital outlay on permanent Delhi chargeable to Head "51" (for details see Statement I-A)	85,05	54,51	40,70	I.—Receipts which may be obtained on account of Imperial buildings vacated by the Government of India or attached offices in consequence of the move	...	...	...
2. Temporary Delhi *	54,33	...	...	II.—Non-recurring receipts on account of Temporary Works	...	...	...
3. Initial expenditure of non-Civil Departments :—				III.—Recoveries on account of land or buildings vacated in the old Cantonment of Delhi ||	...	...	...
(a) Military services †	16,84	20,00	10,00	IV.—Miscellaneous items	...	...	...
(b) Railways †	...	7,50	2,00				
4. Non-recurring grant to the Punjab Government in compensation for expenditure incurred on new headquarters buildings for the Commissionership transferred from Delhi	...	1,26	...				
5. Cost of withdrawal to Delhi of Imperial offices previously located at Calcutta or elsewhere	1,92	27	...				
6. Special non-recurring monetary concessions to establishments of the Government of India and attached offices on the occasion of their first move to Delhi	53	27	27				
7. Miscellaneous items §	90	15	...				
TOTAL	1,59,57	83,96	52,27	TOTAL	...	...	...
Total Expenditure to end of 1915-16.		2,95,80		Total receipts to end of 1915-16		...	
Net expenditure to end of 1915-16		2,95,80					

* NOTE 1.—The head "Temporary Delhi" has been closed from 1st April 1913, subsequent expenditure being treated as part of the expenditure of the Delhi Province—see Part II of Account.

† NOTE 2.—The expenditure included under item 3 (a) is that relating to the formation of the new Cantonment. Its details are as follows :—

	To end of 1913-14.	1914-15.	1915-16.
Acquisition of land	10,93	1,90	33
Cost of buildings	4,77	18,10	9,67
Establishment charges	1,14		
TOTAL	16,84	20,00	10,00

‡ NOTE 3.—The provision in 1914-15, and in 1915-16 is mainly on account of land acquisition charges.

§ NOTE 4.—The expenditure shown against item 7 represents mainly cost of temporary establishments employed in the Secretariats in connection with the change of Capital.

|| NOTE 5.—These heads will record only actual receipts obtained from the sale of the vacated buildings and land. As explained in paragraph 10 of the prefatory note, this procedure has the effect of excluding a substantial true saving in respect of rented accommodation. Thus in 1913-14 the Government of Bengal, by moving its offices into the vacated Imperial buildings in Calcutta, saved Rs. 58,000, partly by being enabled to dispense with private accommodation previously leased, and partly by being relieved from the necessity of renting further accommodation.

PRO FORMA ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART II.—ANNUAL EXPENDITURE.

[Figures in thousands of Rupees.]

Expenditure.	Actuals, 1913-14.	Revised Estimate, 1914-15.	Budget Estimate, 1915-16.	Receipts.	Actuals, 1913-14.	Revised Estimate, 1914-15.	Budget Estimate, 1915-16.
1. Expenditure of Delhi Province *	33,74	35,69	29,74	I.—Revenues of Delhi Province*	15,05	15,77	15,41
2. Compensatory assignment to Punjab Provincial revenues in respect of extra expenditure incurred in administering territories which have been transferred from the old Delhi District to the districts of Rohtak and Gurgaon . . . . .	...	23	13	II.—Assignment from Punjab Provincial revenues to Imperial on account of the creation of the new Province of Delhi, with effect from the 1st October 1912†	1,91	1,91	1,91
3. Miscellaneous items . . . . .	...	...	...	III.—Saving under Calcutta house allowances‡	40	41	42
				IV.—Saving under hill journey and travelling allowances and contingencies on account of shorter move of Secretariat and attached offices.§	2,50	2,50	2,50
Total expenditure	33,74	35,92	29,87	V.—Miscellaneous items . . . . .	...	...	...
Net expenditure	13,88	15,33	,63	Total receipts	19,86	20,59	20,24

* NOTE 1.—The details of this item are given in Statement II-A.

† NOTE 2.—This assignment represents the amount by which the Provincial outlay on the Delhi area exceeded the Provincial revenue obtained therefrom prior to the constitution of the Imperial enclave, *i.e.*, the net expenditure incurred on that area of which the Local Government has now been relieved.

‡ NOTE 3.—The figures shown against item III will be subject to increase as additional offices are successively transferred from Calcutta to Delhi.

§ NOTE 4.—The figure shown against item IV is a minimum figure calculated once for all on the assumption that all offices or portions of offices which previously moved between Calcutta and Simla have subsequently moved regularly between Delhi and Simla. The actual saving throughout has been larger owing to certain establishments which previously moved to Calcutta being retained in Simla throughout the cold weather.

STATEMENT I-A.

Details of Capital outlay on the Delhi Project working up to the total figures shown against item 1 in Part I of pro formâ account.

[Figures in thousands of Rupees.]

Items.	Actuals to end of 1913-14.	Revised Estimate, 1914-15.	Budget† Estimate, 1915-16.
A.—Salaries and allowances—			
(a) Preliminary Investigation—			
(i) Gazetted officers*	2,02	2	
(ii) Non-gazetted officers	14	...	
(b) Public Works and Electrical officers employed on the Project—			
(i) Gazetted officers*	3,69	3,69	
(ii) Non-gazetted officers	1,28	1,91	
(c) Other officers employed on the Project—			
(i) Gazetted officers*	1,10	80	
(ii) Non-gazetted officers	37	28	
B.—Travelling allowances of Officers and Establishment—			
(a) Preliminary Investigation—			
(i) Gazetted officers*	23	...	
(ii) Non-gazetted officers	2	...	
(b) Public Works and Electrical officers employed on the Project—			
(i) Gazetted officers*	34	39	
(ii) Non-gazetted officers	16	20	
(c) Other officers employed on the Project—			
(i) Gazetted officers *	5	4	
(ii) Non-gazetted officers	4	2	
C.—Supplies, Services and Contingencies—			
(a) Preliminary Investigation	51	...	
(b) Public Works and Electrical officers employed on the Project	52	34	
(c) Other officers employed on the Project	11	14	
D.—Works Expenditure—			
(i) Buildings	1,51	8,95	
(ii) Communications	6	1,05	
(iii) Miscellaneous Public Improvements	1,05	23	
(iv) Electric Light and Power . . . . .	...	...
(v) Irrigation . . . . .	...	...
(vi) Sanitation including water-supply, drainage and sewage . . . . .	...	...
(vii) Purchase of tools and plant	12,08	16,56	
(viii) Stock and Suspense	4,59	2,56	
(ix) Miscellaneous items	20,76	13,74	
(x) Maintenance during construction	19	1,91	
E.—Acquisition of land	34,19	1,68	
F.—Other Miscellaneous expenditure	4	...	
G.—Unallotted Reserve . . . . .	...	...
Deduct.—Receipts on Capital Account . . . . .	...	...
Total	85,05	54,51	40,00

* NOTE.—The charges of the town planners and other experts are included under these heads
 † The total grant has not yet been distributed finally among the various items.

STATEMENT II-A.

Revenue and Expenditure of Delhi Province.

[Figures in thousands of Rupees.]

RECEIPTS.				EXPENDITURE.			
Major heads of Account.	Actuals, 1913- 14.	Revised Esti- mate, 1914- 1	Budget Esti- mate, 1915- 16.	Major heads of Account.	Actuals 1913- 14.	Revised Esti- mate, 1914- 15.	Budget Esti- mate, 1915- 16.
I.—Land Revenue . . .	3,53	3,53	3,56	1. Refunds and Drawbacks . . .	9	10	9
II.—Opium	25	25	25	2. Assignments and Compensations	2	9	...
IV.—Stamps	3,06	3,32	3,18	3. Land Revenue	92	1,03	1,01
V.—Excise	2,71	2,88	2,95	6. Stamps		7	7
VII.—Customs	4	4	4	7. Excise	6	6	7
VIII.—Assessed Taxes . . .	2,13	2,20	1,98	10. Assessed Taxes	1	1	1
X.—Registration	23	24	24	11. Forest . . . . .	...	...	7
XII.—Interest	39	39	36	12. Registration	6	7	7
XVI-A.—Courts of Law . . .	21	17	20	13. Interest . . . . .	...	...	...
XVI-B.—Jails	32	30	28	18. General Administration . .	95	85	88
XVII.—Police	4	5	6	19-A. Courts of Law	1,62	2,50	1,70
XIX.—Education	19	19	17	19-B. Jails	64	70	70
XX.—Medical	1	1	1	20. Police	3,93	4,32	4,07
XXIA.—Agriculture	1	...	...	22. Education	1,43	2,34	1,56
XXIB.—Scientific and Miscella- neous Departments.	5	5	5	23. Ecclesiastical	13	16	19
XXII.—Receipts in aid of Superannuation, etc.	3	3	3	24. Medical	1,86	5,36	2,36
XXIII.—Stationery and Printing	5	6	6	25. Political . . . . .	...	1	1
XXV.—Miscellaneous	36	51	50	26A. Agriculture	7	13	12
XXX.—Minor Irrigation Works and Navigation.	1	1	1	26B. Scientific and Miscellaneous Departments.	9	4	2
XXXI.—Civil Works	1,43	1,54	1,48	27. Territorial and Political Pen- sions.	37	60	51
Total Receipts	15,05	15,77	15,41	29. Superannuation and Retired allowances.	1,71	1,76	1,72
				30. Stationery and Printing . . .	10		14
				32. Miscellaneous	38	50	98
				43. Minor Irrigation Works and Navigation.	1		3
				45. Civil Works	(a)19,23	(b)14,84	13,36
				Total Expenditure	(a)33,74	(b)35,69	29,74

(a) Includes 7 on account of expenditure in England on purchase of stores.

(b) " 2 " " " "

APPENDIX.

Appen
COMMERCIAL AND
TABLE I.—MIS

	1906-07.	1907-08.	1908-09.
Recorded revenue compared with recorded expenditure excluding Capital Expenditure on Railways, Irrigation works and the Delhi Capital not charged against Revenue—			
Surplus	£ 1,589,340	£ 300,615	£ ...
Deficit	...	...	£ 3,737,710
Capital Expenditure on Railways and Irrigation Works not charged against Revenue*	£ 8,712,668	£ 11,412,767	£ 10,471,657
Ditto charge involved in Redemption of Liabilities	...	£ 2,144,800	...
Initial Expenditure on new Capital at Delhi	...	...	...
Net Public Debt incurred	£ 4,166,102	£ 10,725,963	£ 5,633,956
Net Public Debt incurred, including Capital transactions with Railway Companies	£ 2,144,709	£ 13,311,920	£ 10,370,196
Value of commodities exported, excluding Gold and Silver	₹ 1,77,03,00,000	1,77,48,60,000	1,53,14,30,000
Ditto imported, ditto ditto	1,17,24,20,000	1,36,64,30,000	1,28,73,70,000
Excess of Exports over Imports, excluding Gold and Silver	₹ 59,78,80,000	40,33,70,000	24,35,60,000
Net Imports of Gold	₹ 14,85,60,000	17,36,80,000	4,35,60,000
Ditto of Silver	₹ 24,00,60,000	19,46,80,000	12,06,80,000
TOTAL NET IMPORTS OF GOLD AND SILVER	₹ 38,86,20,000	36,83,60,000	16,42,40,000
Excess of Exports over Imports including Gold and Silver	₹ 20,92,60,000	4,00,10,000	7,93,20,000
Grand Total value of Imports and Exports of all kinds	₹ 3,44,57,00,000	3,61,86,60,000	3,10,99,40,000
Secretary of State's Bills sold (Rupees)	₹ 49,09,99,935	\$24,30,65,151	\$20,96,37,188
Sterling Equivalent received	₹ 32,907,196	\$16,232,061	\$13,915,426
Silver coined at the Indian Mints	₹ 26,08,57,405	13,11,56,540	2,85,35,914
Maximum price in pence of an oz. troy, standard Silver in London	33½ (Nov.)	32⅞ (Aug.)	25½ (Apl.)
Minimum ditto ditto	29½ (Apl. & June)	24 (Dec.)	22 (Dec.)
Average Exchange upon Secretary of State's Bills sold per rupee	1s. 4'083d.	1s. 4'029d.	1s. 3'964d.
Fixed rate of Exchange for the adjustment of transactions between the Indian and Imperial Treasuries	1s. 4d.	1s. 4d.	1s. 4d.
Maximum rate of discount on Loans on demand at the Bank of Bengal, Calcutta	9 (from Dec. 6 to Mar. 31).	9 (from Apl. 1 to 17 and Jan. 16 to Mar. 4).	8 (from Jan. 28 to Mar. 17).—
Minimum rate of discount on Loans on demand at the Bank of Bengal, Calcutta	3 (from July 19 to Aug. 8)⁄	3 (from July 25 to Sept. 11).	3 (from July 15 to Sep. 2).
Maximum rate of discount at the Bank of England	6 (Oct. 19 to Jan. 16).	7 (Nov. 7 to Dec. 31).	3 (Apl. 1 to May 27 & Jan. 14 to Mar.).
Minimum ditto ditto	3½ (Apl. 5 to May 2, June 21 to Sept. 12).	3½ (Mar.)	2½ (May 27 to Jan. 13).
Maximum Government balances at the three Presidency Banks	₹ 3,68,28,000 (Aug.)	4,10,83,000 (Mar.)	4,19,82,000 (July)
Minimum ditto ditto	₹ 2,95,11,000 (Oct.)	2,86,56,000 (Apl.)	3,04,47,000 (Jan.)
Maximum price in Calcutta of Government 3½ per cent Rupee Securities (Guaranteed)	99—11 (Apl. 1 & 2).	98—6 (May 4 to 7)	96—15 (Apl. 7)
Minimum ditto ditto	94—13 (Dec. 17 & 18).	95—8 (Jan. 14 and 15).	93—2 (Mar. 16)
Maximum price in Calcutta of 3 per cent Rupee Securities	87—2 (Apl. 1 to 19 & Apl. 24 to May 14).	92—8 (Apl. 1 to May 14).	81—0 (July 18 to Mar. 31).
Minimum ditto ditto	82—8 (Feb. 20 to 26 & Mar. 28).	79—0 (5th Feb. to Mar. 31).	79—0 (Apl. 1 to May 3).
Maximum amount outstanding on London Register of Rupee Securities encased for Interest Drafts	₹ 16,92,17,000 (Dec.)	16,44,30,000 (Apl.)	15,29,69,000 (Apl.)
Minimum ditto ditto	₹ 16,30,80,000 (July)	15,23,22,000 (Mar.)	14,43,66,000 (Mar.)
Maximum price in London of 3½ per cent (Rupee Securities in Gold)	66½ (Apl.)	65½ (Apl. & May)	63½ (Apl.)
Minimum ditto ditto	64⅞ (Dec.)	62½ (Nov.)	61½ (Mar.)
Maximum price in London of India 3½ per cent Stock	106 (Apl.)	103 (Feb.)	102½ (June)
Minimum ditto ditto	99½ (Mar.)	96½ (Aug.)	95½ (Mar.)
Maximum price in London of India 3 per cent Stock	97½ (Apl.)	93 (Feb.)	92½ (Apl.)
Minimum ditto ditto	88½ (Mar.)	84½ (Sep.)	84½ (Mar.)
Maximum price in London of India 2½ per cent Stock	82 (Apl.)	79½ (Feb.)	78½ (Apl.)
Minimum ditto ditto	75 (Mar.)	70½ (Aug.)	70 (Jan.)
Maximum Government Paper Currency outstanding	₹ 47,30,20,000 (July)	52,74,34,000 (Sept.)	48,09,87,000 (July)
Minimum ditto ditto	₹ 42,80,24,000 (May)	41,81,65,000 (Jan.)	42,07,01,000 (Dec.)
Number of Post Office Savings Banks	8,049	8,328	8,501
Number of accounts in Post Office Savings Banks	1,190,220	1,262,763	1,318,632
Amount deposited in Savings Banks	₹ 14,76,69,789	15,18,14,343	15,23,41,614
Average of each deposit	133'99	120'22	115'53
Net addition to deposits	77,43,529	41,44,554	5,27,171

*Excludes capital charge involved in redemption of liabilities.

§ Include remittances of the Gold Standard Reserve.

dix.

FINANCIAL STATISTICS
CELLANEOUS.

1909-1910.	1910-1911.	1911-1912.	1912-1913.	1913-1914.	1914-1915, Revised.	1915-1916, Budget.
£ 606,641	£ 3,936,287	£ 3,940,334	£ 3,107,634	£ 2,312,423	£ 2,785,800	£ 2,957,100
...
£ 7,373,966	£ 10,119,093	£ 8,517,915	£ 10,221,224	£ 11,765,462	£ 11,713,800	£ 8,737,700
...	£ 5,904,100	£ ... 4,992	£ ... 114,894	£ ... 447,134	£ ... 363,400	£ ... 266,700
£ 10,408,347	£ 8,896,956	£ 1,823,173	£ 2,937,639	£ 118,200	£ 2,727,200	£ 2,008,700
...
£ 10,747,575	£ 12,654,438	£ 854,140	£ 2,373,391	£ 2,868,044	£ 5,656,600	£ 8,178,900
1,87,96,80,000	2,09,96,20,000	2,27,99,00,000	2,46,21,80,000	2,49,00,70,000	1,67,95,30,000(b)	
1,22,65,10,000	1,33,70,60,000	1,44,05,50,000	1,66,63,00,000	1,91,30,80,000	1,35,02,10,000(b)	
65,31,70,000	76,25,60,000	83,93,50,000	79,58,80,000	57,69,90,000	32,93,20,000	
21,67,90,000	23,97,90,000	37,76,00,000	34,00,10,000	23,32,40,000	6,88,50,000(b)	
9,44,50,000	8,63,00,000	5,33,70,000	17,19,90,000	13,03,30,000	8,16,60,000(b)	
31,12,40,000	32,60,90,000	43,09,70,000	51,20,00,000	36,35,70,000	15,05,10,000(b)	
34,19,30,000	43,64,70,000	40,83,80,000	28,38,80,000	21,34,20,000	17,88,10,000(b)	
3,54,54,20,000	3,90,53,00,000	4,35,89,00,000	4,85,31,20,000	4,90,83,80,000	3,27,78,00,000	
\$40,54,12,663(a)	\$40,02,50,114(a)	40,37,70,748(a)	38,49,88,178	\$ 46,59,68,715	\$ 11,24,43,000	10,65,00,000
\$27,096,586(a)	\$26,783,303(a)	27,058,549(a)	25,759,706	\$31,200,827	\$7,500,000	7,100,000
2,17,56,166	2,19,25,112	2,80,74,320	19,53,69,944	13,15,68,537	2,12,17,127	
24½ (May)	26½ (October)	27½ (February)	29½ (3rd December)	28½ (22nd September)	27½ (30th Apl.)	
23½ (October)	23½ (February)	23½ (July)	26½ (25th March)	25½ (1st December)	22½ (13th and 14th Novr.)	
1s. 4'01d.	1s. 4'061 d.	1s. 4'084d.	1s. 4'058d.	1s. 4'070d.	1s. 4'008d.	1s. 4d.
1s. 4d.	1s. 4d.	1s. 4d.	1s. 4d.	1s. 4d.	1s. 4d.	
7 (from 1 to 28 Apl. & 3 to 31 March).	8 (from 23rd Feb. 1911 to 29th Mar. 1911)	8 (from 26th Jan. to 6th Mar.)	8 (from 9th Jan. to 12th Feb.)	7 (1st to 16th Apl. and 13th Nov. 1913 to 18th Mar. 1914).	6 (1st to 30th Apl. and 5th Nov. to 31st Dec. 1914 and 1st Jan. to 13th March 1915).	
3 (from 1 July to 29 Sept.)	3 (from 1st July to 21st Sept.)	3 (from 3rd Aug. to 31st Aug. 1911).	3 (from 11th July to 11th Sept.)	3 (3rd July to 6th Aug.)	3 (9th July to 5th Aug. 1914).	
5 (October 21st to Decr. 8th).	5 (Oct. 20th to Nov. 30th).	4 (from 21st Sept 1911 to 7th Feb. 1912).	5 (17th October 1912 to 31st March 1913).	5 (1st to 16th April and from 2nd October 1913 to 7th January 1914).	10 (from 1st to 5th Aug. 1914).	
2½ (Apl. 1st to October 6th).	3 (June 9th to Sept. 28th and Mar. 9th to Mar. 31st).	3 (from 1st Apl. to 20th Sept. 1911).	3 (9th May to 28th August).	3 (29th January to 31st March 1914).	3 (from 1st Apl. to 29th July).	
4,58,77,000 (July)	4,10,08,000 (Sept.)	4,48,68,000 (Nov.)	5,65,10,000 (Mar.)	6,18,88,000 (Oct.)	10,12,86,000(Ang.)	
3,07,61,000 (Apl.)	3,53,92,000 (June)	3,68,74,000 (Feb.)	4,00,35,000 (Apl.)	4,85,95,000 (May)	4,84,04,000(Nov.)	
95-5 (24 Aug.)	96-10 (2nd Aug.)	96-14 (9th Dec.)	97-2 (3rd to 6th May).	96-12 (19th and 21st July).	96-1 (from 14th to 15th and 17th to 25th July 1914).	
92-12 (4 to 7 Dec.)	93-6 (7th Nov.)	94-12 (3rd & 4th Oct.)	94-12 (3rd & 6th Jan.)	94-14 (13th & 17th Oct.)	(d) 91-8 (13th and 15th March).	
82-0 (31 Aug. to 11 Nov.)	82-0 (12th July to 19th Aug. and 15th Feb. to 31st Mar.)	82-0 (1st to 23rd Apl., 5th May to 24th Sept., 27th Sept. to 9th Oct. and 20th Nov. to 31st Mar.)	83-0 (7th May to 14th Oct.)	83-0 (2nd to 4th Sept. 1913 and from 26th Feb. to 31st March 1914).	83 (1st April to 4th Aug. 1914).	
79-12 (27 Nov.)	80-4 (5th Dec.)	81-0 (25th & 26th Sept. and 10th to 14th Oct.)	82-0 (1st to 24th Apl. & 24th Oct. 1912 to 31st March 1913).	82-0 (1st Apl. to 26th Aug.)	77 (31st Aug. to 3rd Sept. 1914).	
16,06,73,000 (Oct.)	15,07,31,000 (Apl.)	12,68,10,000 (Apl.)	11,65,48,000 (Apl.)	11,11,55,000 (Apl.)	9,96,09,000(Apl.)	
14,81,15,000 (Apl.)	12,78,50,000(Mar.)	11,73,04,000 (Mar.)	11,13,78,000 (Jan.)	10,08,74,000(Mar.)	9,74,68,000(Dec.)	
63½ (Oct.)	64½ (Feb.)	64½ (Dec.)	64½ (May)	64½ (Feby.)	(e) 63½ (May)	
61½ (Apl.)	62½ (Oct.)	63½ (Oct.)	63½ (Mar.)	63½ (Apl.)	(e) 63 (July)	
100½ (May)	97½ (Feb.)	96½ (Apl.)	94½ (Apl.)	93½ (Jan.)	90½ (Apl.)	
95 (March)	92½ (Sept.)	91 (Sept.)	89 (Mar.)	84½ (Jan.)	(c) 83 (Jan.)	
90½ (Apl.)	84½ (Feb.)	84½ (Apl.)	80½ (Apl.)	80½ (Jan.)	77½ (Apl.)	
81½ (March)	79½ (Sept.)	78½ (Sept.)	75 (Mar.)	71½ (Dec.)	(c) 71 (Jan.)	
76 (Apl.)	70½ (Feb.)	70½ (Apl.)	67½ (Apl.)	66½ (Feby.)	64 (Apl.)	
69 (March)	66 (Sept.)	65½ (Sept.)	62½ (Mar.)	59½ (Jan.)	(c) 58 (Jan.)	
54,40,84,000(Mar.)	59,16,45,000(July)	61,36,25,000(Mar.)	68,97,78,000(Mar.)	69,89,84,000(July)	75,44,53,000(July)	
43,64,99,000 (Apl.)	49,67,01,000 (Dec.)	54,68,58,000 (Apl.)	58,33,57,000 (Apl.)	61,79,95,000(Sept.)	60,25,94,000(Jan.)	
8,767	8,929	9,502	9,460	9,824		
1,378,916	1,430,451	1,500,834	1,566,860	1,638,725		
15,86,71,786	16,91,88,224	18,89,85,439	20,61,14,503	23,16,75,467		
115'07	118'28	125'92	131'55	141'38		
63,30,272	1,05,16,438	1,97,97,215	1,71,29,064	2,55,60,964		

(a) Include remittance of the Currency Department.
 (b) Figures for 11 months (April to February).
 (c) Minimum prices fixed by Stock Exchange Committee. The Stock Exchange was closed from 31st July 1914 to 3rd January 1915, and there were no official transactions during that period.
 (d) Buyer's rate.
 (e) No quotations since August 1914.

Appendix—continued.

Commercial and Financial Statistics.

Table II.—Capital Expenditure on State Railways in 1913-1914, and Estimated Expenditure on such works in 1914-1915 and 1915-1916, and to end of 1915-1916.

RAILWAYS.	To end of 1912-1913.	Accounts, 1913-1914.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.	To end of 1915-1916.	Sanctioned outlay.	Balance remaining unspent.	REMARKS.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Open Lines.								
Agra-Delhi Chord	1,44,67,320	1,27,300	1,62,000	8,000	1,47,64,620	1,47,64,620	...	
Ahmedabad-Dholka (earthwork, etc.)	59,900	...	...	...	59,900	59,900	...	
Assam-Bengal (Construction)	9,18,12,307	48,72,534	50,65,000	32,80,000	10,50,29,841	10,50,29,841	...	
Ditto (Land)	48,00,112	3,17,201	4,57,000	...	55,74,313	55,74,313	...	
Baran-Kotah!	46,47,772	...	...	...	46,47,772	46,47,772	...	
Bengal-Nagpur Railway . . . . .	...	...	72,67,000	99,59,000	1,72,26,000	1,72,26,000	...	
Bezwada Extension	12,31,370	2,472	9,000	2,000	12,44,842	12,44,842	...	
Bhopal	39,41,322	82,145	60,000	19,000	41,02,467	41,02,467	...	
Bombay, Baroda and Central India	46,78,87,896	1,35,92,563	1,14,78,000	1,18,00,000	50,47,58,459	50,47,58,459	...	
Burma	9,74,12,324	...	...	...	9,74,12,324	9,74,12,324	...	
Burma Railway Extensions	2,19,82,237	41,929	1,10,000	55,000	2,21,89,166	2,21,89,166	...	
Cawnpur-Banda	49,83,015	19,51,103	9,30,000	2,15,000	80,79,118	80,79,118	...	
Coonoor-Ootacamund	38,65,407	1,02,785	3,38,000	18,000	43,24,192	43,24,192	...	
Dharmapuri Hosur Extension	20,32,163	1,28,642	—22,000	...	21,38,805	21,38,805	...	
Dhone-Kurnool	10,06,675	2,075	3,000	5,000	10,16,750	10,16,750	...	
East Indian	48,34,69,675	2,52,10,934	3,49,34,000	1,03,50,000	55,39,64,609	55,39,64,609	...	
Eastern Bengal	26,64,60,536	1,38,76,615	1,91,68,000	1,23,54,000	31,18,59,151	31,18,59,151	...	
East Coast—Northern Section	3,09,29,430	...	...	...	3,09,29,430	3,09,29,430	...	
Frontier Railway Reserve Material	43,90,861	—30,540	...	...	43,60,321	43,60,321	...	
Carried over	1,50,53,80,322	6,02,77,758	7,99,59,000	4,80,65,000	1,69,36,82,080	1,69,36,82,080	...	

RAILWAYS.	To end of 1912-1913.	Accounts, 1913-1914.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.	To end of 1915-1916.	Sanctioned outlay.	Balance remaining unspent.	REMARKS.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	1,50,53,80,322	6,02,77,758	7,99,59,000	4,80,65,000	1,69,36,82,080	1,69,36,82,080	...	
Open Lines.								
Great Indian Peninsula System	35,36,35,198	3,11,57,330	2,74,37,000	3,09,15,000	44,31,44,528	44,31,44,528	...	
Jodhpur-Hyderabad (British Section)	42,42,650	1,29,312	95,000	43,000	45,09,962	45,09,962	...	
Jorhat	10,43,646	21,213	24,000	20,000	11,08,859	11,08,859	...	
Lucknow-Bareilly	51,21,139	...	...	...	51,21,139	51,21,139	...	
Madras and Southern Mahratta Railway (Madras Section)	15,29,27,650	...	...	...	15,29,27,650	15,29,27,650	...	
North-Western	75,60,25,392	3,18,05,193	2,66,09,000	1,36,00,000	82,80,39,585	82,80,39,585	...	
Railway facilities at Delhi . . . . .	...	...	7,50,000	2,00,000	9,50,000	9,50,000	...	
Rahoki Nurpur Khas conversion . . . . .	...	...	...	7,00,000	7,00,000	7,00,000	...	
Oudh and Rohilkhand	26,48,45,387	71,11,014	45,96,000	21,88,000	27,87,40,401	27,87,40,401	...	
Petroleum Operations, Baluchistan	1,19,187	...	...	...	1,19,187	1,19,187	...	
Rohilkund and Kumaon Railway (Ganges bridge)	76,416	...	...	...	76,416	76,416	...	
South Indian	15,27,44,998	91,81,574	45,10,000	31,40,000	16,95,76,572	16,95,76,572	...	
Tinnevely Quilon (British Section)	44,19,271	237	—49,000	26,000	43,96,508	43,96,508	...	
Ditto (Native State Section)	1,18,22,922	984	2,000	34,000	1,18,59,906	1,18,59,906	...	
Tirhoot Railway and Extensions	7,74,34,116	15,02,323	6,36,000	80,000	7,96,52,439	7,96,52,439	...	
Chemical Laboratory, Kalimati	77,499	6,020	8,000	...	91,519	91,519	...	
" " Alipur	44,090	51,523	10,000	...	1,05,613	1,05,613	...	
Warora Colliery	10,98,766	—4,573	...	...	10,94,193	10,94,193	...	
TOTAL OPEN LINES	3,29,10,58,649	14,12,39,908	14,45,87,000	9,90,11,000	3,67,58,96,557	3,67,58,96,557	...	

Appendix—continued.

RAILWAYS.	To end of 1912-1913.	Accounts, 1913-1914.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.	To end of 1915-1916.	Sanctioned Outlay.	Balance remaining unspent.	REMARKS.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.		
TOTAL OPEN LINES brought forward	3,29,10,58,649	14,12,39,908	14,45,87,000	9,90,11,000	3,67,58,96,557	3,67,58,96,557	...		
LINES UNDER CONSTRUCTION.									
Bokharo-Ramgarh Extension (East Indian Railway share)	4,25,729	4,53,466	1,86,000	93,000	11,58,195	50,01,852*	38,43,657	* This represents total sanctioned estimate of both sections I and II which are being constructed as joint lines of the East Indian and the Bengal Nagpur Railways.	
Burdwan-Howrah . . . . .	...	12,13,184	31,82,000	23,50,000	67,45,184	65,50,266	-1,94,918	
Itarsi-Nagpur and branch to PENCH Valley Coalfields	1,65,89,401	39,79,228	32,50,000	50,00,000	2,88,18,629	3,37,05,415	48,86,786		
Laki-Pezu Tank	4,06,394	6,69,947	8,50,000	7,70,000	26,96,341	24,20,857	-2,75,484		
Lower Ganges Bridge Project	2,79,57,013	79,35,809	36,35,000	2,00,000	3,97,27,822	4,76,68,863	79,41,041		
Rajabhatkhawa-Dalsingpara	7,47,159	1,98,119	1,32,000	...	10,77,278	11,27,052	49,774		
Roserah-Shakarpura-Khagaria	12,65,815	5,84,143	3,74,000	1,00,000	23,23,958	26,19,232	2,95,274		
Southern Shan States	97,96,426	34,99,359	20,67,000	15,00,000	1,68,62,785	1,98,43,996†	29,81,211		† Work proceeding up to Aungban, for which the sanctioned estimate amounts to Rs. 1,42,23,372.
Dholka Dhanduka . . . . .	...	...	...	5,00,000	5,00,000	... ‡	-5,00,000	
Panruti-Trichinopoly . . . . .	...	...	...	15,00,000	15,00,000	... ‡	-15,00,000	
Vishnupur-Santragachi . . . . .	...	...	...	15,00,000	15,00,000	... ‡	-15,00,000	‡ Estimates have not yet been sanctioned.
Total Lines under construction	5,71,87,937	1,85,33,255	1,36,76,000	1,35,13,000	10,29,10,192	11,89,37,533	1,60,27,341		
TOTAL OPEN LINES, carried over	3,29,10,58,649	14,12,39,908	14,45,87,000	9,90,11,000	3,67,58,96,557	3,67,58,96,557	...		

Appendix—continued.

RAILWAYS.	To end of 1912-1913.	Accounts, 1913-1914.	Revised Estimate, 1914-1915.	Budget Estimate, 1915-1916.	To end of 1917-1918.	Sanctioned outlay.	Balance remaining unspent.	REMARKS.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
TOTAL OPEN LINES, brought forward .	3,29,10,58,649	14,12,39,908	14,45,87,000	9,90,11,000	3,67,58,96,557	3,67,58,96,557	...	
Total Lines under Construction, brought forward	5,71,87,937	1,85,33,255	1,36,76,000	1,35,13,000	10,29,10,192	11,89,37,533	1,60,27,341	
LINES IN ABEYANCE OR TRANSFERRED TO COMPANIES, ETC.								
Bellary-Kistna	1,65,78,416	...	...	...	1,65,78,416	1,65,78,416	...	
Bilaspur-Etawah	75,132	...	...	...	75,132	75,132	...	
Nagpur-Chhattisgarh (Depreciation Account).	6,57,038	...	...	...	6,57,038	6,57,038	...	
Ranaghat-Bhagwangola	3,02,450	...	...	...	3,02,450	3,02,450	...	
Southern Mahratta (Depreciation on works, etc.)	5,27,071	...	...	...	5,27,071	5,27,071	...	
Umari Colliery	1,82,672	...	...	...	1,82,672	1,82,672	...	
Vizagapatam-Raipur	2,45,035	...	...	...	2,45,035	2,45,035	...	
TOTAL LINES IN ABEYANCE, ETC. .	1,85,67,814	...	...	...	1,85,67,814	1,85,67,814	...	
Stores	27,45,664	-24,45,972	...	...	2,99,692	2,99,692	...	
Payments to Bengal Nagpur Railway Company for Capital Stock respecting which the holders exercised the option of transfer to the Secretary of State for India. Reserve . . . . .	...	70,665	...	20,62,000	70,665	70,665	...	
GRAND TOTAL .	3,36,95,60,064	15,73,97,856	15,82,63,000	11,45,86,000	3,79,98,06,920	3,81,58,34,261	1,60,27,341	

Appendix—continued.

RAILWAYS.	To end of 1912-1913.	Accounts, 1913-1914.	Revised Esti- mate, 1914-1915.	Budget Esti- mate, 1915-1916.	To end of 1915-1916.	Sanctioned outlay.	Balance remaining unspent.	REMARKS.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Grand Total, brought forward	3,36,95,60,064	15,73,97,856	15,82,63,000	11,45,86,000	3,79,98,06,920	3,81,58,34,261	1,60,27,341	
Distributed as under—								
CAPITAL EXPENDITURE ON RAILWAYS (not charged to Revenue)—								
State Railways — Construction*	2,30,57,78,624	15,72,48,001	15,82,61,000	11,45,66,000	2,73,58,53,625			
Redemption of Liabilities†	90,75,31,543	...	...	...	90,75,31,543			
Famine Relief and Insurance—								
Protective Railways	7,86,22,691	1,28,642	—22,000	...	7,87,29,333			
CONSTRUCTION OF RAILWAYS (charged against Revenue in addition to that under Famine Insurance).	5,45,35,712	...	...	...	5,45,35,712			
CONSTRUCTION OF RAILWAYS (charged to Provincial Revenues).	74,42,891	21,213	24,000	20,000	75,08,104			
OTHER EXPENDITURE charged against Revenue.	1,56,48,603	...	...	...	1,56,48,603			
Total as above	3,36,95,60,064	15,73,97,856	15,82,63,000	11,45,86,000	3,79,98,06,920	3,81,58,34,261	1,60,27,341	

* INCLUDES DEBENTURES RAISED BY COMPANIES—

Bombay, Baroda and Central India Railway	1,48,90,464	...	4,50,000	.....	1,48,40,464
East Indian Railway	21,88,09,015	...	.....	5,25,00,000	27,18,09,015
Great Indian Peninsula Railway	4,87,97,864	...	.....	4,50,00,000	9,37,97,864
South Indian Railway	2,27,07,287	...	3,44,23,000	.....	5,71,85,337
Capital contributed by the Jaipur Durbar towards outlay on the Nagda Muttra Railway.	10,00,000	30,00,000	10,00,000	10,00,000	60,00,000
Bombay, Baroda and Central India Railway Contribution from Provident Fund.	2,00,000	5,20,000	6,85,000	5,00,000	18,55,000
TOTAL	30,59,04,080	35,20,000	3,65,13,000	9,90,00,000	44,49,37,080

	Rs.
† Bombay, Baroda and Central India Railway	18,72,06,696
East Indian Railway	18,05,98,229
Eastern Bengal Railway	3,10,54,458
Great Indian Peninsula Railway	8,88,35,250
Madras and Southern Mahratta Railway	3,21,72,000
North Western Railway	7,86,74,320
Oudh and Rohilkhand Railway	15,50,40,735
South Indian Railway	7,03,88,355
Indian Midland Railway	8,85,61,500
TOTAL	90,75,31,543

Appendix—continued.

COMMERCIAL AND FINANCIAL STATISTICS.

Table III.—Capital Expenditure on Irrigation Major Works in 1913-14, and Estimated Expenditure on such works in 1914-15, and 1915-16, and to the end of 1915-16.

	Actual outlay to end of 1912-13.	Accounts, 1913-14.	Revised Estimate, 1914-15.	Budget Estimate, 1915-16.	Total actual and estimated outlay to end of 1915-16.	Sanctioned Estimate.	Balance of sanctioned Estimate, remaining to be spent.
	₹	₹	₹	₹	₹	₹	₹
PRODUCTIVE WORKS.							
CAPITAL EXPENDITURE NOT CHARGED TO REVENUE.							
<i>Central Provinces.</i>							
Wainganga Canal	4,54,058	7,58,397	9,33,000	9,96,000	31,41,455	36,88,045	5,46,590
Mahanadi Canal	6,95,392	13,58,167	15,03,000	18,12,000	53,73,559	96,09,475	42,35,916
Asola Mendha Tank	13,13,739	1,39,486	1,22,000	1,32,000	17,12,225	17,30,346	18,121
<i>Burma.</i>							
Mandalay Canal	52,16,006	3,24,978	3,53,000	1,70,000	60,63,984		
Shwebo Canal	57,25,024	—16,667	34,000	—12,000	57,30,357		
Mon Canal	52,27,576	67,027	73,000	1,30,000	55,02,603		
Ye-u Canal	15,90,238	4,50,543	6,11,000	6,37,000	32,83,781	48,04,988	15,16,207
Twante Canal	37,32,595	10,66,415	7,52,000	8,00,000	63,51,010	98,86,218	35,35,208
<i>Bengal.</i>							
Midnapur Canal	83,03,952	180	...	13,000	83,22,132		
Hijili Tidal Canal	25,50,305	...	...	...	25,50,305		
<i>Bihar.</i>							
Orissa Canals	2,62,45,222	1,24,071	90,000	24,000	2,64,83,293		
Sone Canal	2,58,91,493	30,864	30,000	30,000	2,59,82,357		
<i>United Provinces.</i>							
Ganges Canal, including Mat and Hathras Branches	3,34,07,138	10,42,151	9,06,000	9,72,000	3,63,27,289		
Lower Ganges Canal	3,87,91,488	23,678	18,000	18,000	3,88,51,166		
Agra Canal	1,12,01,696	57,047	1,15,000	77,000	1,14,50,743	1,15,42,103	91,360
Eastern Jumna Canal	47,86,247	46,280	22,000	47,000	49,01,527		
Dun Canal*	13,42,119	—5,008	7,000	15,000	13,59,111		
Bijnor Canal*	2,87,048	18,434	6,000	6,000	3,17,482		
Gorai Canal	1,879	86,172	2,28,000	2,12,000	5,26,051	5,79,420	53,369
<i>Punjab.</i>							
Western Jumna Canal	1,66,87,680	1,28,865	75,000	3,00,000	1,71,71,545		
Upper Bari Doab Canal	2,04,84,374	2,28,046	6,20,000	5,50,000	2,18,82,420		
Lower ditto	1,63,25,698	20,40,628	14,51,000	11,28,000	2,09,45,324	2,16,69,940	7,24,616
Sirhind Canal	2,40,92,170	98,149	4,50,000	3,48,000	2,49,88,319		
Upper Chenab Canal	2,87,82,373	19,55,334	16,44,000	13,50,000	3,37,31,707	3,61,31,583	23,99,376
Lower ditto	3,01,77,166	2,66,420	4,50,000	5,00,000	3,13,93,586		
Upper Jhelum Canal	3,08,10,171	51,53,607	32,50,000	21,00,000	4,13,13,778	4,29,40,282	16,26,504
Lower ditto	1,55,77,782	228	50,000	1,00,000	1,57,28,008	1,33,95,782	26,67,774
Indus Inundation Canals	26,93,704	44,099	4,000	10,000	27,56,803		
<i>North-West Frontier Province.</i>							
Paharpur Inundation Canal	9,05,444	...	...	...	9,05,444	9,13,004	7,560
Upper Swat River Canal	1,13,90,255	34,27,594	26,45,000	13,90,000	1,88,52,349		
Lower ditto	41,82,029	2,149	3,000	10,000	41,47,178		
Kabul River Canal*	1,63,576	33,583	2,000	...	11,04,159	11,10,249	6,090
<i>Madras.</i>							
Godavari Delta System	1,25,33,104	1,26,294	82,000	1,66,000	1,29,07,398	1,32,19,221	3,11,823
Kistna Delta System	1,50,18,409	12,298	1,14,000	68,000	1,52,12,707	1,54,89,071	2,76,364
Penner River Canals System	56,51,471	22,515	13,000	12,000	56,93,986	57,00,408	1,422
Periyar Project	1,01,61,363	44,290	53,000	29,000	1,02,87,653	1,02,98,832	11,179
Cauvery Delta System	38,96,875	50,525	81,000	87,000	41,15,400	41,54,023	33,623
Kurnool Cuddapah Canal	2,26,03,864	7,763	45,000	64,000	2,27,25,627	2,30,20,029	2,94,402
Nagavalli River Project	15,35,494	31,308	42,000	46,000	16,54,800	17,55,412	1,00,612
Divi Island Project	18,39,062	5,782	20,000	39,000	19,02,344	20,77,665	1,74,321
Lower Coletoon Anicut*	18,24,397	—984	...	...	18,23,413		
Shatiatepe Anicut*	8,83,305	23,534	...	...	9,06,839		
Toludur Project . . . . .	...	28,926	3,10,000	6,57,000	9,95,926	22,13,000	12,17,074
<i>Bombay.</i>							
Desert Canal	26,40,891	...	...	...	26,40,891	26,91,689	50,798
Begari Canal	22,61,724	13,217	93,000	84,000	24,51,941	25,30,982	79,041
Eastern Nara Works	65,82,484	2,330	4,000	1,85,000	67,73,314	69,31,165	1,57,351
Jamrao Canal	81,47,933	23,871	17,000	—5,000	81,83,804	83,53,288	1,74,484
Dad Canal	24,20,982	44,756	75,000	10,000	25,50,738	29,07,389	3,56,651
Mutha Canal	74,01,972	1,179	1,000	...	74,04,151	...	...
Sukkur Barrage and Rohri Canal Project . . . . .	...	—284	...	...	—284	...	...
<i>Other Projects</i>							
Reserve	1,49,14,427	73,316	2,02,000	2,38,000	1,54,27,743		
Total Productive Works	50,02,07,894	1,94,61,547	1,76,07,000	1,65,98,000	55,38,74,441		
Carried over	50,02,07,894	1,94,61,547	1,76,07,000	1,65,98,000	55,38,74,441		

* Transferred to "49" from 1st April 1907.

Appendix—continued.

COMMERCIAL AND FINANCIAL STATISTICS.

Table III.—Capital Expenditure on Irrigation Major Works in 1913-14, and Estimated Expenditure on such works in 1914-15, and 1915-16, and to the end of 1915-16.

	Actual outlay to end of 1912-1913.	Accounts, 1913-14.	Revised Estimate, 1914-15.	Budget Estimate, 1915-16.	Total actual and estimated outlay to end of 1915-16.	Sanctioned Estimate.	Balance of sanctioned Estimate remaining to be spent.
	₹	₹	₹	₹	₹	₹	₹
Brought forward	50,02,07,894	1,94,61,547	1,76,07,000	1,65,98,000	55,38,74,441		
PROTECTIVE WORKS.							
<i>Central Provinces.</i>							
Tindula Canal	21,77,349	14,25,838	10,88,000	11,41,000	58,32,187	95,73,537	37,41,400
Tank Projects	73,45,412	4,30,915	6,70,000	6,72,000	91,18,327		
<i>Bihar.</i>							
Tribeni Canal	66,27,136	4,50,607	1,78,000	1,85,000	74,40,743	78,49,661	4,08,918
<i>United Provinces.</i>							
Betwa Canal (including Dukwa weir)	78,58,908	61,153	26,000	31,000	79,77,061	79,99,553	22,492
Ken Canal	49,77,586	2,95,038	2,78,000	2,87,000	58,37,624	74,52,886	16,15,262
Dassan Canal	44,12,397	1,50,982	62,000	35,000	46,60,379		
Ghaggar Canal	2,57,096	6,00,128	6,78,000	5,80,000	21,15,224	33,22,950	12,07,726
Ghori Nadi Scheme	2,79,004	54,176	73,000	...	4,06,180		
Majhgawan Tank	24,279	1,97,157	76,000	13,000	3,10,436		
<i>Madras.</i>							
Rushikulya Project	46,39,233	17,668	14,000	...	46,70,901	46,87,980	17,079
Mopad Project	5,74,809	2,13,610	3,29,000	3,52,000	14,69,419	20,53,877	5,84,453
Venkatapuram Tank Project	2,43,174	67,252	32,000	3,000	3,45,426		
<i>Bombay.</i>							
Godaveri Canal	81,02,443	5,37,183	4,31,000	2,67,000	93,37,631		
Chankapur Tank	16,71,077	38,910	60,000	49,000	18,18,987		
Nira Canal (including Shetphal Tank)	60,81,499	10,740	4,000	1,000	60,97,239	64,86,344	3,89,105
Budhibal Tank	4,90,039	456	...	...	4,90,495	13,98,529	9,08,034
Pravara River Project	31,60,676	9,86,744	8,81,000	10,53,000	60,81,420	31,36,363	20,54,943
Nira Right Bank Canal	5,96,556	26,77,914	32,27,000	32,00,000	97,01,470	2,49,71,863	1,52,70,398
<i>Other Projects.</i>							
Probable savings . . . . .	...	...	...	-10,00,000	-10,00,000		
Total Protective works	6,36,24,360	83,20,270	82,74,000	71,45,000	8,73,63,630		
Grand Total, Major Works	56,38,32,254	2,77,81,817	2,58,81,000	2,37,43,000	64,12,38,071		
Distributed as under—							
(1) Capital expenditure on Irrigation (not charged to revenue)	43,25,14,550	1,92,33,925	1,74,46,000	1,65,00,000	53,56,94,475		
(2) Famine Relief and Insurance—Protective Irrigation Works	6,39,00,769	83,20,270	82,74,000	71,45,000	8,76,40,039		
(3) Other outlay from ordinary revenues	1,74,16,935	2,27,622	1,61,000	98,000	1,79,03,557		
GRAND TOTAL AS ABOVE	56,38,32,254	2,77,81,817	2,58,81,000	2,37,43,000	64,12,38,071		

Appendix—continued.

Commercial and Financial Statistics.

Table IV.—Gross traffic receipts, working expenses, and net traffic receipts of State Railways for five years ending 1913-1914, with Revised Estimates for 1914-1915 and Budget Estimates for 1915-1916.

(Omitting 000, except in accounts.)

STATE RAILWAYS.	ACCOUNTS.					Revised Estimate, 1914-1915.	Budget Estimate, 1915-16.
	1909-1910.	1910-1911.	1911-1912.	1912-1913.	1913-1914.		
Open mileage at beginning of year	M.	M.	M.	M.	M.	M.	M.
	*24,066	*24,604	*24,873	*25,200	25,437	26,106	26,379
Gross Traffic Receipts.	Ra.	R	Rs.	Ra.	Ra.	Ra.	Ra.
<i>Imperial.</i>							
Assam-Bengal	49,62,475	52,65,372	57,94,913	66,32,724	70,40,639	68,00	70,00
Bengal-Nagpur	2,91,40,430	3,09,98,814	3,43,74,985	4,03,42,071	4,10,31,142	4,05,00	4,05,00
Bezwada Extension	3,12,154	3,42,614	3,54,266	3,84,244	2,94,355	4,40	4,40
Bombay, Baroda and Central India System	5,00,31,701	5,46,93,694	6,01,33,008	6,40,21,332	6,58,93,295	6,25,00	6,15,00
Burma	1,82,14,382	1,86,56,276	1,96,08,933	2,07,76,957	2,23,60,428	2,15,00	2,14,00
Burma Railway Extensions	11,83,592	13,33,726	14,68,975	17,32,205	21,84,418	17,40	19,00
Southern Shan States . . . . .	...	...	...	16,887	33,020	60	60
Eastern Bengal	2,78,33,207	2,87,32,327	3,19,58,673	3,51,18,860	3,73,92,387	3,25,00	3,31,00
East Indian	8,08,60,767	8,79,77,711	9,24,96,744	10,25,72,586	10,17,07,428	10,36,00	10,15,00
Great Indian Peninsula including Indian Midland Agra-Delhi Chord	6,58,01,734	6,72,19,252	7,46,52,396	7,94,91,613	8,55,08,945	7,60,00	7,50,00
Bhopal	4,68,717	5,70,168	5,58,428	9,21,470	7,05,991	4,86	5,00
Baran-Kotah	48,152	1,03,829	1,58,809	2,28,678	1,77,507	1,40	1,50
Cawnpore-Banda . . . . .	...	...	...	...	...	80	3,00
Jodhpur-Hyderabad (British Section)	8,38,085	9,11,724	12,63,365	13,81,799	13,36,295	10,00	12,00
Lucknow-Bareilly	16,09,764	18,55,706	20,14,664	21,63,009	23,56,789	20,00	20,00
North Western	7,13,05,408	7,36,47,723	8,23,59,967	8,82,12,116	8,69,96,146	8,20,00	8,20,00
Oudh and Rohilkhand	1,60,65,818	1,90,73,555	2,13,76,309	2,43,64,792	2,40,89,233	2,05,00	2,02,00
Hardwar-Dehra	3,79,351	3,94,918	4,54,183	4,45,053	4,85,346	4,50	4,50
Madras and Southern Mahratta Railway	2,99,76,511	3,09,39,822	3,40,03,129	3,63,50,208	3,81,21,165	3,74,00	3,70,00
Mysore State lines	28,65,053	28,68,732	31,36,594	36,75,718	38,25,763	37,00	36,00
Dhone-Kurnool	1,20,354	98,234	1,16,729	1,19,518	1,23,739	1,60	1,00
South Indian	2,18,74,339	2,29,00,546	2,53,82,260	2,75,45,053	2,80,67,080	2,73,00	2,75,00
Tinnevelly-Quilon	6,45,739	7,03,544	7,79,707	8,25,023	9,03,391	8,85	8,00
Tirhoot	77,47,023	82,93,536	90,52,105	99,47,877	1,01,20,998	97,00	92,00
Total Imperial	43,37,59,622	45,93,47,555	50,35,67,021	55,01,68,551	56,30,64,774	53,44,75	53,00,00
<i>Provincial.</i>							
Jorhat	95,895	95,331	1,16,465	1,22,589	1,23,805	1,15	1,20
Total India	43,38,55,517	45,94,42,886	50,36,83,486	55,02,91,140	56,31,88,579	53,45,90	53,01,20
ENGLAND.							
Bengal-Nagpur . . . . .	...	...	...	...	...	3	3
East Indian	3,450	3,450	3,450	4,313	3,450	3	3
Total England	3,450	3,450	3,450	4,313	3,450	6	6
Grand Total	43,38,58,967	45,94,46,336	50,36,86,936	55,02,95,453	56,31,92,029	53,45,96	53,01,26

* Revised.

Appendix—continued.

STATE RAILWAYS.	ACCOUNTS.					Revised Estimate, 1914-15.	Budget Estimate, 1915-16.
	1909-1910.	1910-1911.	1911-1912.	1912-1913.	1913-1914.		
Net Traffic Receipts.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<i>Imperial.</i>							
Assam-Bengal	4,94,350	8,45,408	12,57,471	19,64,044	22,73,989	16,50	19,50
Bengal-Nagpur	1,36,47,536	1,44,86,622	1,74,64,289	2,18,70,125	2,14,58,253	2,03,78	1,95,45
Bezwada Extension	1,52,555	1,58,253	1,40,816	1,84,265	1,18,623	2,00	2,20
Bombay, Baroda and Central India System	2,49,51,007	2,74,38,715	3,01,59,693	3,15,88,376	3,30,34,621	2,94,84	2,91,53
Burma Railways	64,68,423	67,77,771	74,00,623	85,64,888	1,05,71,446	91,80	94,00
Burma Railway Extensions	4,37,263	4,75,797	5,88,105	7,16,009	10,16,827	5,40	7,50
Southern Shan States . . . . .	...	...	...	11,562	—6,046	—20	—16
Eastern Bengal	97,46,010	1,19,17,258	1,34,25,030	1,39,12,400	1,68,52,302	1,04,87	1,19,22
East Indian	4,93,30,507	5,32,88,010	5,46,40,364	6,40,08,215	6,02,98,231	6,29,25	5,96,25
Great Indian Peninsula including Indian Midland	2,97,39,971	2,80,73,472	3,44,50,025	3,42,34,876	3,38,80,004	2,68,65	2,58,23
Agra-Delhi Chord	6,22,197	7,52,602	8,63,294	13,29,173	9,21,034	11,04	12,10
Bhopal	1,98,456	2,47,994	2,50,159	4,15,136	2,78,970	1,45	1,69
Baran-Kotah	23,181	52,720	79,404	1,16,522	88,753	70	80
Cawnpore-Banda . . . . .	...	...	...	...	...	43	1,28
Jodhpur-Hyderabad (British Section)	3,57,984	4,03,909	7,00,730	7,35,460	6,67,118	4,00	5,00
Lucknow-Bareilly	7,01,574	10,61,844	10,69,870	12,08,886	13,33,090	10,50	10,00
North Western	1,95,14,073	2,93,75,345	3,54,74,591	3,82,80,358	3,74,26,579	3,01,00	3,01,20
Oudh and Rohilkhand	64,46,386	96,62,892	1,15,54,500	1,33,17,987	1,23,35,988	88,00	89,15
Hardwar-Dehra	1,89,676	1,97,459	2,27,092	2,22,527	2,42,673	2,25	2,25
Madras and Southern Mahratta Railway	1,15,84,523	1,22,69,874	1,49,99,815	1,64,01,192	1,65,99,363	1,59,60	1,60,00
Mysore State lines	11,77,386	11,09,924	13,34,865	16,43,844	16,54,915	15,50	14,50
Dhone-Kurnool	41,800	33,999	24,719	44,828	44,871	25	36
South Indian	1,03,68,773	1,07,98,900	1,24,87,153	1,28,03,027	1,18,03,549	1,12,70	1,22,31
Tinnevelly-Quilon	2,92,219	3,29,722	3,47,738	3,69,783	3,55,801	2,45	2,76
Tirhoot	41,55,194	48,15,464	57,65,053	60,73,311	63,12,187	53,00	53,00
Reserve . . . . .	...	...	...	...	...	—2,14	—46,10
Total Imperial	19,06,41,044	21,45,73,954	24,47,05,404	27,00,21,794	26,95,63,091	23,82,62	23,14,00
<i>Provincial.</i>							
Jorhat	—289	14,505	32,353	38,043	34,306	8	24
Total India	19,06,40,755	21,45,88,459	24,47,37,762	27,00,59,837	26,95,97,397	23,82,70	23,14,24
ENGLAND.							
Bengal-Nagpur . . . . .	...	...	...	...	...	3	3
East Indian	3,450	3,450	3,450	4,313	3,450	3	3
Total England	3,450	3,450	3,450	4,313	3,450	6	6
Grand Total	19,06,44,205	21,45,91,909	24,47,41,212	27,00,64,150	26,96,00,847	23,82,76	23,14,30

Appendix—continued.

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation Major Works, for five years ending 1913-14, with Revised Estimates for 1914-15, and Budget Estimates for 1915-16.

	ACTUALS.					Revised Estimate, 1914-15.	Budget Estimate, 1915-16.
	1909-10.	1910-11.	1911-12.	1912-13.	1913-14.		
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
DIRECT RECEIPTS—							
Mandalay canal	2,91,443	2,86,156	2,94,909	3,13,630	3,14,362	3,10,000	3,00,000
Shwebo canal	5,19,267	5,34,592	6,20,521	6,19,968	6,73,000	6,60,000	6,60,000
Midnapore canal	2,02,123	2,07,396	2,15,470	2,20,732	2,10,152	2,09,000	2,03,000
Hijili Tidal canal	63,742	55,357	62,657	53,136	36,427	31,000	37,000
Orissa canals	5,27,884	5,17,673	5,37,234	5,36,437	5,20,053	5,44,000	5,50,000
Sone canals	18,95,202	17,69,789	16,95,488	17,18,503	19,61,859	17,10,000	18,44,000
Ganges canal (including Hathras Branch)	37,41,594	35,28,071	34,48,523	35,55,282	38,86,390	40,22,000	38,95,000
Lower Ganges canal	23,85,462	26,54,428	27,91,733	23,39,516	29,43,277	33,10,000	26,45,000
Ditto Fatehpur Branch	3,45,349						
Agra canal	3,02,427	7,40,050	6,60,252	7,38,129	8,48,157	8,33,000	7,66,000
Eastern Jumna canal	14,53,383	12,64,610	12,30,994	11,93,475	14,37,717	15,38,000	13,58,000
Dun canal	1,16,223	1,15,654	1,00,842	96,716	1,17,472	1,21,000	1,06,000
† Bijnor canal	30,111	31,665	27,888	34,147	37,073	45,000	30,000
Betwa canal	2,86,365	1,83,900	2,28,513	1,53,476	2,44,791	1,10,000	1,95,000
Western Jumna canal	21,64,690	20,67,901	23,50,104	27,36,295	33,15,029	30,00,000	30,00,000
Upper Bari Doab canal	35,33,808	35,80,939	38,33,926	43,46,274	43,06,606	40,00,000	40,50,000
Sirhind canal	21,04,786	20,23,490	30,60,221	46,01,159	40,52,176	39,00,000	38,00,000
Lower Chenab canal	84,95,508	90,10,924	86,28,091	92,75,472	84,24,935	83,00,000	85,00,000
Lower Jhelum canal	21,04,205	23,14,947	22,77,355	26,83,017	27,59,425	27,30,000	27,50,000
Indus Inundation canals	1,78,155	1,72,463	2,76,057	2,28,192	2,37,866	2,30,000	2,00,000
Lower Swat River canal	5,67,754	5,44,662	5,50,387	6,17,160	6,20,190	6,12,000	6,25,000
Kabul River canal	1,63,762	1,56,353	1,45,008	1,75,901	1,86,660	2,03,000	1,90,000
Godavari Delta system	1,27,098	1,29,856	1,25,557	1,35,736	1,24,184	1,74,000	1,30,000
Kistna " "	88,683	88,473	82,943	92,605	97,152	87,000	90,000
Cauvery " "	4,549	6,000	4,576	6,441	4,589	5,000	4,000
Penner River canals	2,074	3,274	3,023	3,326	4,734	4,000	4,000
Periyar project	10,241	13,803	8,785	12,234	5,804	7,000	7,000
Rushikulya project	2,777	1,309	1,473	1,456	1,586	2,000	2,000
Lower Coleroon anicut system	2,320	2,137	1,281	2,021	2,435	2,000	1,000
Shariatope anicut	815	498	701	574	901	1,000	...
Desert canal	1,01,774	91,208	85,707	96,142	86,359	87,000	90,000
Begari " "	43,131	35,717	10,826	10,723	36,288	41,000	41,000
Eastern Nara works	23,572	23,572	26,486	20,608	18,719	17,000	20,000
Jamrao canal	20,238	27,066	29,310	28,919	57,856	28,000	23,000
Mutha canals	3,54,618	3,96,247	4,33,565	3,59,687	3,91,756	3,70,000	3,50,000
Nira canal	4,01,109	3,20,314	4,36,893	5,04,980	5,42,333	5,24,000	4,93,000
Other projects	14,49,919	14,20,214	14,35,679	16,00,030	29,25,872	33,06,000	43,93,000
TOTAL	3,46,06,161	3,43,20,758	3,57,22,988	3,91,12,179	4,14,89,485	4,10,73,000*	4,13,62,000*
PORTION OF LAND REVENUE DUE TO IRRIGATION—							
Mandalay canal	53,648	51,637	51,713	53,341	52,604	53,000	53,000
Shwebo canal	42,934	65,758	86,540	1,17,105	1,26,718	1,39,000	1,50,000
Ganges canal	9,29,409	9,35,716	9,43,958	9,52,179	9,62,748	9,62,000	9,62,000
Lower Ganges canal	4,29,702	4,43,493	4,58,555	4,73,573	4,95,868	4,96,000	4,96,000
Ditto Fatehpur Branch	388						
Eastern Jumna Canal	2,53,952	2,53,952	2,53,952	2,53,952	2,53,952	2,54,000	2,54,000
† Dun canal	24,980	24,980	24,980	24,980	24,980	25,000	25,000
† Bijnor canal	14,984	14,984	14,984	14,984	14,984	15,000	15,000
Carried over	17,49,997	17,90,520	18,34,682	18,90,114	19,31,854	19,44,000	19,55,000

* Excluding Civil Officer's figures as under:—

	Revised.	Budget.
	Rs.	Rs.
United Provinces	1,75,000	1,75,000
Punjab	5,000	1,000
Total	1,80,000	1,76,000

† Transferred to 49, from 1st April 1907.

Appendix—continued.

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation Major Works, for five years ending 1913-14, with Revised Estimates for 1914-15, and Budget Estimates for 1915-16—continued.

	ACTUALS.					Revised Estimate, 1914-15.	Budget Estimate, 1915-16.
	1909-10.	1910-11.	1911-12	1912-13.	1913-14.		
	Rs.	Rs.	R.	Rs.	Rs.	R	Rs.
PORTION OF LAND REVENUE DUE TO IRRIGATION—contd.							
Brought forward	17,49,997	17,90,520	18,34,682	18,90,114	19,31,854	19,44,000	19,55,000
Western Jumna canal	130	2,75,586	2,23,412	2,22,604	2,21,397	2,25,000	2,25,000
Upper Bari Doab canal	3,25,331	3,25,187	3,26,150	3,38,432	5,91,597	5,00,000	6,00,000
Sirhind Canal	...	...	...	9,722	35,437	35,000	35,000
Lower Chenab canal	16,99,083	17,07,676	41,42,468	53,98,437	70,56,188	69,60,000	73,00,000
Lower Jhelum canal	4,03,369	4,93,381	4,87,614	15,37,592	15,47,514	15,50,000	15,60,000
Indus Inundation canals	2,74,563	2,72,619	2,78,279	2,68,036	2,67,940	2,70,000	2,70,000
Lower Swat River canal	50,376	50,568	50,601	50,596	50,652	51,000	51,000
† Kabul River canal	5,436	5,649	14,869	10,803	11,875	10,000	11,000
Godavari Delta System	34,04,419	33,75,550	38,02,481	38,98,412	37,64,330	37,93,000	37,93,000
Kistna " "	32,62,547	32,92,091	33,31,473	33,84,867	34,90,756	34,20,000	34,53,000
Cauvery " "	9,37,519	9,40,219	9,97,224	10,13,223	9,74,332	9,92,000	9,92,000
Pennar River canals	4,08,308	5,79,763	5,38,177	5,85,754	5,38,303	5,38,000	5,81,000
Periyar project	5,34,958	5,34,393	5,49,381	5,65,553	5,68,296	5,66,000	5,77,000
Rushikulya Project	1,16,318	1,36,833	1,45,868	1,63,915	1,89,438	1,90,000	1,90,000
† Lower Coleroon anicut system	2,81,959	2,78,803	2,79,648	2,84,214	2,71,658	2,83,000	2,83,000
† Shariatope anicut " "	1,00,733	1,01,874	1,03,736	1,02,813	87,694	1,04,000	1,04,000
Desert canal	2,29,577	2,51,332	2,09,297	2,39,402	2,26,053	2,40,000	2,50,000
Begari " "	4,80,083	4,57,215	1,53,850	1,86,310	4,78,371	5,00,000	5,04,000
Eastern Nara Works	5,28,887	5,88,428	6,13,899	6,19,328	5,82,075	6,25,000	6,21,000
Jamrao canal	5,57,629	6,42,662	6,68,637	7,76,269	7,39,999	6,52,000	6,52,000
Mutha canal	-10,117	-12,088	-14,020	-9,168	-11,646	...	...
Nira canal	-19,764	-15,768	-21,638	-25,021	-26,702	...	...
Other projects	14,39,479	15,97,585	15,55,889	15,61,460	16,78,153	20,10,000	21,36,000
TOTAL	1,67,60,820	1,76,70,078	2,02,71,977	2,30,73,667	2,52,65,614	2,54,58,000	2,61,43,000
TOTAL REVENUE—							
Mandalay canal	3,45,091	3,37,793	3,46,622	3,66,971	3,67,466	3,63,000	3,53,000
Shwebo canal	5,62,201	6,00,350	7,07,061	7,37,073	7,99,718	7,99,000	8,10,000
Midnapur canal	2,02,123	2,07,396	2,15,470	2,20,782	2,10,152	2,09,000	2,03,000
Hijili Tidal canal	63,742	55,357	62,657	53,136	36,427	31,000	37,000
Orissa canals	5,27,884	5,17,673	5,37,234	5,36,467	5,20,053	5,44,000	5,50,000
Sone canals	18,95,202	17,69,789	16,95,488	17,18,503	19,61,859	17,10,000	18,44,000
Ganges canal (including Hathras Branch)	46,71,003	44,63,787	43,92,481	45,07,461	48,49,138	49,84,000	48,57,000
Lower Ganges canal	28,15,164	30,97,921	32,50,288	28,13,089	34,44,145	38,06,000	31,41,000
Ditto Fatehpur Branch	3,45,737	7,40,050	6,60,252	7,38,129	8,48,157	8,33,000	7,66,000
Agra canal	8,02,427	15,18,562	14,84,946	14,47,427	17,41,669	17,92,000	16,12,000
Eastern Jumna canal	17,07,335	1,40,634	1,25,822	1,21,696	1,42,452	1,46,000	1,31,000
Dun canal	1,41,203	46,649	42,872	49,131	52,057	60,000	45,000
Bijnor canal	45,095	1,83,900	2,28,519	1,53,476	2,44,791	1,10,000	1,95,000
Betwa canal	2,86,365	23,43,487	25,73,516	29,58,899	35,36,426	32,25,000	32,25,000
Western Jumna canal	21,64,820	39,06,126	41,60,076	46,84,706	48,98,203	45,00,000	46,50,000
Upper Bari Doab canal	38,59,139	20,23,490	30,60,221	46,10,881	40,87,613	39,35,000	38,35,000
Sirhind canal	21,04,786	1,07,18,600	1,27,70,559	1,46,73,909	1,54,81,123	1,52,60,000	1,58,00,000
Lower Chenab canal	1,01,94,591	28,08,328	27,64,969	42,20,609	43,06,939	42,80,000	43,10,000
Lower Jhelum canal	25,07,574	4,45,082	5,54,336	4,96,228	5,05,806	5,00,000	4,70,000
Indus Inundation canals	4,52,718	5,95,230	6,00,988	6,67,756	6,70,842	6,63,000	6,76,000
Lower Swat River canal	6,18,130	1,62,002	1,59,877	1,86,704	1,98,535	2,13,000	2,01,000
† Kabul river canal	1,69,198	39,28,038	40,34,148	38,88,514	39,67,000	39,23,000	39,23,000
Godavari Delta System	35,31,517	33,80,564	34,14,421	34,77,472	35,87,908	35,07,000	35,43,000
Kistna " "	33,51,230						
Carried over	4,33,64,275	4,35,68,176	4,77,36,707	5,34,74,653	5,63,79,993	5,54,37,000	5,51,77,000

† Transferred to 49, from 1st April 1907.

Appendix—continued.

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation Major Works, for five years ending 1913-14, with Revised Estimates for 1914-15, and Budget Estimates for 1915-16—continued.

	ACTUALS.					Revised Estimate, 1914-15.	Budget Estimate, 1915-16.
	1909-10.	1910-11.	1911-12.	1912-13.	1913-14.		
	Rs.	Rs.	Rs.	Rs.	Rs.		
TOTAL REVENUE—concd.							
Brought forward	4,33,64,275	4,35,68,176	4,77,36,707	5,34,74,653	5,63,79,993	5,54,37,000	5,51,77,000
Cauvery Delta System	9,42,068	9,46,219	10,01,800	10,19,664	9,78,921	9,97,000	9,96,000
Penner River canals	4,10,382	5,83,037	5,41,205	5,89,080	5,43,037	5,42,000	5,85,000
Periyar Project	5,45,199	5,43,196	5,58,166	5,77,787	5,73,900	5,73,000	5,84,000
Rushikulya Project	1,19,095	1,38,142	1,47,341	1,65,371	1,91,074	1,92,000	1,92,000
†Lower Coleroon anicut system	2,84,279	2,80,990	2,80,929	2,86,235	2,74,093	2,85,000	2,84,000
†Shatitope anicut system	1,01,548	1,02,372	1,04,437	1,03,387	88,595	1,05,000	1,04,000
Desert canal	3,31,351	3,42,540	2,95,004	3,35,544	3,12,412	3,27,000	3,40,000
Begari "	5,23,214	4,92,932	1,64,676	1,97,033	5,14,659	5,41,000	5,45,000
Eastern Nara works	5,52,459	6,12,000	6,40,385	6,39,936	6,00,794	6,42,000	6,41,000
Jamrao canal	5,77,867	6,69,728	6,97,947	8,05,188	7,97,855	6,80,000	6,80,000
Mutha canal	3,44,501	3,84,159	4,19,545	3,50,519	3,80,110	3,70,000	3,50,000
Nira canal	3,81,345	3,04,546	4,15,255	4,79,959	5,15,631	5,24,000	4,93,000
Other Projects	28,89,398	30,17,799	29,91,568	31,61,490	46,04,025	53,16,000	65,34,000
TOTAL	5,13,66,981	5,19,90,336	5,59,94,965	6,21,85,846	6,67,55,099	6,65,31,000	6,75,05,000
WORKING EXPENSES—							
Mandalay canal	81,457	94,787	81,603	89,540	61,411	2,90,000	1,35,000
Shwebo canal	1,37,721	1,66,463	2,10,659	2,31,703	2,70,051	3,36,000	2,95,000
Midnapore canal	2,21,375	1,90,313	2,43,964	2,06,943	1,78,785	1,58,000	1,97,000
Hijili Tidal canal	65,740	74,608	33,122	28,774	1,19,004	1,00,000	70,000
Orissa canal	4,44,664	4,47,819	4,06,871	4,45,382	5,05,785	5,18,000	5,01,000
Sone canal	7,04,989	7,15,221	6,58,557	7,55,611	7,28,937	7,26,000	7,86,000
Ganges canal	12,97,630	11,86,609	12,22,142	11,10,327	11,91,519	9,79,000	9,48,000
Lower Ganges canal	10,08,748	11,18,824	10,39,189	10,14,594	10,17,056	9,82,000	9,96,000
" Fatehpur Branch	1,34,651						
Agra canal	3,83,954	3,34,822	3,36,986	3,24,778	3,16,625	2,98,000	2,97,000
Eastern Jamna canal	4,83,584	4,38,285	4,05,534	3,82,687	3,59,446	3,69,000	3,57,000
†Dun canal	1,33,133	1,06,572	80,845	56,500	49,628	87,000	79,000
†Bijnor canal	21,395	21,303	26,698	28,065	25,788	24,000	22,000
Betwa canal	1,17,460	1,31,059	1,56,583	1,83,789	2,33,008	2,09,000	2,14,000
Western Jamna canal	10,61,811	10,43,129	11,49,041	10,87,704	12,94,029	12,57,000	14,04,000
Upper Bari Doab canal	13,24,386	13,26,549	16,32,005	17,11,363	14,46,549	13,57,000	14,04,000
Sirhind canal	8,28,628	8,45,564	9,29,748	9,92,932	11,39,195	11,56,000	11,04,000
Lower Chenab canal	23,37,425	22,67,303	23,70,127	24,24,855	21,96,088	20,07,000	21,56,000
Lower Jhelum canal	8,00,166	8,29,014	9,94,308	9,51,611	9,19,689	8,46,000	9,54,000
Indus Inundation canals	6,88,949	6,76,704	4,04,818	3,92,807	3,64,270	3,56,000	3,44,000
Lower Swat River canal	1,40,726	1,43,055	1,70,436	1,61,162	1,57,093	1,37,000	1,35,000
†Kabul River canal	72,283	97,600	1,07,147	96,918	1,04,830	1,00,000	1,15,000
Godavari Delta system	8,32,095	7,80,126	7,73,247	7,13,415	8,11,801	7,94,000	7,23,000
Kistna " "	5,68,559	7,10,514	6,28,138	6,01,835	7,08,696	8,00,000	6,66,000
Cauvery " "	1,17,419	1,87,852	1,20,350	1,24,157	1,36,941	2,00,000	1,57,000
Penner River canals	68,934	75,370	52,498	66,142	76,261	75,000	65,000
Periyar Project	1,35,374	1,14,356	1,30,707	1,33,174	1,60,813	1,17,000	1,23,000
Rushikulya Project	48,383	36,767	44,334	34,309	65,471	60,000	35,000
†Lower Coleroon anicut system	60,021	92,123	88,904	56,476	59,062	1,34,000	50,000
†Shatitope anicut system	20,343	25,551	30,594	20,541	32,915	63,000	30,000
Desert canal	1,13,096	1,37,454	1,39,730	1,42,071	1,34,374	95,000	1,38,000
Carried over	1,44,35,099	1,44,15,621	1,46,68,885	1,45,50,665	1,48,65,120	1,46,25,000	1,45,00,000

† Transferred to 49, from 1st April 1907.

Appendix—continued.

COMMERCIAL AND FINANCIAL STATISTICS.

Table V.—Gross receipts, working expenses, and net earnings of Irrigation Major Works, for five years ending 1913-14, with Revised Estimates for 1914-15, and Budget Estimates for 1915-16—continued.

	ACTUALS.					Revised Estimate, 1914-15.	Budget Estimate, 1915-16.
	1909-10.	1910-11.	1911-12.	1912-13.	1913-14.		
	Rs.	Rs.	Rs.	Rs.	Rs.		
Brought forward	1,44,35,099	1,44,15,621	1,46,68,885	1,45,50,665	1,48,65,120	1,46,25,000	1,45,00,000
WORKING EXPENSES—concl'd.							
Begari canal	79,377	1,80,608	1,30,759	2,90,714	2,62,116	1,87,000	1,38,000
Eastern Nara Works	1,64,741	1,94,170	2,49,693	1,79,047	1,82,979	1,84,000	1,55,000
Jamrao canal	2,70,771	2,81,773	2,94,425	3,08,263	3,11,848	3,13,000	2,77,000
Mutha canals	1,04,492	99,945	96,886	1,08,291	1,08,799	1,24,000	1,11,000
Nira canal	70,048	74,003	77,769	91,881	87,668	99,000	1,31,000
Other projects	12,88,638	13,98,199	16,58,126	19,97,745	23,98,115	35,96,000	36,78,000
Reserve	...	...	...	...	...	...	63,000
TOTAL	1,64,13,166	1,66,44,319	1,71,76,543	1,75,26,606	1,82,16,645	1,91,28,000*	1,90,53,000*
NET REVENUE							
Mandalay canal	2,63,634	2,43,006	2,65,019	2,77,431	3,06,055	73,000	2,18,000
Shwebo canal	4,24,480	4,33,887	4,96,402	5,05,370	5,29,667	4,63,000	5,15,000
Midnapur canal	—19,252	17,078	—28,494	13,839	31,367	51,000	6,000
Hijili Tidal canal	8,002	—19,151	29,535	24,362	—82,577	—69,000	—33,000
Orissa canals	83,220	69,854	1,30,363	91,085	14,268	26,000	49,000
Sone canals	11,90,213	10,54,568	10,36,931	9,62,892	12,32,922	9,84,000	10,58,000
Ganges canal (including Hathras Branch.)	33,73,373	32,77,178	31,70,339	33,96,634	36,57,619	40,05,000	39,09,000
Lower Ganges canal	18,06,416	19,79,097	22,11,099	17,98,495	24,27,089	28,24,000	21,45,000
" Fatehpur Branch	2,11,086						
Agra canal	4,18,473	4,05,228	3,23,266	4,13,351	5,31,532	5,35,000	4,69,000
Eastern Jumna canal	12,23,751	10,80,277	10,79,412	10,84,740	13,82,223	14,23,000	12,55,000
Dun canal	8,070	34,062	44,977	65,196	92,824	59,000	52,000
Bijnor canal	23,700	25,346	16,174	21,066	26,269	36,000	23,000
Betwa canal	1,68,905	52,841	71,930	—30,313	11,783	—99,000	—19,000
Western Jumna canal	11,02,879	13,00,358	14,24,475	18,71,195	22,42,397	19,68,000	18,21,000
Upper Bari Doab canal	25,34,753	25,79,577	25,28,071	29,73,343	34,51,654	31,43,000	32,46,000
Sirhind canal	12,76,158	11,77,926	21,30,473	36,17,949	29,48,418	27,79,000	27,31,000
Lower Chenab canal	78,57,166	84,51,297	1,04,00,432	1,22,49,054	1,32,85,035	1,32,53,000	1,36,44,000
Lower Jhelum canal	17,07,408	19,79,314	17,70,661	32,68,998	33,87,250	34,34,000	33,56,000
Indus Inundation canals	—3,36,331	—2,31,622	1,49,518	1,03,421	1,41,536	1,44,000	1,26,000
Lower Swat River canal	4,77,404	4,52,175	4,30,552	5,06,594	5,13,749	5,26,000	5,41,000
Kabul River canal	96,915	64,402	52,730	89,786	93,705	1,13,000	86,000
Godavari Delta system	26,99,422	27,25,280	31,54,791	33,20,733	30,76,713	31,73,000	32,00,000
Kistna	27,92,671	26,70,050	27,86,283	28,75,637	28,79,212	27,07,000	28,77,000
Cauvery Delta system	8,24,649	7,58,367	8,81,450	8,95,507	8,41,980	7,97,000	8,39,000
Penner River canals system	3,41,448	5,07,667	4,88,707	5,22,938	4,66,776	4,67,000	5,20,000
Periyar Project	4,09,825	4,33,840	4,27,459	4,44,613	4,13,087	4,56,000	4,61,000
Rushikulya project	70,712	1,01,375	1,03,007	1,31,062	1,25,603	1,32,000	1,57,000
Lower Coleroon anicut system	2,24,258	1,88,867	1,92,025	2,29,759	2,15,031	1,51,000	2,34,000
Shatiatope anicut	81,205	76,821	73,843	82,846	55,680	47,000	74,000
Desert canal	2,18,255	2,05,088	1,55,274	1,93,473	1,78,038	2,32,000	2,02,000
Begari	4,43,837	3,12,324	33,917	—93,681	2,52,543	3,54,000	4,07,000
Eastern Nara Works	3,87,718	4,17,830	3,90,692	4,60,889	4,17,815	4,58,000	4,86,000
Jamrao canal	3,07,096	3,87,955	4,03,522	4,96,925	4,86,007	3,67,000	4,03,000
Mutha canals	2,40,009	2,84,214	3,22,659	2,42,228	2,71,311	2,46,000	2,39,000
Nira canal	3,11,297	2,80,543	3,37,486	3,88,078	4,27,963	4,25,000	3,62,000
Other projects	16,00,890	16,19,600	13,33,442	11,63,745	22,05,910	17,20,000	28,56,000
Reserve	...	...	...	...	...	...	—63,000
TOTAL	3,49,53,815	3,53,46,517	3,88,18,422	4,46,59,240	4,85,38,454	4,74,03,000	4,84,52,000

*Excluding Civil Officers' figure as under—

	Revised. Rs.	Budget. Rs.
United Provinces	17,000	18,000
Punjab	1,000	...
	<u>18,000</u>	<u>18,000</u>

Appendix—continued.

Table VI.—Capital Account of Subsidized Railways.

Actuals, 1913-1914.

RAILWAYS.	Amount in Rupees.	Amount in sterling at contract rates.	Equivalent at Rs. 15=£1.	Exchange.
	Rs.	£	Rs.	Rs.
Subsidized Railways.				
Receipts.				
Capital received in India.				
Sara Serajganj	5,00,000	33,333	5,00,000	...
Idar Road Brahmakhed	38,100	2,540	38,100	...
Ahmedabad-Dholka				
Ahmedabad-Parantij				
Tapti Valley				
Hardwar-Dehra	3,480	232	3,480	...
Mymensingh-Jamalpur-Jagannathganj	38,805	2,587	38,805	...
Murtajapur-Ellichpur	4,89,000	32,600	4,89,000	...
Murtajapur-Yeotmal	9,34,000	62,267	9,34,000	...
Dhond-Baramati	3,72,000	24,800	3,72,000	...
Mandra-Bhon	95,000	6,333	95,000	...
Total Receipts	24,70,385	1,64,692	24,70,385	...
Withdrawals in India.				
Assam-Bengal	-18,32,113	-122,141	-18,32,113	...
Bengal-Nagpur	23,20,110	154,674	23,20,110	...
Ditto Extensions	23,03,870	153,592	23,03,870	...
Burma	5,93,347	39,556	5,93,347	...
Lucknow-Bareilly	-1,67,442	-11,163	-1,67,442	...
Madras and Southern Mahratta	-26,84,458	-178,964	-26,84,458	...
	5,33,314	35,554	5,33,314	...
Sara Serajganj	4,92,795	32,853	4,92,795	...
Amritsar-Patti-Kasur	70,482	4,699	70,482	...
Idar Road Brahmakhed	30,828	2,055	30,828	...
Tapti Valley				
Ahmedabad-Dholka				
Ahmedabad-Parantij				
Hardwar-Dehra	561	37	561	...
Mymensingh-Jagannathganj	-6,799	-453	-6,799	...
Murtajapur-Ellichpur	5,78,115	38,541	5,78,115	...
Murtajapur-Yeotmal	10,08,975	67,265	10,08,975	...
Dhond-Baramati	3,95,939	26,396	3,95,939	...
Mandra-Bhon	1,18,146	7,876	1,18,146	...
	26,89,042	179,269	26,89,042	...
Total Withdrawals	22,22,356	214,823	22,22,356	...
Net Withdrawals	7,51,971	50,131	7,51,971	...

Appendix—continued.

Table VI.—Capital Account of Subsidized Railways—continued.

Revised Estimate, 1914-1915.

RAILWAYS.	Amount in Rupees. (Omitting 000.)	Amount in sterling at contract rates. (Omitting 00.)	Equivalent at Es. 15=£ 1. (Omitting 000.)	Exchange. (Omitting 000.)
	Rs.	£	Rs.	Rs.
Subsidized Railways.				
Receipts.				
Capital received in India.				
Amritsar-Patti-Kasur	2,21	14,7	2,21	...
Bombay, Baroda and Central India Railway—				
Branch Lines	15	1,0	15	...
Dhond-Baramati	63	4,2	63	...
Hardwar-Dehra	6	4	6	...
Murtajapur-Ellichpur	79	5,3	79	...
Murtajapur-Yeotmal	10,27	68,5	10,27	...
Mandra-Bhon	15,54	103,6	15,54	...
Pulgaon-Arvi	2,00	13,3	2,00	...
Sara-Serajganj	35,93	239,5	35,93	...
Sialkot-Narowal	5,43	36,2	5,43	...
Total Receipts	73,01	486,7	73,01	...
Withdrawals in India.				
Assam-Bengal	—32,00	—213,3	—32,00	...
Bengal-Nagpur	—43,01	—286,8	—43,01	...
Burma	4,75	31,7	4,75	...
Lucknow-Bareilly	79	5,3	79	...
Madras and Southern Mahratta	—10,86	—72,4	—10,86	...
	—80,33	—535,5	—80,33	...
Amritsar-Patti-Kasur	1,94	12,9	1,94	...
Bombay, Baroda and Central India Railway—				
Branch Lines	35	2,3	35	...
Dhond-Baramati	67	4,5	67	...
Hardwar-Dehra	5	3	5	...
Murtajapur-Ellichpur	72	4,8	72	...
Murtajapur-Yeotmal	10,06	67,1	10,06	...
Mymensingh-Jaganuathganj	21	1,4	21	...
Mandra-Bhon	15,30	102,0	15,30	...
Pulgaon-Arvi	2,00	13,3	2,00	...
Sara-Serajganj	36,00	240,0	36,00	...
Sialkot-Narowal	5,43	36,2	5,43	...
	72,73	484,8	72,73	...
Total Withdrawals	—7,60	—50,7	—7,60	...
Net Withdrawals	—80,61	—537,4	—80,61	...

Appendix—concluded.

Table VI.—Capital Account of Subsidized Railways—concluded.

Budget Estimate, 1915-16.

RAILWAYS.	Amount in Rupees. (Omitting 000.)	Amount in sterling at contract rates. (Omitting 00.)	Equivalent at Rs. 15=£1. (Omitting 000.)	Exchange. (Omitting 000.)
Subsidized Railways.	Rs.	£	Rs.	Rs.
Receipts.				
Capital received in India.				
Amritsar-Patti-Kasur	1,39	9,3	1,39	...
Bombay, Baroda and Central India Railway— Branch Lines	63	4,2	63	...
Dhond-Baramati	25	1,7	25	...
Hardwar-Dehra	6	4	6	...
Murtajapur-Ellichpur	1,26	8,4	1,26	...
Murtajapur-Yeotmal	4,39	29,3	4,39	...
Mymensingh-Jamalpur-Jagannathganj	87	5,8	87	...
Mandra-Bhon	4,77	31,8	4,77	...
Pulgaon Arvi	4,44	29,6	4,44	...
Sara-Serajganj	16,00	106,7	16,00	...
Sialkot Narowal	14,02	93,4	14,02	...
Total Receipts	48,08	320,6	48,08	...
Withdrawals in India.				
Assam-Bengal	-15,20	-101,3	-15,20	...
Bengal-Nagpur	-75,06	-500,4	-75,06	...
Burma	-22	-1,5	-22	...
Lucknow-Bareilly	-73	-4,8	-73	...
Madras and Southern Mahratta	-36,01	-240,1	-36,01	...
	-1,27,22	-848,1	-1,27,22	...
Amritsar-Patti Kasur	1,39	9,3	1,39	...
Bombay, Baroda and Central India Railway— Branch Lines	63	4,2	63	...
Dhond-Baramati	25	1,7	25	...
Hardwar-Dehra	6	4	6	...
Murtajapur-Ellichpur	1,26	8,4	1,26	...
Murtajapur-Yeotmal	4,39	29,3	4,39	...
Mymensingh-Jagannathganj	1,00	6,6	1,00	...
Mandra-Bhon	4,77	31,8	4,77	...
Pulgaon Arvi	4,44	29,6	4,44	...
Sara-Serajganj	16,00	106,7	16,00	...
Sialkot Narowal	14,02	93,4	14,02	...
	48,21	321,4	48,21	...
Total Withdrawals	-79,01	-526,7	-79,01	...
Net Withdrawals	-1,27,09	-847,3	-1,27,09	...

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 to 1909
(24 & 25 Vict., c. 67, 55 & 56 Vict., c. 14, AND 9 Edw. VII, c. 4).

The Council met at the Council Chamber, Imperial Secretariat, Delhi, on
Thursday, the 25th March, 1915.

PRESENT :

His Excellency BARON HARDINGE OF PENSHURST, P.C., G.C.B., G.C.M.G., G.C.V.O.,
G.M.S.I., G.M.I.E., I.S.O., Viceroy and Governor General, *presiding*,
and 59 Members, of whom 51 were Additional Members.

BUDGET, 1915-16.

The Hon'ble Sir G. Chitnavis:—"My Lord, it is an exceptional Budget that we have to deal with to-day; the shadow of War is on every page of it. The Hon'ble Finance Minister has given us a full summary of the whole position. In the light of the circumstances detailed, one is forced to admire the ingenuity and resourcefulness he has displayed in a very trying situation, and the care and sympathy with which he has throughout sought to mitigate the resultant evils. On the whole, the financial arrangements, both of the current year and of the ensuing year, will command general approval. I have already, in the course of a separate debate, expressed my doubts as to the policy of setting funds aside in existing conditions to finance new railway lines, but that is a minor matter on which I need not dwell further. It is a reassuring fact that, notwithstanding a heavy deficit, there is to be no fresh taxation and that the financial position of Government is strong. It will be difficult to suggest more effective measures for filling the State coffer without pressing unduly upon the resources of the people. I will only suggest that in floating the proposed Rupee loan, care should be taken not to depress further the market for the existing three-and-a-half per cents and the three per cents. These form the bulk of the people's holdings, and a sudden slump in their saleable value will cause considerable anxiety to all holders, and actual loss to the weak and the needy among them. I have every hope that the matter will receive due consideration at the hands of so cautious and sympathetic a Finance Minister as the Hon'ble Sir William Meyer.

2. "My Lord, I beg to associate myself with the Hon'ble Sir Reginald Craddock in the encouraging words he spoke of the work of the police when he introduced his Budget heads for discussion. The police in some of the provinces are working under great difficulties, some even at the risk of their lives, and they deserve encouragement and sympathy for their faithful discharge of duty from all loyal and right-minded people.

3. "My Lord, as a result of our Resolution of September last, the War will entail a direct expenditure to India of £6½ millions, or a little over ten crores of rupees, and the whole amount is required for the cost of our troops sent to the Front. This is certainly far more than our first estimate, but we have no reason to grumble at the excess expenditure. The whole expenditure is nothing compared to what even neutral countries have had to incur in strengthening their armies and navies in view of contingencies. Had India been an independent Empire, and not formed a unit of the British Empire, our extraordinary expenditure would have been enormous at a grave crisis like this. It is a fortunate circumstance that our connection with the greatest Empire of the world ensures us safety from foreign aggression and internal peace

at a minimum of cost. While, therefore, we have not just ground for complaint on the score of extra burden, our contribution to the cost of the War, inconsiderable though it may appear to be in comparison with that of the Dominions, will not be found to be a negligible quantity. India is, after all, a poor country, and the financial resources of Government are not what one would wish they were. It should also be remembered that, besides this public expenditure, the princes and the people have subscribed liberally to the various War Relief Funds. Individual citizens have also offered their personal services, and some are at the present moment actually fighting for the Empire. The gallant deeds of our Princes and our colleagues Malik Umar Hayat Khan and the Kumar of Tikari have already attracted notice at the highest quarters. It would be ungenerous not to acknowledge that we Indians in our own humble way are rendering to the Empire at this crisis as great and as loyal a service as is practicable with our limited means and limited opportunities.

4. "My Lord, the admirable conduct of the people during the whole of this anxious period should be given due prominence. But for the great restraint they have all observed, despite of a serious economic situation, the difficulties of administration would have increased enormously, and if there have been some troubles here and there, they are negligible when the large extent of the country is considered. It must not be forgotten that for one who means or desires evil, there are thousands who chafe under the restriction that prevents them from taking part in the War and dying for their King and the Empire. This is the first great occasion after the Mutiny when the loyalty of the people has been severely tried, and it should be a matter of genuine satisfaction, not only to this Government but also to the Imperial Government, that India of her own free will has cast her lot with the Empire. This is the proudest triumph of British Indian Rule. It likewise forms India's indefeasible title to a just estimate of her participation in the War. It would be difficult and invidious to apportion the credit between the two great sections of the community. Hindus and Moslems have both displayed admirable good-will; the Moslems under circumstances of peculiar importance and stress.

5. "My Lord, in thus referring to India's attitude, I do not for a moment lose sight of the fact, noticed at some length by the Hon'ble the Finance Minister, that the withdrawals from the Postal Savings Bank deposits have been inconveniently large. To all outer seeming this might discredit our professions of loyalty, but I am glad the Hon'ble Sir William Meyer has taken a juster view of the situation, and the circumstance, according to his explanation, is not inconsistent with our unflinching devotion to Government. The investors are mostly men of humble means; in the first few weeks of the War, authentic news of the incidents was scarce; the country was filled with wild rumours; the economic situation was critical. It is no wonder that under the circumstances some of these depositors got frightened, and wanted to have the cash with them. But now the Hon'ble the Finance Minister assures us, the first trouble of the alarm is over, and the people would seem to have come to realise the folly of withdrawing their savings from the Savings Bank. We Indians are an intelligent people, and we cannot be slow to recognise that it is far safer to keep our money in deposit with a powerful Government in these troublous times than to hoard it in our humble dwellings. The heavier the deposits at this crisis the better for all concerned. It is to our interest to strengthen the financial position of Government by deposits. The financial strength of Government is our national strength. The recent appointment of an Auditor-General for India, with plenary powers of scrutiny into the Government accounts and check, will have the effect of creating in the public mind greater confidence in the wise application of Government funds, and, consequently, in the financial stability of Government.

6. "My Lord, the question of oversea emigration has an important bearing both upon the economic and the political situation even in normal times; in a critical time like the present, it has a serious aspect. We are all sorry for the "Komagata Maru" affair, but in spite of that unhappy venture and the

disgraceful conduct of the emigrants, something may have to be done by Government to secure a reasonable solution of the problem, and it is far better that an attempt at such a solution of the problem should be made by them as the representatives of the people. However much we may fret at our disabilities in the self-governing Colonies of the British Empire, we, unaided by Government, cannot succeed in getting them removed. It is an excellent idea of Your Excellency's, therefore, that we should support the Government to effect a compromise with the colonies on a basis of complete reciprocity, consonant with the common interests and self-respect of both sides. If we succeed in getting the most-favoured-nation treatment, we should be satisfied for the present. Personally, I have great faith in Imperial Preference as a lever which can be used to our advantage in the Colonies, but all discussions regarding this and kindred subjects of Imperial importance must necessarily be suspended until the war is over. When that happy consummation comes, an Imperial Conference of the Colonial and Indian representatives should be helpful in evolving a workable scheme of Preferential Tariffs which will bind us to the Colonies with bonds of brotherly love and mutual trust and mutual interest. I am glad to find that the most convinced of free-traders are beginning to reckon one great outstanding fact, that England's fiscal problem will have to be settled under pressure, not of argument, but of political and industrial forces. Here in India we have advanced sensibly in the development of our economic ideas, and Government is to be congratulated upon the marked change in its policy. Its action in the matter of the regulation of the exports of wheat testifies to its earnest desire to suit its economic policy to the conditions of the times and the country.

7. "My Lord, we had a good deal of discussion this session as regards the promotion of India's industries during the war. In this connection I am glad to congratulate the Government on the appointment of a gentleman at the Board of Trade in England. He was appointed to find outlets of exports of Indian raw and manufactured articles hitherto sent to Germany and Austria-Hungary, and also to make good the heavy losses in her trade with France and Belgium and with neutral countries on the Continent. The complete suspension of the trade of India with the two chief enemy Powers cuts off at a stroke some £11,000,000 of the balance of trade in her favour. This appointment will be the means of providing a channel of enquiry and advice for business men in England desiring to utilise Indian products in manufactures hitherto more or less monopolised by Germany and Austria. It will also have the effect of recognising India's special claims and needs in this war against German trade.

8. "My Lord, we all look up eagerly to an early and successful termination of this great war, the continuance of which means not only so much waste of valuable life of the present generation, but the wiping out of many future generations. No one entertains the least doubt about the glorious victory of British arms, but the sooner it comes the better it is for all parties concerned, nay, for the civilisation and progress of the world. With militarism crushed and the British Empire strengthened by the comradeship in arms of the various units, a juster view of human rights and of the purpose of civilisation is bound to animate the future policy of the West, and India has everything to gain by the wholesome change. The stain of the Mutiny is wiped out by the valour, heroism, and devotion of the Indian troops, and India stands and will stand justly proud of the brilliant record. The honour, the future, of India are in the safekeeping of these soldiers who have the privilege of fighting for their King and the Empire. Some of these have already won the high distinction of the Victoria Cross. It is flattering to us, it is flattering to our patriotism, that India will occupy a brilliant chapter in the history of this war. Our good name, earned in the field of battle, and our behaviour within the country, will be invaluable asset in the future adjustments of India's rights both within her bounds and in the world abroad. We, therefore, hope that our countrymen will create no trouble and conduct themselves at this crisis in a manner which will redound to the credit of the whole country.

9. "My Lord, in this connection I cannot but allude to the great toll of death during the year. It is a matter of deep sorrow that we have to record not only

the loss of men rich in fame who have reached the allotted span of years, but also the deaths of many young and gallant servants of the Empire fallen either on the field of battle or died subsequently of wounds received in action. I hesitate to publicly express sympathy with their relations, because personal grief such as this seems to me a sacred thing, to be treated rather with mute reverence than with words. We cannot, however, but admire and praise the courage and fortitude with which these faithful and loyal servants of the Crown from the highest to the lowest who have been thus stricken are working. May the souls of those who are dead in the service of their King and Empire rest in everlasting peace and happiness!

10. "My Lord, we all regret Your Excellency's approaching departure. You have worked under circumstances of exceptional difficulty and with a sole view to India's interests. You have secured our esteem and confidence, and we all hope that you will be allowed to remain until the war is over, and, when you leave, you will carry with you our best wishes for your happiness and prosperity."

The Hon'ble Raja Jai Chand:—"My Lord, the Financial Statement for 1915-16, so luminously presented by the Hon'ble Sir William Meyer, reflects the tireless exertion of the whole Indian continent to surmount and steer clear of the economic and financial disturbances developed by this international conflict, which is second to none in the annals of the world.

"It is quite true, as my Hon'ble friend the Finance Member remarks, that India has not been directly affected by this gigantic struggle and so I think other British colonies too, like New Zealand, Canada and Australia and so forth, have not felt the direct impact of the war, though none of these, including India, and even the non-combatant and neutral countries like the United States and China, have been able to escape the bitter effects resulting therefrom. However, considering the gravity of the situation, which at present prevails all over India, I cannot but warmly congratulate the Finance Member on his splendid presentation of facts connected with the recent development of the history of trade and finance during the last few months, and on his masterly review of the measures adopted by Your Excellency's Government to husband the financial resources, to develop trade, to uphold exchange, and to help currency.

"Speaking on the last year's Budget I had drawn the attention of Your Excellency's Government to the backward state of the Punjab in sanitation and education, particularly female education, as being antithetical to steady progress and advancement in the same direction in other provinces of India.

"I had also distinctly referred to the deplorable poverty of the martial tribes inhabiting the Punjab, and, as a remedial measure, had mentioned the paramount necessity of providing them with some land in addition to their own ancestral holdings, which are quite insufficient to meet their domestic wants throughout the year.

"The Indian-martial tribes, whose glorious deeds of exemplary valour and chivalry, tenacity, and endurance in the battlefield have won the admiration of Field Marshal Sir John French and of Allied Armies, have acquitted themselves of the heavy responsibilities in a way worthy of their best traditions. Thus, when they have readily responded to the stern call of duty in a crisis like the present, with unswerving loyalty and devotion to the British Crown, it remains for the Government to strike a crushing blow at the root of the evil, which leads to their misery and domestic uneasiness.

"My Lord, it is a source of immense gratification to me to find that the Punjab Government, fully realising the need of the hour, have adopted the prudential and beneficial step in the shape of grant of more land than was previously sanctioned for distribution among soldiers whose gallant and distinguished conduct in the field brings them to the forefront.

"It is a boon for which the whole of the Panjab, province in general, and the military tribes in particular, owe to the wide-awake Lieutenant Governor a deep debt of gratitude.

"There is one point, however, which I wish to elucidate. Some officials, as an English newspaper remarks, may have taken an unwholesome view of

the fact that some military grantees, not being actuated by a love of agriculture, sell their lands to other men, and as they have no aim other than money-making, it only serves to hinder and retrograde the steady progress of colonization. But, His Honour the Lieutenant-Governor of the Punjab makes the following observation in his review in Lyallpur:—‘There is no cause for regret in this’, says His Honour, ‘if, as appears to be the case, transfers were made generally by military grantees, whose hearts were not in the colony, and they have probably given way to men who will make better colonists.’

“Now, whether the military grantee keeps the land in possession or sells it to some other capitalist to his own advantage, makes little difference. The fundamental point at issue is that he should not be deprived of grant of land. The bare fact of his selling land is no justification of his deprivation from the boon.

“My Lord, there are other points, too, which I would have liked to bring to the notice of Your Excellency’s Government, but being fully alive to the gravity of the modern situation, and to the serious complications and anxieties created by the war, which we all wish to see soon ending in the victory of British arms, I refrain from entering into discussion, and hope that I will have a better opportunity later on, when things assume their normal course, to voice the feelings of the Punjab landholder, whom I have the honour to represent in this Council.”

The Hon’ble Lieutenant-Colonel Blakeway:—“My Lord, I must apologise for occupying the time of the Council to-day on the subject of sanitary progress in the North-West Frontier Province when probably a number of other subjects of interest will come under discussion, but the proposals of the Hon’ble elected members representing the Central Provinces and United Provinces, during the first stage of the discussion of the Financial Statement, for the curtailment of the Railway programme in favour of the development of Education and Sanitation have indicated the public interest which these two departments continue to focus, in spite of the numerous preoccupations of the present time. The somewhat dismal reference, also, by the Hon’ble Mr. Dadabhoy on the same occasion to the sanitary condition of his Provincial Head-quarters’ city might, perchance, create the illusion that equally worthy Provincial competitors for Government aid in the matter of sanitary improvement do not exist elsewhere. It has occurred to me, therefore, that a few words representing the claims of the North-West Frontier Province to obtain a share in the unallotted reserve of 7·7 lakhs for sanitation, to which reference is made in paragraph 106 of the Memorandum explaining the details of the Estimates, may promote the cause of my Province, since, if I may say so without levity, it is the early Provincial bird which frequently succeeds in the appropriation of the Imperial financial worm. Moreover, as the spoken word on occasion appeals to a wider audience than the written, or at all events the officially written word, the exhibition of their needs may help to assure the representatives of the urban communities in my Province, where city sanitation has of late been rapidly advancing, that their efforts meet with recognition and should encourage their progress in the direction of reform.

“The North-West Frontier Province is regarded, I fear, in some uninstructed quarters as merely a land of incursions by tribesmen and excursions by troops; as a scene of raids and counter-raids, where the midnight forays of hillmen alternate with the reprisals of Government. There is, however, another and a very important side to the shield, a side connected with the well-being of the Border peoples who are our subjects, with their education and their introduction to all the benefits associated with civilization. Naturally, the first and most heavy responsibility of the Administration—or of any Government for the matter of that—must be the maintenance of law and order; but the policy of improving the material condition of the people has been steadily and of late, thanks to the liberality of Your Excellency and the Government of India, very actively pursued. It is curious to observe, however, by way of

comment on the sense of proportion publicly displayed in certain matters, that the completion of so vast and beneficent a project as the Upper Swat River Canal, which will have a far-reaching political effect and bring prosperity to thousands of peasant homes, should apparently arouse less general interest than, for instance, an abortive attack by some transfrontier miscreants on a border post.

“ But, My Lord; I will not detain the Council by recounting even briefly what has been done recently on the North-West Frontier under the heads Education, Communications, Public Works and Medical Relief. However interesting the realization of local schemes may be to local patriots these schemes cannot be expected to invite and hold the interest of others. Neither will I refer in detail to the progress being made in town sanitation. I think, however, that the sanitary condition and Municipal administration of the historical and beautiful city of Peshawar, the first Indian city to be seen by those hosts of travellers from Central Asia, Persia and Afghanistan, who enter British territory by the various routes converging at this point, can fairly claim something more than local concern. Owing to its position in the forefront of Empire on the extremest border of British India, I hope that all of us conscious of an Imperial sense must hold the opinion that it should attract the admiration of the strangers who resort to it and pass through it in such numbers, and must desire that its Municipal arrangements and sanitary condition should bear worthy testimony to the solicitude of Government. This brings me, My Lord, to the main ground on which I voice the claims of my Province to share in the Imperial sanitation reserve of 7·7 lakhs. An extensive conservancy scheme, involving improvements also to the water supply, is now being worked out for our local capital, but cannot be carried into effect by the Municipality without help from provincial funds. This help means starving projects elsewhere and may check the awakening spirit of Municipal sanitary reform in the Province which it is so desirable to foster. I trust, therefore, that when our appeal to the charity of the Government of India for a special sanitary grant, in addition to the recurring grants which we are now enjoying, comes to be made, it will be successful in spite of the insistent competition of larger rivals to which expression has already been given in this Council.”

The Hon'ble Mr. Banerjee :—“ My Lord, I do not know whether the Hon'ble the Finance Minister reads the newspapers, but if he does he will have noticed the chorus of approval with which his Budget was greeted by the accredited representatives of public opinion. We, who are of the public, associating ourselves with this popular sentiment, desire to offer him our heartfelt congratulations. I think my Hon'ble friends will have no difficulty whatever in discovering the secret of this universal feeling. We all expected to be taxed, directly or indirectly. We have been saved from that situation, and we hasten to offer our grateful thanks to our deliverer. But, My Lord, gratitude implies a sense of favours to come. We have indeed got over our present difficulties, but what about the future? It is perhaps too early to make a pronouncement with regard to that, but judging from the conduct of the finances of this year, at a critical time, I think we have the assurance and the guarantee that no fresh taxes would be levied unless under the pressure of a paramount necessity. My Lord, the Budget has been framed on the assumption that the war will continue for one year. If, fortunately, the war terminates before that time, the situation will have been eased and our anxieties will have been partly dispelled. My Lord, the Budget is a War Budget, but the most interesting thing about the Budget is that although it is a War Budget, it does not add to the military expenditure: on the contrary, the military expenditure is slightly less than that which had been budgeted for. The cost of the Indian Expeditionary Force to Europe will come up, for the year 1914-15 and 1915-16, to about 7 millions, or, perhaps, a little less than 7 millions. My Lord, war is an unmitigated evil, but there is no cloud without its silver lining, and this war has afforded India an opportunity of demonstrating her loyal devotion to the Empire in a manner which has produced a profound impression upon

the public mind of England. The enemies of Indian aspirations have been convinced and converted. The angle of vision with regard to Indian affairs has been changed, and, in the words of Sir James Meston, a bright day is about to dawn in the land, when, as I hope, India will take her place as a component part of a great and federated Empire, in the full and free enjoyment of the rights belonging to that status. This hope inspires our people. May it be realized and may the Empire of His Majesty be broad based upon the gratitude, the contentment and the happiness of the people of India.

“ My Lord, no educated Indian can speak upon a Budget statement without reference to two matters which find a prominent place in his mind, namely, sanitation and education. They are the watchwords of the Government of India. They are also our watchwords, and to them we accord a prominent place in our public work. Unfortunately, there has been no Imperial grant in respect of either for this year with the exception of 10 lakhs, which Your Excellency was pleased to announce at the Convocation of the Calcutta University, for hostels. My Lord, the building of hostels is a matter of the utmost urgency, having regard to the interests of discipline among our students. I am sorry to have to say that the work is not progressing as rapidly as it ought to. I know something about these hostels. In connection with the hostel for the Ripon College, in which I am directly interested, and the Metropolitan Institution of which I know something, the land has been acquired, the plans are ready, but the buildings have not been yet taken in hand. I hope and trust that with the 10 lakhs of rupees which have been granted the work will be taken in hand at once.

“ As regards sanitation, we have to make the same complaint. The administrative machinery moves slowly. It does seem to me that it needs to be vitalised and recast upon more liberal lines. We are looking forward with some hope and expectancy to the resolution which you, Sir (the Hon'ble Sir Harcourt Butler), have promised on the question of local self-government. I can only hope and trust that as you have signalised your administration in the Education Department you will also leave an ineffaceable mark upon the system of local self-government by laying down the broad and liberal lines of progress which should distinguish that institution.

“ My Lord, my Hon'ble friend, the Finance Minister, said in regard to certain observations made by the Hon'ble Mr. Dadabhoy that there was no desire on the part of Government to go back upon its policy in respect of sanitation and education, but that the speed had been somewhat slackened. We can only hope and trust that with the return of normal conditions more money will be spent and greater energy exhibited in the matter of sanitation.

“ My Lord, with regard to the provincial contracts, the war has deferred the settlement of that contract with my province. May I plead for my province and urge that when the terms have been fixed, they may be so settled that Bengal may be a self-contained province able to pay its own way without the adventitious aid of those Imperial doles which my Hon'ble friend, the Finance Minister, in his capacity as a Member of the Decentralisation Commission, condemned as demoralising? The provincial system must be worked up to the stage of fiscal autonomy, which is the basis of provincial autonomy. My Lord, that is the clear demand of Indian public opinion, and that demand has found a responsive echo in the great despatch of the 25th August, 1911, with which Your Excellency's honoured name will be imperishably associated in the history of India.

“ With regard to the question of the industries, My Lord, the discussions in this Council and the discussions which have taken place elsewhere have brought out the fact prominently that Indian opinion demands that there should be a definite change in the policy of Government in this matter. Government cannot stand where it is; it must move on according to the requirements of the country and the demands of an advancing public opinion. What the educated community want is that Government should actively participate in the fostering of our industries by financing the more suitable ones and rendering them such help as they may need. That is the clear demand of educated

public opinion. The question will be brought up again and again in this Council and in the Provincial Legislative Councils, and I should like to put this question to the Hon'ble Member in charge of the Department of Commerce and Industry, 'How long does Government propose to resist the rising tide of public opinion becoming more and more insistent and importunate with every check and every refusal?'

"My Lord, there is one matter which at the present moment weighs heavily upon the minds of the educated community not only of the United Provinces but of all India, I mean the rejection of the proposal for the creation of an Executive Council in the United Provinces.

"My Lord, this proposal was made by the Government of the United Provinces and was supported by the Government of India and by His Lordship the Secretary of State for India. It was in entire conformity with the recommendations of the Decentralisation Commission and was backed by the unanimous vote of the non-official Indian Members of the Legislative Council of the United Provinces, who, I presume, are in closer touch with the better mind of their countrymen, and with the sense of the voiceless millions of the United Provinces, than Lord MacDonnell, who left the country about 20 years ago, than Lord Curzon, who left India 10 years ago, or than Lord Sydenham who was not even within a measurable distance of the United Provinces and knows little or nothing about them. My Lord, it is not only a question of administrative efficiency, which, in the words of Lord Morley, Indian rulers are sometimes apt to put a little too prominently in the forefront of their consideration. The issues involved are much deeper. His Honor Sir James Meston sounded the true note of the situation when he said that the object of this reform was to introduce Indians into the inner councils of the Government, into the Holy of Holies, if I may say so without irreverence. My Lord, it is most unfortunate that this proposition should have been rejected at a time when India is astir with a new and an awakened sense of devotion to the Empire. Already it is beginning to be asked—Is this the first-fruit of that change in the angle of vision which had been promised by a high authority? The only redeeming feature about the situation is the attitude of Lord Crewe, who is resolved to pursue the matter. We wish him all success, and we desire to assure His Lordship of the sympathy, the unstinted sympathy, of the millions of my countrymen in this matter. My Lord, does the question affect the United Provinces only? No: it affects the whole of India. We share with the United Provinces the deep disappointment which they feel. Not only that, the question has raised constitutional issues of grave moment. The House of Lords may block great reforms in India by raising difficulties as they have done in this case. My Lord, I hope and trust that Lord Crewe will revive the India Council Bill, which also was rejected by the House of Lords. We were not enamoured of the Bill; we thought it ought to have been cast upon broader and more progressive lines. But such as it was, it was a distinct improvement on the existing condition of things, for it recognised, although it might be in an attenuated form, the elective principle and the statutory right of the people of India to be represented in the highest Council of the Indian Empire.

"My Lord, there is another matter, somewhat of a controversial character, which I feel it my duty to mention in this Council, because what I am going to say represents the public opinion of my countrymen. It is somewhat unpleasant, but we have sometimes to say unpleasant things in this Council. My Lord, the Government of India have paid compensation, pay or allowance, to the members of the Indian Civil Service and of the superior Police Service above a certain grade; and this was done at a time when it was known as a matter of practical certainty that there would be a deficit in the current year's Budget, and when there was a forecast of a deficit in the Budget of the coming year. My Lord, that step, I cannot help thinking, was ill-advised. Why, when every subject of His Majesty—high or low, rich or poor, prince or peasant—was suffering from the pinch and the pressure of war, two well-paid services should have been singled out for this preferential treatment, passes my comprehension. Yesterday, in reply to a question which

was asked here, it was said that the object was to compensate the members of these services for the block in promotion. My Lord, there are other branches of the Public Service which suffer from similar inconvenience, from a similar strain. Have they received any relief? My Lord, I have already observed that this is a somewhat controversial and unpleasant matter; but there is a very strong feeling outside this Council in the country at large, and I have felt it my duty to refer to it here in the hope that the question may yet be reconsidered. At one time some of us thought of giving notice of a resolution, but we wanted to avoid anything like a controversy.

“My Lord, in conclusion I desire to associate myself with the observations which have fallen from my Hon’ble friend, Sir Gangadhar Chitnavis, in regard to Your Excellency. My Lord, we may not always see eye to eye with Your Excellency’s Government in regard to measures of administration; but, My Lord, your administration has been one of the noblest and wisest in Indian history; and, My Lord, if I may be permitted to say so, Your Excellency will take your place among the most illustrious of Indian Viceroy—by the side of Bentinck, Canning and Ripon. Therefore, I unreservedly associate myself with the observations which have fallen from my friend: they represent the deliberate judgment of public opinion, and of the educated community, over this wide, wide continent.”

The Hon’ble Pandit Bishan Narayan Dar:—“My Lord, I thoroughly associate myself with the Hon’ble Member in the well deserved compliments they have paid to the Hon’ble Finance Member on his excellent Budget. I cannot say that I am quite satisfied with the provision made for education in the coming year; but considering the present situation I make no complaint.

“My Lord, Education is England’s greatest gift to India, and it has not yet found a more sincere and more passionate advocate and supporter than Your Excellency. The whole country fully appreciates Your Excellency’s noble efforts in this direction and is filled with feelings of deepest gratitude for what you have already done. The promoters of the Hindu University movement are particularly deeply indebted to Your Excellency for Your Excellency’s gracious support in their great undertaking, and it is as an humble admirer of Your Excellency’s liberal educational policy that I wish to submit a few observations on one or two features of that policy which seem to have failed to commend themselves to a section of the Indian Public. I know that the Government sincerely desire that education should spread as widely as possible and as rapidly as possible. But unfortunately the rate of progress which seems to satisfy them does not satisfy us. Their aims seem to be to subject the requirements of educational expansion to those of educational efficiency. Our position is, efficiency by all means but not at the cost of expansion, not at the sacrifice of a wider diffusion of knowledge. My Lord, India has been under British rule for nearly 150 years and yet what is the state of our education as shown by the latest figures on the subject? According to the last quinquennial report on Indian education 2·7 per cent of the population were at school in 1911. Now we have 3 as against 2·7 per cent. So then according to the latest figures 97 per cent of the population at this moment are condemned to pass their lives in utter ignorance. In this respect India does not compare favourably with any civilised country in the world. The demand for education is growing day by day; but from every Province come complaints, not by the hundred but by the thousand, that there are more boys desirous of learning than can be accommodated in our schools or colleges. Restrictive rules have been made in every Province because there are not enough schools to accommodate our boys. My Lord, in the existing state of India we do not want better school buildings but more schools. A good education imparted in finely built schools is a very desirable thing, but any education is better than none.

“My Lord, there is another point upon which I want to say a few words. My Lord, we Indians find it very difficult to understand why the Imperial Educational Service has been almost monopolised by Europeans and why so

many Professorships and even Head-Masterships are given to Europeans in preference to Indians. In my Province, if I am not mistaken, there is not one Indian in the Imperial Educational Service.

“There are qualified Indians certainly, not inferior in mental and moral equipment to many of those English teachers and professors who are sent out here every year from England. A larger employment of indigenous talent would be good not only on economic grounds, but would in large measure satisfy one of our legitimate aspirations. But I place the claims of Indians to be appointed more largely in the higher ranks of the Educational Service on a higher ground than that. One great object of all education is the formation of character, and the Government has of late rightly laid stress upon the realisation of that object. Another aim which the Government has rightly set before itself is that the development of Indian mind and character should be on Indian national lines. My Lord, is it seriously believed that the character of the youth of India will be formed on its national lines under the influence of English teachers and professors, however able and high principled they may be? My Lord, this is a delicate question. But I do not speak in a controversial or party spirit when I say that the policy of increasing the number and extending the influence of European teachers and professors, possessing little knowledge of Indian life and conditions, and themselves living here under the influences of their own community and isolated from the daily life of the people among whom they have to work, I say that the policy of extending their influence over the formation of the intellect and character of the Indian youth, is causing disquietude to the intelligent section of the Indian people; and they are watching with anxiety and even apprehension the effect of that influence upon their boys, whose mind and character will thus be formed, not on their own national lines, but in accordance with the ideals of teachers drawn from a different race and inspired with the spirit of a different civilisation. It is not a whimsical apprehension, but a real one in my opinion, about which we may not hear much now but which is growing and will make itself heard before long.

“My Lord, we the people of the United Provinces are deeply grateful to Your Excellency's Government and to Sir James Meston for recommending to the Secretary of State the creation of an Executive Council in my Province, and to the Secretary of State for his gracious acceptance of Your Excellency's proposal; but that proposal has been rejected by the House of Lords, because some noble Lords with Indian experience considered it a revolutionary measure, as if the creation of an Executive Council meant the founding of a new republic in the United Provinces. Bombay and Madras are each under a Governor-in-Council. Bengal owes that boon to Your Excellency's liberal and generous statesmanship. The new province of Bihar and Orissa is equally indebted to Your Excellency for its Executive Council. In what respect would it be a revolutionary change to bestow the same gift upon an older, richer and more populous Province? The noble Lords seemed to find much satisfaction and security in an old order of things which is daily growing obsolete. They are welcome to the asylum they have sought for themselves for they have taken refuge in the traditions of the most powerful and most exclusive bureaucracy in the whole world. Nevertheless, they have, in my humble opinion, committed a grave mistake. They have disregarded the public opinion of India and disregarded it at a time when it should be conciliated. Here was a demand made, not by an infinitesimal section of the Indian community, as one noble Lord said, but by every class of the people of the United Provinces, for whose good opinion and good-will Government cares, a demand upon which Hindus and Moham-medans who are supposed to be always ready to fly at each other's throats were unanimous, upon which the aristocrats and the commoners were equally united, and which was supported by Sir James Meston, the popular and liberal-minded Lieutenant-Governor of the United Provinces, by Your Excellency's Government and by the Secretary of State, a demand which was extremely moderate and reasonable in its nature and which meant nothing more than that a long-deferred hope raised by the liberal policy of the Government should now be fulfilled, and that a concession which had been made three years ago to the new

province of Bihar and Orissa should be made to an older and more important Province, and which had been withheld from it because its then Lieutenant-Governor, Sir John Hewett, who was brought up in different traditions did not like it; this demand has been rejected by the Lords on the flimsy, shadowy ground that the people did not want it, that their religious animosities forbade its concessions and that its concessions would revolutionise the administration. What would be the effect of this action of the Lords in the United Provinces, and indeed in the whole country? Your Excellency has rightly observed more than once in this Council that the present is not the time for political controversies and political agitations. The leaders of the various Indian communities have recognised this fact from the very commencement of the war, and have urged upon their countrymen the urgent and sacred duty of forgetting all domestic differences and rendering whole-hearted support to the King-Emperor and Country in this hour of fate in the life of civilized mankind. Their advice has been gladly, enthusiastically followed by the loyal Indian people, all political controversy is hushed, all domestic disputes are forgotten; and one recent and most striking proof of that is the Defence of India Act, the most drastic measure ever passed by the Government of India, a measure open to grave objections, but which was unanimously supported by the Indian Members of this Council; because with the fullest confidence in the justice and benevolent spirit of Your Excellency's remarkable administration, we, the representatives of the people, considered it against our loyal duty to Government to stir up controversy and thereby cause public alarm. This is how the Indians have acted in the present political situation; and the Government on their part have, we all most gratefully acknowledge, put off the consideration of all controversial measures in accordance with the wide-spread desire of the Indian people. But the Lords have chosen this of all moments for practically rejecting our demand, in spite of the just and wise warning of the Secretary of State. And the immediate effect of that sad blunder is that it has already caused deep disappointment to the people of my Province and may before long re-kindle political agitation there, which to my mind will be nothing short of a calamity. If this is the attitude of our ex-Viceroy and ex-Governors towards us during the war, what will it be after the war? They have been paying us high and extremely flattering compliments upon our loyalty and devotion to the British Crown; and yet in the same breath they tell us that we are in such a backward and primitive condition that even an Executive Council would be too good for us. My Lord, you can imagine the effect of these contrasted and contradictory statements upon our minds. The motto of short-sighted statesmanship has always been: Refuse a demand when you can grant it with grace; grant it when you cannot refuse it without peril. My Lord, my Province is one of the more advanced provinces of India, a Governor-in-Council was promised to it long ago, and henceforward, if I at all understand its temper and desire, it cannot rest contented with anything less than that. The concession of our demand for a Governor-in-Council will be one forward step towards the realisation of the ideal set forth in your Excellency's memorable Durbar despatch, namely, 'a larger measure of self-government under which India would consist of a number of administrations, autonomous in all Provincial affairs, with the Government of India above them all, and possessing power to interfere in cases of misgovernment, but ordinarily restricting their functions to matters of Imperial concern'. My Lord, it is this policy of generous trust, ordered freedom, and friendly co-operation between the rulers and the ruled that has endeared Your Lordship's name to the heart of every Indian. Our claim for a closer association with the administration of the country, for a more effective co-operation with our rulers in all the departments of Government is in accordance with the spirit of that policy.

" My Lord, the war has demonstrated India's unswerving loyalty to British rule, which was never doubted by Your Excellency. We have noticed with sincere gratification the impression made upon British public opinion by India's services to the King-Emperor and the Empire in these critical and fateful times. English statesmen have held out high hopes to us. The Under Secretary of State for India said the other day that India was not a

dependent but a partner of the Empire. Even the hearts of colonial statesmen have softened towards us. All this has brought the fulfilment of our demands, such as a larger employment of Indians in the Civil and Military services of the country and a satisfactory solution of the question of the status of Indians in British colonies, much nearer to us than before. So long as the war lasts we shall not press any of our demands; but after the war, when the triumph of British arms is complete and peace is restored to the civilised world, we shall ask for a substantial concession of our demands not as a reward of our loyalty—for loyalty according to a high authority must be unconditional and must seek no reward—but as a right which we shall be justified in claiming as citizens of a free Empire.

“Of course, progress must be gradual, concessions must be made on cautious lines. We must not take the second step before taking the first. We must remember that in practical politics it is not logical argument but the logic of facts that tells, and we must fully trust in the high aims of British rule in India which, with all its defects and shortcomings, is yet, as J. S. Mill said, the best and purest in intention ever seen among mankind. On the other hand, My Lord, I appeal to Government and through the Government to the whole governing class in this country to win our true regard and affection by trusting us and trusting us as equal subjects of the King-Emperor; for the noble words of Jeremy Bentham are as true now as when they were first written: ‘In order to gain mankind one must appear to love them and the best way of appearing to love them is to love them in reality’”.

The Hon'ble Raja Sir Muhammad Ali Muhammad Khan:—“My Lord, with your permission, I beg sincerely to congratulate the Hon'ble Finance Minister for the able manner in which he has prepared the Budget. The year to which the Budget relates is exceptional inasmuch as we have for the first time in the history of this country to share the expenditure on the noble cause of the defence of the Empire, of which India should be proud. My only fears are that our finances did not permit of an allotment of a larger sum of money towards the war than has been budgeted for by our able Finance Minister.

“In normal times I would have pressed the need of the United Provinces for a handsome allotment towards Education and Sanitation and under other important heads, but this, My Lord, I do not think, is the proper time for it. However, a change, or rather a reduction, in the Budget for the United Provinces may be necessary owing to the deplorable action of the House of Lords in throwing out the proposal for an Executive Council for the United Provinces. Any saving that may thus accrue during the year should be employed on the crucial needs of the Provinces.

“My Lord, this decision of the House of Lords has come to us as a great shock and has created a great disappointment and uneasiness throughout the Provinces. I do not know the source of information of Lord MacDonnell who, in moving the Resolution in the House of Lords against the creation of an Executive Council, said that it was only a small number of people of my Provinces who wanted it and the majority were not in favour of it. I cannot but emphatically rebut this statement.

“My Lord, in all matters of administration it is the aspirations of the educated and thinking masses which play the important part in determining the public opinion. The Legislative Council of every Province is the recognised and effective medium of ascertaining the voice of the people through their representatives.

“My Lord, the majority of non-official Members in the Council of the United Provinces who voted in favour of the Executive Council did not warrant the statement made by Lord MacDonnell. But it appears that he, like others who have left this country long ago, is quite out of touch with what is going on here.

“These noblemen of the House of Lords, My Lord, would be well advised to support the Government of this country and to accept the advice of the

Ruler on the spot. The decision of the House of Lords is really a severe punishment inflicted upon a very great section of deserving, worthy, and loyal subjects of His Majesty, and the reason of it, My Lord, is that we were *ultra* moderate in asking only for an Executive Council for our Provinces. The importance of our Provinces, My Lord, demands the creation of an Executive Council with a Governor, and I feel absolutely confident that the just Government of Your Lordship will be pleased to consider the feasibility of creating a Governorship for the United Provinces.

"My Lord, without any idea of jealousy or slight to the sister Provinces placed under Governors in Council, I beg leave to submit that the claims of the United Provinces in this respect are next to none in India.

"In conclusion, I beg to add that in my humble opinion it appears absolutely necessary that the enactment by which the Proclamation creating an Executive Council has to be tabled in both Houses of Parliament should be repealed. It is not the first occasion on which the House of Lords has been uncharitable in unduly interfering with matters connected with the administration of India.

"My Lord, this is really not the proper time to enter into any lengthy discussion on matters controversial, and every faithful subject of His Majesty would avoid, so far as possible, every kind of agitation at the present juncture; but, My Lord, the situation has been forced upon us by the House of Lords."

The Hon'ble Mr. Sharp:—"My Lord, in that portion of his speech which dealt with Education, I understood the Hon'ble Pandit Bishan Narayan Dar to make two statements which should not go unnoticed. He said that only 3 per cent of the population are at school and drew from this the deduction that 97 per cent of the people are condemned to ignorance; and I think he added that this state of things was probably worse than in any country in the world. I need hardly say that this deduction is not correct. I also understood him to say that there are no Indians in the Imperial Service of the Education Department—"

The Hon'ble Mr. Pandit Bishan Narayan Dar:—"In the United Provinces."

The Hon'ble Mr. Sharp:—"I beg the Hon'ble Member's pardon. I thought his remark was general."

The Hon'ble Mr. Das:—"My Lord, the Hon'ble Finance Member has received quite a chorus of congratulations and felicitations—those offered to him in the columns of the newspapers and those he has received here. But as the Member in charge of Finance is accustomed to deal with the smallest copper, a pie, I desire to offer my pie of congratulations which may, I hope, be acceptable to him.

"I associate myself with most of the remarks which fell from the Hon'ble Sir Gangadhar Chitnavis, and I wish to refer to the last paragraph of his speech in which he referred to Your Excellency's coming departure. He referred to it with a sense of regret: no doubt, if it does come to pass, it will be a cause of regret. My Lord, misfortunes have often overtaken India, and the most recent misfortune was one to which reference was made by the last few speakers; I mean the attitude of the House of Lords with regard to the recommendations for an Executive Council for the United Provinces. Misfortunes have befallen India, but the worst misfortune would be that which would remove the commander of the vessel at a time when a storm was blowing, when the waves were dashing against the ship of administration, when there were small clouds on the horizon, the future magnitude of which could not at present be gauged. To remove the commander of the vessel at a time like this would be perhaps the worst calamity that has befallen India. It is not the qualifications of the captain, or the commander, the man at the helm that count. He may have any amount of knowledge

of steering his vessel, but the most important thing in troublous times is the confidence of the people in his efficient commandership. If the people have not confidence in him, the people themselves will contribute to the destruction of the vessel, whereas if the people have confidence in him, their conduct, their behaviour, their steadiness, will save the vessel in perilous times. I do hope that such a calamity to India will be saved by the King, as I am sure India will be saved from such a calamity by God.

“My Lord, about this time last year, I asked one or two questions in this Council in order to ascertain the number of Indian Christians in India, and as to whether there were any special provisions with regard to their education. The answer given to me was that the number of Indian Christians is a little over $3\frac{1}{2}$ millions, and in answer to the question whether there was any special provision made for the education of this class, Government said, ‘It is understood that special provision is made in certain places for the education of Indian Christian boys and girls, but the Government of India have no precise information on the point’. There is no provision for this purpose even in the present Budget. This answer shows that the Government of India have left $3\frac{1}{2}$ millions of people in the cold. There is actually an apathy, there is a want of concern in the education of these people; and it is no wonder that abroad, thousands of miles away from this place, queries have been put as to whether the Indian Christians have not rendered themselves useful to Government in public services, and useful generally in the private walks of life. If that community had a representative here, he would certainly have been in a position, from his seat of authority, to answer those questions, to show how unjustifiable, how underserving,—if the Government of India means to show apathy to this class,—is such apathy. But there is no representative of the class here, and consequently, as a member of that community, I beg to draw the attention of Government to the fact that in several departments, almost in all departments of the public service, members of the Indian Christian community have rendered distinguished service. If we go to the Medical College in Calcutta, we shall find that there have been professors who have rendered very useful service and added to the popularity of the institution. If we go to the Senate House in Calcutta, we will find there things to remind us that the Indian Christian community has not been behind other communities in fostering and helping onward the progress of education. It will not be possible for me to refer to the lives of these men, for if I were to do so, I suppose the time limit would terminate my articulate life here long before I could describe their lives.

“My Lord, as regards the loyalty of the Indian Christians, that was put to a very severe test in the last century, and yet I find that, notwithstanding the answer given a year ago, there is no provision in the present Budget for the education of the boys and girls of the Indian Christian community; and yet there cannot be the least doubt that they have need of special education; and the reason for this neglect seems to be that they have no representative in this Council.

“My Lord, it is a strange and curious fact that the Indian Christian community is the only Indian community whose laws of succession, marriage, testamentary dispositions, and divorce were forged on the anvil of this Legislative Council. Laws of succession, laws of marriage, form as it were the foundations of any society or community. Hindus and Muhammadans have their laws which are drawn from the *Shastras*, etc., and those laws of succession, marriage, and divorce, which apply to Indian Christians at the present day, were not made to suit the requirements of that society, but though they had been originally framed to suit the requirements of another society, they were extended to this society. So it was really like putting new wine into old bottles. The result has not been very favourable, but simply because there is no representative of this community on this Council, the inconvenience which it suffers has not been brought to the notice of the Government. The last census shows that between 1901 and 1911 the community has grown by 32.6 per cent. It has been more than doubled since 1881 and it has been trebled since 1872.

“ In referring to this matter, I should like it to be distinctly understood that it is not my intention, far from my intention, to disturb any of the existing representatives in this Council. The Indian Christian community have been treated with kindness and confidence by the Hindus, Muhammadans and non-official Europeans. Electorate bodies consisting of these men have elected Indian Christians as their representatives in the Legislative Councils. I would be earning for myself and for the community ingratitude if I were to say that there should be a seat for the Indian Christian community at the expense of any other community. But what I do believe, Sir, is that there is ample room if the latch of the door is a little slackened, there is ample accommodation for one more seat. I will conclude this part of my appeal with the Latin expression *at spes non fracta*.

“ Reference has been made, My Lord, very often in this Council to the industrial problem before us and the question was raised in very eloquent terms by the Hon'ble Mr. Banerjee when he was addressing the Council a few minutes ago. The insistence with which this question has been brought forward, the earnestness with which it has been pressed forward, shows that there is a very strong feeling in the country about it. At least I should like to draw the attention of Government to the existence of such a feeling. The feeling in the country is that Government ought to feel its obligation to help the development of industries in this country. Every Government, of course, is under the obligation to develop the industries of the country in order to bring about and increase the prosperity of the country ; but in this particular case an additional moral obligation has been superadded. There has been an industrial awakening in the country during the last few years, and this industrial awakening has led to a study of the industries of India in the past. As a study of history of the past has led the people to believe that the decadence, decline and the present wretched condition of industries in India are due to a great extent to the insalutary influence of British rule. That is the feeling of the country and hence arises a moral obligation on the part of Government. That is the feeling of the weaver who has taken to the plough, leaving his loom ; that is the feeling of the artizan whose hand stands paralysed to-day ; that is the feeling of the artizan's son who took to English education with a view to get employment as a clerk, but failed to secure such employment ; and that is the feeling of an old man who has associated intimately with artizans during the last quarter of a century and has noticed their struggle for existence. We Indians, My Lord, always look upon people in authority with feelings due to a father and naturally expect sympathy from them. I know feeling is mere sentiment, and a sentiment has no value at the Royal Exchange in London ; but a sentiment is an invaluable asset to the credit of a foreign Government. I do not wish to go into the details as to how and under what circumstances British influence exercised an insalutary influence over Indian industries. That may land me on dangerous ground. That may lead me to exhume the bones of people in authority who exercised their influence and the influence of their position and authority to bring about injury to the interests of India and such dead bones turn living human beings into dogs. At a time like this, when we were driven the other day to the necessity of passing an emergency measure for the safety of the Empire, I do not propose to enumerate or analyse or examine the reasons. I have very often noticed that the Hon'ble Member in charge of Commerce and Industry in his replies used the expression ‘ Government cannot do this, Government cannot do that.’ While listening to his replies sometimes, My Lord, I felt as if I was listening to the voice and the sentiments of the London Chamber of Commerce, and I admired his speech as a successful feat of ventriloquism. My Lord, such replies in a debate in this Council do not produce the balm of Gilead to disappointed feelings ; they simply tend to intensify the feelings.

“ My Lord, I feel that, at no time in the history of England were the principles of international justice, the principles of international morality, and those noble principles which regulate the reparation for wrongs done by a stronger nation to a weaker, at no time were these principles so prominently before the British nation as they are now ; in consequence of the wrong done by

Germany to Belgium. The whole nation's sympathy has been aroused. The whole nation has been roused with righteous indignation and millions have formed themselves,—the whole nation in fact, young and old, rich and poor, have formed themselves into one body, one soul,—the whole nation is (as if it were one man) inspired with a martyr's fiery zeal. On the other hand, we have a Viceroy whose keynote of administration has been sympathy for the people and confidence in the people, and who has abided by that policy in times of suffering, bereavement and trial. I should at this time beg, entreat and beseech the Hon'ble Member in charge of the Department of Commerce and Industry (unfortunately he has gone away at this time) to take note of this : not only to concentrate his attention on the economic principles which govern commerce in England, but to take note of past events in the past connection of England with India ; to take note of the moral obligation which arises out of that past connection, and to address himself to the problem before him ; to take the people into his confidence and then to sit down and see if anything cannot be done to help the people in this industrial awakening—”

His Excellency the President :—“ I must ask the Hon'ble Member to conclude.”

The Hon'ble Mr. Das :—“ I beg to conclude.”

The Hon'ble Mr. Dadabhoj :—“ My Lord, the Finance Minister who can do without additional taxation in spite of an estimated deficit of 9½ million pounds sterling in the two years covered by the Financial Statement, certainly deserves the best thanks of the country. I do not know which to admire most in the Hon'ble Sir William Meyer,—his sympathy, his level-headedness or his resourcefulness in a situation the inherent difficulty of which has been increased tenfold by its extreme uncertainty. The maintenance of exchange for one thing, was enough to strain to the utmost the energy and the capacity of a lesser genius. The financial trouble of 1907 and 1908 was as nothing compared to the present crisis, and yet sterling exchange is as firm to-day as ever, and Council Bills for fairly heavy amounts have begun to be placed on the market at 1s. 4d. for Telegraphic Transfers and ½d. less for D. A. Bills. The tone of the market from all reports is very firm. This is a complete answer to Mr. Enever Todd's alarming description of the situation in the *Investor's Review*. If trade had continued as dull as in autumn last, a further and dangerous depletion of the Gold Standard Reserve would perhaps have become inevitable ; but indulgence in hypothetical complications is needless. The position is decidedly brighter now than it ever has been during the last eight months, and it is but just that the Minister who has steered us safe through the crisis should have our warmest felicitations.

“ My Lord, the financial strength of Government, so skilfully maintained by the Hon'ble Sir William Meyer, ought to inspire general confidence. Of the net estimated deficit of 9½ million pounds sterling referred to above our special war expenditure accounts for 6·7 million pounds sterling. The balance is less than the amount of normal annual borrowing for capital outlay on railways. Ample provision has also been made for railway expenditure in 1915-16. Indeed, practically the whole of our estimated borrowings next year will be necessary for financing our railways and irrigation works, the capital outlay on both being taken at £9·1 million pounds sterling. And this despite of a heavy falling-off in revenue synchronous with extra heavy unremunerative expenditure. The total of our ordinary debt, as the Hon'ble Finance Minister has pointed out to us, is negligible. It has gone on diminishing heavily, until we have reached the extremely low level of 12·8 million pounds sterling against a productive debt of 261·4 million pounds sterling. The Rupee Paper too continues firm. The total unfunded debt of 20½ million pounds sterling is not onerous. The Government Reserves are ample, and the estimated closing provincial balances at the end of 1915-16 are sufficiently strong. The whole position is thus satisfactory. There is absolutely no cause for alarm. On the contrary, business is looking up, and the prospects of normal revenue are distinctly encouraging.

“ My Lord, the announcement in the Budget relating to the proposed Rupee Loan demands a few observations. The Hon'ble Sir William Meyer has made a significant reference to the terms and the character of the loan. Evidently, this issue will be of a special nature. There is absolutely nothing to be said against the reservation by Government of complete liberty of action. All announcements of loan are subject to this necessary condition. What is peculiar in the present statement is the allusion to a possible variation in the usual terms. We do not know what schemes the Hon'ble Finance Minister has in view, and it would be premature to attempt to make any helpful suggestions ; but my submission is that Government will be pleased to very carefully consider the probable effects of a change in the level of interest upon the existing heavy loans. I do not suggest that a change is unnecessary ; on the contrary, I am of opinion that if in the exceptional condition of the market the three-and-a-half per cents do not gain in popularity within a short time, the proposed loan must carry a higher rate of interest to make it attractive to the Indian investing public. But the possible results of such a change must receive due consideration at the hands of Government before it is made. Should the present market for three-and-a-half per cents be further depressed, it will have the effect of a heavy imposition which is likely to cause not only loss to the holders, but discontent. There is also the necessity for caution lest an increased rate of interest forces Government Paper into an undesirable competition with the Port Trust and Municipal Debentures. The position requires delicate handling, and it is eminently desirable that the conditions of the new loan should be settled by Government in consultation with financial experts and dealers. The Hon'ble Finance Minister will have a precedent for the suggested course in the procedure adopted by the Chancellor of the British Exchequer not very long ago with conspicuous success. A secret conference of a few trusted representatives should be able to give Government sound advice in this matter of the new loan. The question of issuing metallic 4 per cent Bearer Bonds for small amounts, redeemable at short notice through the Post Office, may also be considered by Government before determining finally the particulars of the proposed loan. These will possibly attract into the field a new and humbler class of investors.

“ My Lord, the war has focussed public attention in India on the Post Office Savings Banks. The institution is popular, and discharges very important functions. The deposits had gone on increasing heavily until the war created somewhat like a panic among the common people which led to sudden withdrawals. This of necessity caused a great strain upon the financial resources of Government, at a time when they were adversely affected in various other ways to an enormous extent. It has likewise caused a large loss of interest to the misguided depositors. It is welcome news that ‘ the drain has materially slackened ’. Before long we expect a healthy reaction. But I would request Government to consider the advisability of increasing the rate of interest upon these deposits by, say, half a rupee per cent. We have here to deal with a poor class of investors to whom any favours shown in this direction will be most welcome. Sometime ago the rate was higher. I do not know why it was reduced ; in my humble opinion, a slight increase will popularise these banks still further, and Government will have always ready to hand an increasingly large amount of cash for remunerative employment. The Hon'ble Sir William Meyer has done a great deal to make the deposits attractive. I hope he will increase their attractiveness in the way suggested even though it involves a small addition to our annual expenditure in interest charge. Rupee Loans are floated generally at a discount ; the interest is paid on the face value. It would be far more economical to pay the same rate of interest upon a debt which is raised at par.

“ My Lord, the Hon'ble Finance Minister has very thoughtfully added to the Financial Statement a detailed account of the provincial balances. It is helpful to a degree. The value of the annual Budget would be still further enhanced by the addition of a detailed statement of the expenditure for Education and Sanitation, both Imperial and Provincial, recurring and non-recur-

ring. In the Financial Secretary's Memorandum details of the Capital Expenditure for Railways and Irrigation are shown separately. It helps the public to have a clear grasp of the situation. An account, on similar lines as far as possible, regarding our Expenditure for the promotion of education and sanitation would dispel misconceptions, though it is not capital outlay, and would give us a knowledge of the details which is the first enabling condition for helpful criticism. At present we cannot ascertain from the memorandum what and how many schemes are proposed to be financed and what and how many are held back. This absence of fuller information may, and sometimes does, give rise to misapprehension.

" My Lord, the serious situation created by the unexpected depression in cotton has been handled by Government with commendable promptitude and boldness, and it is just to mention that the action has had upon the people a great moral effect. Prices have stiffened somewhat; a still better tone should prevail in the trade before the next *kharif* is sown. The important question, however, that confronts us is, whether the cultivation should actually be restricted. I would not, upon the materials before me, hazard an opinion one way or the other. I only submit, for the consideration of Government, that careful inquiries should immediately be made, with a view to ascertain the quantity of unsold cotton in the market. If in the result it appears that there is still a large stock of it, the proposed restriction upon cultivation should be enforced; if, on the other hand, the inquiries show that the stock is small, all restrictive action on the part of Government should be abandoned. Cultivation cannot be changed all at once without some inconvenience and loss to both the cultivator and Government, as in the event of a change a revision of the revenue assessment on a lower scale must become necessary. Any further interference with the normal course of cultivation should accordingly be undertaken after a close examination of the needs of the trade.

" My Lord, the Hon'ble Sir William Meyer has referred to the injurious effects upon the internal trade of the stampede among the Marwaris at large business centres. It was an imprudent move, inconsistent with the shrewd business habits of these people. It is, however, a reassuring fact which Government ought to know that individual Marwaris here and there did stick to their business, and prominent among them was the Hon'ble Diwan Bahadur Sir Kasturchand Daga in the Central Provinces. This premier banker in India was throughout the crisis always ready to finance trade, and did finance a large volume of it even at some personal sacrifice.

" My Lord, in dealing with the Financial Statement on 9th March current, the Hon'ble Home Member drew public attention to the paramount necessity of increasing our expenditure for the Police, and, truly, a more important department of civil administration it is difficult to find. The Police force, connected as it is with the every-day administration, renders perhaps a greater service than even the military. I have as high a conception of the arduous duties of the police as the Hon'ble Sir Reginald Craddock, but I go further even than he in my recommendations for larger expenditure for the department. In my humble opinion, there is ample scope for the profitable employment of all the funds that the Government can spare for this purpose for years to come. The Indian Police Commission found that 'the police force is far from efficient; . . . it is generally regarded as corrupt and oppressive; and it has utterly failed to secure the confidence and cordial co-operation of the people'. Efforts at improvement have been made all these years at some considerable expenditure, but they have so far touched only the fringe of the problem. The public verdict to-day is hardly more favourable. The great defect is the Police is as disassociated from the people as ever, and does not enjoy their confidence. This cannot be all the fault of the people. The Police must inspire public confidence and attract public co-operation. It has admittedly not done this; it has thus failed to discharge one of its most important functions. This absence of confidence and co-operation between the Police and the people is not endemic in India. It was noticed even in England by the

English Police Commission of 1839; but whereas there the Police has by its subsequent excellent conduct become the trusted friend of the people, the Indian Police, by following an opposite line of policy, is becoming isolated more and more every day, shunned and distrusted by all. The Indian Police Commission made certain recommendations for improvement on the analogy of the Indian Judicial and Revenue Departments, but these did not go far enough. In my humble opinion, the Provincial Police Service should be placed on the same level as the Provincial Judicial and the Provincial Executive service, with the same scale of emoluments and the same position, and the qualifications for appointment to it should be as high. It is only by the large admission of men with the highest educational qualifications into the service that it can be effectively improved. Patchwork reform will not do, but a root-and-branch reform is needed. A sprinkling of graduates among a large mass of indifferent material cannot effect much. It is a matter worthy of notice that the experiments so far made in some provinces of appointing a few lawyers to the Police Service as Court Inspectors appear to have failed. Most of them, especially in Bengal, have left the service after several years. There must be some reason for their action. It is not every lawyer who earns a handsome income at the bar; yet why is it that these lawyers have preferred to face starvation there to continuing in office under Government with pay prospects? This is a case for inquiry, and the sooner it is undertaken the better for all concerned. Investigation of cases also is as unscientific as possible. An expert from London should be able to suggest a remedy for the existing evils. The cost incurred in securing the services of such an expert will be money well spent. I am confident this matter of Police reform will engage the earnest attention of Government.

“My Lord, we are to-day afflicted by the thought that before we meet again at Delhi, Your Excellency will have completed your term of office. Your Excellency has by your remarkably able and sympathetic guidance, inspired in the people such great confidence that the prospect of your retirement before the war comes to a successful termination is not only distressing to them, but is viewed by them with deep and unfeigned concern. Amidst physical suffering and bereavements, amidst administrative worries and dangers, Your Excellency has been as a rock unmoved in your firm faith in the nobility of your mission and the high purpose of your enlightened statesmanship. India can ill spare such a Ruler now. As a representative Member of this Council, I humbly pray that His Majesty will be graciously pleased to extend Your Excellency's term of office at least till the war is over”.

The Hon'ble Maharaja Manindra Chandra Nandi:—“My Lord, I congratulate the Hon'ble the Finance Member on the highly satisfactory able and clear Financial Statement that he has presented to the Council. During the financial year that is about to close the Government have had to deal with an emergency as unprecedented as it was unexpected. This time last year no one in this Council had any premonition of the war which is now raging and the Budget for 1914-15 was prepared on a peace basis. Nevertheless, since August last and onward war conditions with all the consequent dislocation of trade, financial panic and falling off of revenue have prevailed and yet, as the Hon'ble the Finance Member has proved to conviction, the financial position of the Government of India was never stronger than it is to-day. True, the estimated surplus of £1½ million for 1914-15 has been converted into a deficit of £4 million, while under Unfunded Debt there has been a drain of nearly £7 million. But this does not by any means disclose an alarming position of affairs in view of the heavy strain caused by the war.

“The revised estimates for 1914-15 show decline of revenue under many heads, the largest being under State Railways. An unfounded sense of insecurity led to large withdrawals from Post Office Savings Banks. The trade with enemy countries entirely ceased, while trade in other directions languished. The position became as grave as can be conceived and we are still in the full tide of the crisis. But the credit of the Government remains unshaken and the financial position is as sound as ever. To other difficulties that the Government have had to face has been added the alarming rise in prices which has

led to the restriction of the export of wheat. It is gratifying to note that prices are now easier and the prospects of the next crops most cheering. In the budget estimates for 1915-16 no additional taxation has been announced and this is a fact upon which the Government must be congratulated.

“The Hon’ble the Finance Member proposes to raise a loan of $4\frac{1}{2}$ crores later on in India, or to increase the borrowing from the Gold Standard Reserve. He has rightly proceeded on the assumption that the war may continue throughout the next year. The reduction of the Railway programme from £12 to £8 million is a wise step and the curtailment of expenditure in other directions is inevitable. It is particularly gratifying to me that, as announced by Your Excellency a few days ago at Calcutta, 10 lakhs of rupees have been given to the Calcutta University for hostels. The sanitary condition of Bengal is very bad, some additional allotment under this head would have been a great boon in Bengal.

“My Lord, the terrible drain in men and money demanded by the war shows as yet no signs of abatement, but we are convinced that the worst is over and the tide will soon take a decisive turn. When at length peace is restored, the British Empire, of which India is so important a part, will enter upon a fresh period of financial and material prosperity”.

The Hon’ble Mr. Marshall Reid:—“My Lord, on a previous occasion I referred to this Budget as being essentially a business-like one, and it certainly cannot be described in the language of high financial authorities as ‘over-cautious.’ It forms a pleasing contrast to a budget of not very many years ago when, to meet a not unusual temporary strain, taxation, some of it of a rather parochial and petty character, was resorted to: unfortunately this temporary taxation, like its great predecessor the income-tax, has still continued with us. To meet the unusual situation unusual borrowings have been necessary, and we have again in this connection to recognise the acumen of the Hon’ble the Finance Minister: low discount rates in London evidenced the large sums of money which were awaiting investment and the Government have very properly resorted to that market. Where can English money find more secure investment than in a prosperous and loyal India with enormous securities in its railways, and—in spite of what some of my colleagues have been saying—very profitable railways indeed? Railway construction, for which some of us have pressed, incidentally provides gilt-edged securities which on occasions like this stand us in very good stead. We have cheerfully accepted eight millions as our railway allotment for the coming year, but we hope that the deficit will in future be made up to us, and that a higher standard, something like 15 or 16 millions, will be adopted for the future.

“I desire to offer one little criticism on the budget: the possibility of a $4\frac{1}{2}$ crore rupee loan has not been well received in the market, and a good market is of paramount importance to Government: I assume that the operation is not seriously contemplated, and no doubt the Finance Minister has other alternatives up his sleeve: I would suggest that he should put those other alternatives in the forefront and put the $4\frac{1}{2}$ crore loan in the background.

“I regret, My Lord, it has been necessary to retard the progress of New Delhi. Some Hon’ble Members and their constituents may have reasonably considered that the scheme has its defects as every scheme in this world has: but it is a settled fact, sealed by the command of the King-Emperor and supported by the very strong argument of decentralisation. I hope that the Delhi to be—call it ceremonial or what you will—will not take long to quicken into a living city.

“The development of indigenous industries has taken a very prominent place in the budget debate. I regret that no practical conclusion has been arrived at, but it is no wonder, for it is indeed a very complex problem. Hon’ble Members have generally been agreed that the disease of backwardness

exists, and they have almost all suggested the same remedy, Government financial aid, but I have not heard any serious attempt to diagnose the disease. My own personal experience in industrial matters is somewhat limited, but I would offer my suggestions for what they are worth: the first essential in industrial success is industry and energy: are the people of India industrious and enterprising in the Western sense of the word? I fear the answer must be, 'No'. I have not myself during my experience seen any great industrial enthusiasm: I know of classes of workers whose hours and whose days of work are regulated by the price of food-grains, and whose ambition is limited by the immediate needs of the mouths they have to feed. Then there is the rather better educated class whose western counterpart combines brains and hands in harmony to raise the standard of industrial development: that better educated class which we have in India and which we should expect to do this work, have not yet fully appreciated the dignity of manual labour: under such conditions progress and efficiency in industry must remain imperfect. There was a striking illustration at the outbreak of the war as to the extent to which Indian industry has progressed: merchants sought to replace German wares in the Far East and other markets by Indian manufactures. My own experience and that of many others was that we were met with the reply that Indian manufactures were unreliable, irregular and could not be guaranteed. The remedy must be slow, and it is difficult to know where to begin; but much will be gained if the disease and the trouble can be truly diagnosed. The perspective of the question has been somewhat upset by the assumption that German industry and enterprise were to be destroyed, and were to be replaced by indigenous industries which would grow up in a night. But Hon'ble Members should be under no delusion in this matter. It has taken years of patient toil to develop the spirit of industrialism in Germany and it cannot be destroyed, for it is the very life-blood of the country.

"Those who know the facts will confirm what I have said and will not desire for the good of the world to see German industries and enterprise destroyed. India, in her own interests, certainly cannot wish to see German industries destroyed; for when the end of the war comes we shall look to regain one of the largest and most important markets for the produce of this country. The fate of the British dye scheme shows that England fully recognises the essential features in the position: the original scheme provided for £1½ millions of Government money and £3 millions were to be subscribed by those who were interested in the manufacture. A fortnight ago we learned by telegram that the scheme had been altered to £1½ millions Government money and £½ millions public money: we learned yesterday that the scheme had been dropped entirely because hard-headed Englishmen and hard-headed Scotchmen had made up their minds that to compete in the market against a foreign article for which they are not well placed is mere waste of money. Now, what can Government usefully do in the way of developing industries in India? Hitherto, from my own experience I can say that they have done much useful work in demonstration; the practice has been for Government, when they are satisfied that an industry is likely to succeed, to buy experimental machinery and lease it to those, whether Europeans or Indians, who are willing to take it up, work it, develop it and report to them the results. Your Excellency, I regret to say that there is only one Presidency in India which is completely equipped in this respect. If I were to make a recommendation to Your Excellency's Government it would be to lay aside a considerable sum,—even take a little from our railway allotment of 15 millions—in order to equip and develop departments of industry in this country. I finish as I began by congratulating the Hon'ble Member on his most business-like budget and trust that the courage which he has shown in framing it may be duly rewarded."

The Hon'ble Raja Abu Jafar:—"My Lord, I have no desire to criticise the Budget or to discuss the various aspects thereof. But I cannot refrain from expressing my entire satisfaction at the fact that the Finance Member has been able to produce such a satisfactory Budget at such an abnormal time without imposing fresh burdens on the country, which in her

present economic condition she is quite unable to bear. It is a triumph for which the Hon'ble the Finance Member deserves our heartiest congratulations.

"As a representative of the United Provinces I cannot help expressing the deep feeling of disappointment with which the people of my Province have heard of the attitude adopted by the House of Lords in the matter of the creation of an Executive Council. My Lord, it was a wise and necessary measure of reform which Your Excellency's Government recommended Parliament for acceptance. Our Province has been fully ripe for such a reform for many years. It is obvious that the Governors of the provinces are overburdened with the heavy and daily growing work and responsibilities and under such circumstances an Executive Council was most essential in the interest of greater efficiency in the administration. In the course of the debate in the House of Lords it was pointed out that only a small body of opinion in our Province was in favour of this proposal. With due deference to their exalted knowledge, I may be permitted to say that this statement is quite contrary to actual facts. I know that an overwhelming consensus of opinion in the United Provinces is keenly in favour of such a reform, and I earnestly trust that the Government of India will again press the attention of the Home authorities to the urgency of the reform and secure the necessary sanction at an early date."

The Hon'ble Mr. Barua:—"My Lord, I take this opportunity of joining hands with my colleagues in congratulating the Hon'ble Finance Minister for so successfully wading through a year of great strain and stress. We cannot but admire the great tact and foresight with which he manipulated the extraordinary financial situations created during the year from time to time. The prompt steps he took to avert a threatened break in exchange, the timely strengthening of the Presidency Banks and the credit of the Post Office Savings Banks, the facilities for easier encashment of Currency Notes, all speak of the great resourcefulness and ability of the Hon'ble Finance Member, which not only saved a threatened financial crisis and dislocation of trade and commerce, but had also important political consequences in restoring confidence of those who were upset by misguided theories about the war. The adjustment of the finances to different heads of expenditure, allowing progress on all heads with only such restrictions as are unavoidable, similarly point to the great skill and practical wisdom of the Finance Minister, which we cannot but admire. The changes in some forms of accounts which he has introduced both this year and the last are also of much practical utility and I feel sure have been greatly appreciated by many of my friends as by me. We are grateful to Sir William Meyer for all the pains he has taken, and we are happy that at such a critical time we have the services of so able, cautious and sympathetic a Finance Minister. We are equally grateful to Your Excellency that your broad-hearted sympathy and feeling for the people of India have saved them from any fresh taxation as a consequence of the war.

"If we review the spirit of this Session of our Council we feel, from the interpellations made and resolutions moved, that the things that have greatly exercised the minds of the Indian Members are the high prices of food grains and the development of industries. These two questions are really predominant everywhere to all thinking minds in India.

"The Hon'ble Commerce Member has given sympathetic consideration to both so far as they have been brought forward. The bold and comprehensive step—as he calls it—which is going to be taken about the export of wheat is perhaps the best under the circumstances stated and reasons given by him, and I greatly hope that the desired relief will come out of it and it will prove to be the best and most reliable method. I am sorry to find, however, that the project appears to be confined to wheat alone. It is not the fact, however, that the rise of prices is confined to wheat alone; it extends to many other food grains and stuffs in a greater or lesser degree. It will of course be absurd to ask the Government to take the same steps with regard to all. But one other item there is which, I think, deserves equal treatment—I mean rice. As wheat is

the staple food in some parts of India, so is rice in many other parts; and the rise of price has been as significant in the case of rice as in that of wheat. I understand there is an export duty on rice exported from Burma. Much of that rice comes to and is consumed in Bengal and Assam too. So the effects of that taxation does not so much come to the relief of India. The rise of price in Bengal and Assam has of late years been phenomenal, and this year the price in some districts of Assam has been singularly exceptional. I think rice therefore is also a commodity in regard to which the same precautions should be taken as in regard to wheat: and I greatly hope that the Hon'ble Commerce Member will see his way to include both rice and wheat in his scheme of Government control of export.

“With regard to industries we are grateful for all the steps that the Hon'ble Mr. Clark has shown us have been taken. I venture to think, however, that those steps are not enough to meet the present situation and aspirations of India. The question is a vast one and cannot be discussed or decided off hand. India cannot be judged on the lines of England in respect of her industrial undertakings or propensities. And the policy that works well in England cannot be expected to apply to India. She looks to the Government to shape her in the industrial field by special measures suitable to herself. The question of developing Indian industries has been exercising the minds not only of the Indians alone but also of many European officials who are anxious to push India on to prosperity; as one of them I may point to our good Commissioner to my right. But under the present policy of Government they have to make a halt when they come to the question of ways and means. I respectfully submit, My Lord, that a more extensive and liberal policy is necessary to be shaped for India on its own lines. Nothing short of a policy like the Railway policy will meet the demands of the country, and I feel convinced the country will be prepared to bear the burden. Bounties, subsidies, and even partnership by Government as well as guidance and supervision are in the present stage of India necessary to induce private capital, which is so shy, to come out to the field of enterprise; when the people will under such guidance and support be widely and extensively trained in western methods of business and will begin to have a confidence in their own undertakings, there will be no longer any need of such extra privileges; but till then the Government should I think be prepared to conceive and shape a comprehensive policy to help the people. It is not the time to-day to dilate on this vast subject. All I beg to submit is that it will be no labour lost to Government to consider seriously the subject and formulate a policy of its own to make possible the rapid development of this vast Empire into an industrially and commercially prosperous country.

“Not the least important of the works of this Council is the introduction of the Hindu University Bill, which has been hailed with satisfaction by many of my hon'ble colleagues and introduced with such a charming and sympathetic speech by the Hon'ble Member in charge of the Bill. This Bill will mark an epoch-making change in the policy of Government hitherto followed in the matter of education. I must admit that I have not as yet been able to disabuse myself of the misgivings shared by some of my friends about the ultimate effects of the new university and the altered policy of the Government. Let us hope that the outcome of this University will not be a revival of all the mischief that Hindu orthodoxy had brought upon India in the past, that it will not re-enact the domination of caste over caste and the creation of faction over faction, making the regeneration of India on modern lines impossible or remote, that it will not counteract the unifying influence of English education or make Hindus, Muhammadans and other sections of the Indian population vie with each other in moving on parallel lines which can never meet.

“To speak a few words about my own Province. In my speech on this occasion last year I alluded among other things to the great and trying need of the Province for improved communications. This year I intend to return briefly to the same subject and to mention in particular the matter of railway extensions. The opening of the superb Hardinge Bridge should see the dawn

of a very bright era in the matter of increased railway facilities for Assam. With the Eastern Bengal Railway line made broad gauge (a project which all interested devoutly hope will be accelerated) as far as Amingaon and Tangla will give no breach of gauge between Lower and Central Assam and Calcutta. The extension of the Eastern Bengal Railway system from Tangla up the north bank of the Brahmaputra into the important tea districts of Darrang and Lakhimpur is a matter which should continue to receive due consideration; such extension would benefit not only the exporters of tea but the people of the north bank of the Brahmaputra generally and would also give Government another important strategic line to the north-east frontier. Then there is the question of linking up Assam and Burma by railway, a subject alluded to in Your Excellency's speech on the occasion of the opening of the Hardinge Bridge. Burma, I venture to think, will be as interested in such a scheme as Assam, especially those who have cause to remember the recent exploits of the *Emden* in the Bay of Bengal. We shall be interested to hear the results of the several reconnaissance surveys of routes for such a railway, and we hope that this very important matter will continue to receive the very careful attention it deserves.

"Another point that I would take the liberty of briefly alluding to on this occasion is that the Province is keenly feeling its complete want of representation in the bench of the Calcutta High Court, within whose jurisdiction the Province has all along been put. Up to date there has not been a single Assamese Judge in that honourable Court. The want of qualified men might have been a cause of this in the past. But now, I venture to think, that cause no longer exists and there are men fit to hold the post of a High Court Judge, and I hope such men will not be wanting in the future. I greatly hope and sincerely pray that in the interests of and in justice to the Province Your Excellency will be graciously pleased to give the matter your due consideration.

"In conclusion, My Lord, may I be allowed to submit that Your Excellency's approaching retirement is really becoming a matter of grave concern in all parts of India. We feel that the saddest moments of Your Excellency's life have been spent in India, and it may be cruel to ask Your Excellency to spend more of your time in the service of this country; but if we can do so without hurting Your Excellency's feelings we would solicit that if His Gracious Majesty, in response to Indian feeling, be prepared to extend Your Excellency's period of Viceroyalty in this Empire at least till the end of the war and perhaps for six months afterwards, Your Excellency may be pleased to consent to vouchsafe to us the privilege of being governed by you till then."

At this point the Council adjourned till half-past two. On re-assembling—

The Hon'ble Sir Fazulbhoj Currimbhoj said:—"My Lord, the exceptional circumstances of the year enjoin upon us caution in dealing with the Financial Statement and the excellence of the Budget for the ensuing year limits to an inconvenient degree the scope of useful comment. The Hon'ble Sir William Meyer has taken the country by surprise by squaring the accounts without fresh taxation. It is a bold attempt in which he has the good wishes of the whole community. I beg on behalf of my constituents to congratulate him on his Budget. The chief point of interest is that he has made the country almost forget the serious economic and financial effects of the war.

"My Lord, the Hon'ble Finance Minister is right in providing for a fresh Rupee Loan. I have always held, and I emphasised the point last year, that the Indian money market is not fully exploited by Government for their annual borrowings. In the current financial year the Hon'ble Sir William Meyer for the first time raised the amount of Rupee issue to five crores. He may have had his doubts, but I never had any doubt about the success of his policy. In fact, I pointed out that more than five crores could easily be

raised and the facts of the last loan have amply testified to the soundness of my contention. The total amount of tender was nearly 12 crores (Rs. 11,76,57,900) and the average rate of accepted tenders was Rs. 95-9-7. It may be that one Province took up the loan more largely than another, but that does not affect the position of India as a whole. The point is, more money can be raised in this country. Ordinarily, therefore, we should look to the Indian market more than the London market for funds for our capital outlay. It is more to our interest to borrow largely in India. Since the War has introduced new conditions into the market, I share the doubts of Government that unless it is over shortly, the whole of the 4½ crores wanted this time may not be raised on the usual terms. The Hon'ble Finance Minister has reserved to himself the right to vary the terms according to the needs of the situation. I only hope he will bear carefully in mind that, although the higher rate of interest may ensure the success of the new loan, it will as sure as anything damage the popularity permanently of the pre-war stock. This will be prejudicial to large interests, and perhaps to the success of our subsequent loans. There is thus need for extreme caution in floating the loan. It is indeed possible to counteract the effects of an increased rate of interest by regulating the conditions, and we await with anxious interest the Hon'ble Sir William Meyer's further pronouncements on the subject. If the proposed loan affects the pre-war stock to a large extent, the existing balances here and in England should be drawn upon more largely by Government.

"My Lord, the Hon'ble Finance Minister has also referred in his introductory speech to the character of the proposed loan. It is difficult to form an exact idea of what he means, and this is a matter in which a fuller statement would have been unwise. The only point I would now press upon his attention is that, along with the conditions of the new loan, he will be pleased to consider the advisability of issuing in future special 4 per cent railway loans. These are bound to be very popular.

"My Lord, I cannot condemn the curtailment of expenditure to which pointed reference has been made by the Hon'ble Sir William Meyer, but I beg to submit that it has caused difficulty in the provinces. In the Bombay Presidency many a necessary expenditure has had to be put off indefinitely. From the official speeches on our Provincial Budget it appears that Government had to reduce considerable amounts which Government had hoped to spend mostly on the Borstal Jail at Dharwar, and to reduce the expenditure on jails to its very minimum. The provision for the reorganisation of the police had to be cut down, so much so that 'those responsible for the administration could not acquiesce in any further curtailments'. 'Several important matters had to be deferred altogether'. The educational interests of the province have also suffered in consequence of the reduced expenditure, Government 'had to postpone some of their important schemes', and to omit 'a sum of one lakh for opening more schools and another lakh which was given for teachers for those schools'. Sanitation, too, has perforce to be neglected, for the time being, at least. 'Several applications for sanitary projects' had to be refused. But I frankly recognise this is to some extent unavoidable. We expect, however, that when the finances improve, the Hon'ble Finance Minister will treat the Province with extra liberality proportionate to the large sacrifice it has made this time.

"My Lord, our provincial expenditure leads me to examine the position of our provincial finance, and I think it is susceptible of improvement. My friend, the Hon'ble Sir Ibrahim Rahimtoola, raised last year the question of provincial settlements. As a matter of principle, the Provinces ought to have the whole income from the taxes that are either provincial or the proceeds of which are at present shared by the Government of India with the Provincial Government, and the Government of India should be satisfied with a lump contribution from the Provincial Government to be assessed in each case with due regard to local conditions. This contribution must of course be subject to periodical revision. The alteration is one of method relating to the collection of the Imperial revenue; a fixed payment is to be substituted for the

present fixed ratio. This would, of course, have the effect of rendering the Imperial revenue inelastic; and to neutralise the evils incidental to such a system, provision may be made for the recovery from the Provinces of exceptional and extraordinary contributions according to the needs of the Supreme Government, assessed on the same principle of provincial ability. Such a revision of the system of provincial payment would strengthen the financial resources of the Provinces, would equalise the conditions of adjustment, and would make the apportionment of provincial liability more equitable. The Provinces would thus have greater fiscal autonomy, and would be free to attain to a development suited to local conditions. If in addition, the provincial funds are made over to the Provincial Government for safe custody and application, subject to the maintenance of an irreducible minimum of balance, the inconvenience of restricted utilisation of large balances, such as is enforced by the Government of India on the present occasion, will be minimised. It is earnestly to be hoped that the Hon'ble Sir William Meyer will take the matter into his serious and favourable consideration. Provincial feeling is, I may point out, strong on this subject.

“ My Lord, with a view to help the undisturbed progress of the provinces, an earnest effort should also be made to requisition the services of conciliation boards for the satisfactory settlement of all disputes between different sections of the population. These boards to our knowledge have been started at different provincial centres, and are believed to have rendered inestimable service. We hear less of *Bakr-Id* riots now. It is regrettable this Government has not got reports from the local Governments about their working. In the absence of official reports it is difficult to generalise, but I believe a great future awaits conciliation boards. With more settled conditions Government will find it to its advantage to take the whole question seriously in hand.

“ But far more important to the whole country, My Lord, is the other question, namely, the question of emigration to the colonies, which await a statesmanlike and sympathetic settlement immediately after the war. The matter has not been discussed in Council this Session, not because of the absence of a strong local feeling, but because of the limitations under which discussion has had to be carried on, on account of the war. As a matter of fact, whole India is of one mind both as regards the necessity of emigration and the status of the emigrant in the colonies. The time has come when the question of some outlet for our surplus population should be settled in a manner agreeable to our ideas of self-respect and dignity as citizens of the British Empire. And we look up to Government here as also to the Imperial Government for a satisfactory settlement of this question with fervent and confident hope.

“ My Lord, I have heard with deep interest the observations of my Hon'ble friend, Mr. Marshall Reid, about the indifference of the people of this country to industrial enterprise. I would like to say much on the subject, but I beg to point out that if Government be pleased to encourage large concerns floated by Indians, something may be done to divert popular energy into the fruitful department of industry. The success of the Tata Iron and Steel Works has been in a large measure due to the support received from Government.

“ My Lord, I beg to invite Your Excellency's attention to another matter of some importance, to inconvenience of the existing procedure regarding the introduction of legislative measures in this Council. Bills are now introduced without the Members knowing anything about them previously. The result is that no profitable discussion can take place on the first day about their principle. No doubt subsequently, on the motion for reference to a Select Committee, Hon'ble Members have an opportunity of commenting upon the principle, but it is far more desirable that this debate should precede that motion. My friend, the Hon'ble Mr. Ghuznavi, drew attention to this only the other day, and I believe I voice the general desire of the Additional Members in my plea for circulation of Bills at least a fortnight previous to their formal introduction in Council. Government will not lose anything by the change.

in the procedure. The interests of urgent bills are amply safeguarded by the rule under which Your Excellency can suspend the rules of business to enable the Council to consider the Bills at once. Bills of the Provincial Governments are circulated previously without inconvenience.

“My Lord, the whole Financial Statement is overshadowed by war. It is difficult to form even an approximate idea when it will end, but of this much we are sure, that it will end in a brilliant victory for the Allies and the imperishable glory of the British Empire. All India prays to the Almighty for its speedy termination. It has upset the business of the world. But even in these dark days of national trouble, we find matter enough for self-congratulation. The unwavering loyalty of the people of this country to the Throne has been demonstrated on this occasion in the most remarkable manner, and we owe it to this war that the various units of the great British Empire have been knit together to one solid whole, moved by one common sentiment and one common purpose. Never before has India presented such a united front for the defence of the Empire. The different Provinces are imbued with a spirit of healthy emulation. In the Bombay Presidency, though that province from its industrial and commercial position has been the most sorely affected by the war, we have raised forty lakhs of rupees for the War Funds through the admirable organisation initiated by His Excellency Lord Willingdon, and the Women's Branch is doing solid work under the inspiring guidance of Lady Willingdon. The Hospitals started by us for the sick and the wounded in Bombay and at Alexandria are the finest and such as any nation may feel proud of having equipped and organised. The history of all this zealous activity of the people is one, My Lord, of which Government may well be proud.

“My Lord, it is the universal wish of the people of the country that Your Excellency should continue to be at the head of the Indian Administration until we are entirely free from the danger of this war. We have abundant faith in your benevolence and high statesmanship, and we earnestly hope that His Imperial Majesty will be graciously pleased to grant us this our humble prayer”.

The Hon'ble Mr. Ghuznavi:—“My Lord, the Hon'ble the Finance Member is entitled to the fullest sympathy of this Council and of the country at large in the difficult task with which he finds himself confronted this year owing to the exigencies of the times. After a succession of surpluses during recent years we have come suddenly almost without a warning to a year, when our expected surplus has been turned into a deficit, and this abrupt change, which is accompanied by an uncertainty about the future, all the more aggravates the anxieties of the situation. My Lord, the imprint of war is writ large on almost every page of the Financial Statement that has been presented this year. It has seriously affected the two sources of revenue, namely, Railways and Customs, by the depression and dislocation of trade, with the result that whereas in the first four months of the year prior to the outbreak of war the Railway revenue was some £260,000 in advance of that of the corresponding period of the preceding year, in the six months following the outbreak of the war there has been a decline by £1,490,000. The revenue under Customs has also suffered a similar decline by nearly a million pounds less than the Budget anticipation. But happily such is the elasticity of Indian Finance that it has stood this rude shock uncommonly well. Speaking from his place in Council in 1909, the late Mr. Gokhale said, that never during the last 50 years previous to that period, was there such a deficit as that of 3½ millions. Yet fortunately such is the recuperative power of Indian Finance that even under this heavy blow this year's deficit is less by a million than that of 1909. My friend, the Hon'ble Sir W. Meyer, is therefore all the more entitled to our warm congratulations that in the midst of this raging hurricane he has been able to steer his treasure-ship of State clear of all shoals and he has been able to do so so far without any additional taxation. I therefore desire to offer him my sincere

congratulations on the caution, foresight, clearness and withal firmness with which he has been able to frame this year's budget.

"My friend, however, struck a note of warning in the course of his speech when he presented us with the Financial Statement. He stated that he would not hesitate to propose additional taxation to make good the deficits should it hereafter be found necessary. We all sincerely hope that such a contingency might not arise. But if it were to arise at any time I trust my friend will allow me to make a suggestion beforehand as to the direction such additional taxation might take. I have heard it expressed in many quarters that if Government were in need of any additional taxation owing to the exigencies of the times, the only additional taxation that might be imposed without affecting very much the teeming millions of the country would be an additional income tax, as this would not be so much of a burden to the poor as it would be to the rich.

" Sanitation—malaria.

"I would, now My Lord, with your permission, like to say a few words on the situation of the country generally. The first question that deserves our serious attention is the question of sanitation. For it will certainly be agreed that we must first of all live before we can think of anything else. The Government has done a good deal in this direction in recent years but a very great deal yet remains to be done. In many parts of India, malaria is becoming a scourge and in Bengal particularly, it seems to be increasing in virulence. In reply to a question of mine on this subject in September last, as to what steps were being taken by Government to combat the ravages of malaria in different parts of India, particularly Bengal, my friend the Hon'ble Sir Harcourt Butler was pleased to refer me to the annual reports of the several Provincial Sanitary Commissioners. A perusal of those reports, however, is not very assuring. I therefore again respectfully urge on the Government to give their serious thoughts to this question and to appoint a commission composed of officials and non-officials in each of the affected provinces to inquire into the cause of the spread of malaria and to devise further means of arresting the mortality from fever, which is now so much on the increase.

" Pasteur Institute.

"My Lord, there is a steadily growing demand for the establishment of Pasteur Institutes in each province. Thanks to the courtesy of my friend the Hon'ble Sir Harcourt Butler, I was enabled two years ago to inspect the Pasteur Institute at Kasauli. When I was there, the authorities convinced me of the fact that after the recent discovery it was no longer necessary to locate Pasteur institutes in out of the way hill stations, but rather they should be attached gradually to the leading hospitals at the head-quarters of each of the presidencies and provinces. There is a persistent demand for it from all the leading associations in Bengal. My friend the Hon'ble Sir Reginald Craddock stated in this Council a few months ago that the Government of India have received no proposals from the Government of Bengal with reference to the location of a Pasteur institute in a wing of the School of Tropical Medicines in Calcutta. Since then many public bodies, notably the Rungpur Zamindar's Association, have memorialised the Local Government on the subject. What I would therefore suggest is that the Government of India should invite the opinions of all local Governments on the subject.

" Education—Religious.

"My Lord, I would next draw the attention of this Council to the educational needs of the country and particularly to that of the Mussulmans. We are all deeply grateful to Government for the educational policy which has been set out in the resolution on this subject issued two years ago. We are looking forward to the day when the policy enunciated in that resolution will be fully carried out. The backwardness of my community in matters of education is particularly appalling and I would again repeat in this connection what I

said two years ago that in this matter Mussulmans are entitled to a preferential treatment, which I am sure no enlightened and broad-minded Hindu would grudge us, for they must remember that our educational advancement is equally to their interest. My Lord, it is indeed sad to contemplate how backward the Mussulmans are. To take the case of only Bengal. We find that according to the last census out of every thousand Mussulmans there are only 41 who can read and write. The cause of this backwardness chiefly lies in the fact that ever since the establishment of the British *Raj* in this country, religious instruction suitable to Mussulman boys had been divorced from all educational institutions patronised by Government, and therefore Mussulmans did not avail themselves of these institutions to any great extent. I had the honour of drawing the attention of the Educational Member two years ago to this question and I am particularly grateful to him for the circular which was issued by Government in April of that year to all Provincial Governments: and which in the case of Bengal has resulted in the formation of a Mussulman Educational Advisory Committee by the Local Government. This Committee is at present engaged in overhauling the entire question of Mussulman education. But unless Government are going to find the money for education in normal as well as abnormal times, it will not be possible to effect any real progress. If the existing revenue of the country was insufficient for the purpose, the Mussulman community would, I am sure, willingly submit to an additional Educational Tax.

“Money accrued as interest on deposit in savings banks by Mussulmans to be used on Moslem Education.”

“Now, My Lord, when I am on this subject, I would like to draw the attention of Government to the sum of money however small to which Moslem community are justly entitled. In September last I inquired to know what was the total amount of money which had accrued as interest up-to-date from the time of the creation of the savings banks, on the money deposited in the said banks by Mussulman depositors who have not drawn any interest on their deposits owing to their religious scruples, and in reply I was informed that that sum had amounted to ₹2,84,293. This was up to 1912, and it would now probably amount to over 3 lakhs. It is clear that this sum of money has gone to increase the surplus revenue when there has been a surplus, and it has gone to lessen the deficit when there has been a deficit, such as this year. I would therefore respectfully urge that the Government would be pleased to take the first opportunity in ear-marking this amount so that as soon as the present hard times are over it could be spent on some object of Moslem education; such as towards the cost of building a hostel in any part of India.

“Cause of Temperance.”

“My Lord, I would now draw the attention of this Council to the alarming spread of the drink and drug habits in India. During the last few years this evil has been growing apace and has now reached an enormous magnitude, and yet it is extending every day. I do not desire on this occasion to dwell at any length on the dangers, social and economic, that lie before this Empire should a rapid expansion in the consumption of alcohol and drug fix the habit of drink and drug-taking upon the people. I would only say that India has always been a temperance country in times gone by. What the Prophet of Islam forbade more than 1,300 years ago, temperance societies, associations and movements are now trying to do to-day. As far as I am aware, the Hindu religion does not also encourage taking of intoxicating liquors or drugs. Hence this evil of intemperance has come to the East along with the other good things from the West. During recent times the excise revenue has gone up by leaps and bounds. In 1890-91 it was, roughly speaking, 5½ crores, and in 1912-13 it has gone up to nearly 12½ crores. We all know how poor this country is, and with what difficulty the labourer and the poor classes are able to earn a single meal a day, and yet the contribution to the excise revenue from drinks and drugs is increasing in volume day by day. If, in the interests of China our

Government could afford to forego an enormous amount of revenue from opium; are we not entitled to expect the same Government to forego proportionately a fairly less amount in the moral and material interests of the people committed to its charge? At the present moment absinthe has been forbidden in France and vodka in Russia. I need not recall Lord Kitchener's admonition to the soldiers on this subject soon after the commencement of the war. In France, where the champions of alcohol have a great following in the Chamber of Deputies from time immemorial, even there the *privilege de Bouilleurs de cru* has disappeared. It is high time therefore, I submit, that the Government of India should take some decided steps in the true interests of the people of this country. In this connection, I would ask the Government to consider the desirability of adopting some of the following means in checking these evils.

"In the first place the licensing function should be transferred from the Revenue authorities, the number of licences should be restricted, the maximum quantity to be sold in a day should be fixed, regulations with regard to the opening and closing of drug shops should be made more strict, the sale of alcohol and drugs to women and minors should be absolutely prohibited, and lastly, the principle of local option should be given largely to the people.

" Preferential treatment in matter of gun licences.

"My Lord, there is another matter to which, with Your Excellency's permission, I should just like to make a passing reference. It is the preferential treatment in the matter of gun licences and other arms and ammunition, extended to people other than the members of the British race, in this country. With the exception of the smallest minority, the majority of the people of India are loyal to the core. If anything has brought this out in bold relief, it has been this war which we all so deplore, though looked at from other points of view in some ways has been a blessing in disguise. The war has welded together as it were the different heterogeneous parts into a homogeneous whole in loyalty and devotion to the mother country. Almost the whole of India of to-day is throbbing with an impulse to serve His Majesty with a devotion broad-based and deep-rooted in loyalty to the Throne. Such being the case it is but natural, particularly to these Indians, who are passionately attached with an intelligent loyalty to the British Throne and the Empire, to feel some sort of resentment when they find that the homeless Armenian, the wandering Jew, the South African, the German or the Greek and such other people receive preferential treatment here in India. Having regard to the unfortunate circumstances which are still present to tarnish the fair fame of Hind, I am certainly of opinion that the Arms Act must yet remain and must be administered with care. But if an Indian of the description I have referred to is obliged to take out a gun licence and renew it every year, why should other people be exempted from the same operation? In the case of an Englishman, if he is true to his race, his instinct will always keep him loyal and therefore when an exception is made in his case, there can be no feeling of resentment. But no such reason exists for making an exception in the case of others, although there are many amongst my English friends who are themselves of opinion that in the interest of British fairness and British justice it is preferable to make the Arms Act applicable alike to all. But that is not my point. What I would respectfully urge is that in the near future when our minds are more at ease and when under Providence victory crowns our arms and our enemies are crushed Government would be pleased to consider the question of so revising the Arms Act that there may be no cause for grievance on the part of loyal Indians who may be also qualified on account of their social or professional rank or position.

" Inquiry into the rise of price of rice.

"One word more and I have done. We were all gratified the other day when the Government saw their way to accept in an amended form the reso-

lution which my friend the Hon'ble Pandit Madan Mohan Malaviya moved with regard to the prohibition of all export of wheat from India or the taking of such other steps as may seem advisable to Government to bring down the price of wheat. In the course of that debate I also mentioned that there was a scope for inquiry in the same direction with regard to rice, having regard to the fact of the high price at which rice is selling in the major portion of Bengal, particularly in the north and east. I do not wish to repeat all the arguments which I set forth on that day, but as I did not perhaps make my meaning clear, I wish only to say that what I urged was not to prohibit entirely the export of rice but to leave it to Government to take such steps as Government may think fit to bring down the price of rice, as rice is equally the staple food of millions of my countrymen in my part of the country and as the rise in its price, owing to the peculiar exigencies of the times, is causing the greatest hardship. I would respectfully urge upon Government to make an inquiry with a view to ascertain what step, if any, be it in the shape of increased facility for the importation of rice into Bengal from other provinces or otherwise, may be needed to keep down its price, and I hope Government will be able to see their way to take this matter into their consideration.

"I have to refer on this occasion also, to my friend on the right and to say that in this matter he too, with a degree of kindness which I did not venture to expect, saw his way to give me his support.

"My Lord, I desire to associate myself with my friends from the United Provinces in all that they said with regard to the unhappy and unwise rejection of the proposal for an executive Council for that province.

"In conclusion, I desire to endorse every word that fell this morning from my friend, the Hon'ble Sir Gangadhar Chitnavis, with regard to Your Excellency. In a word, I may say Your Excellency has succeeded in winning the love, esteem and regard, both of Mussalmans and Hindus."

The Hon'ble Mr. Setalvad:—"My Lord, I have now been accustomed for many years in the Bombay Legislative Council on the budget discussion to find member after member getting up and congratulating the Finance Member on his skill, his acumen, his sympathy and every virtue under the sun which they discover in him. Coming here I find the same thing in this Council; and I suppose I am expected to join in the chorus. But let me assure the Hon'ble Finance Minister that I do so on this occasion in no conventional manner. The task the Finance Member had to perform on this occasion was really a very difficult one and, as my Hon'ble friend, Mr. Surendranath Banerjee has told us, everybody in the country expected that the new budget would bring in fresh taxation. We were all very agreeably surprised with the budget that was introduced when we found that the Finance Minister was able to make his proposals for the expenditure of the year without any fresh taxation at all, and I do hope that circumstances will not so supervene as to force him to have additional taxation in the future.

"Coming to the heads of the budget, particularly referring to that of education in which I take special interest, the budget shows that in spite of the stress and strain of the present circumstances, the budget estimate for 1915-16 exceeds the revised estimate of 1914-15 by 15 lakhs. But the report which the Hon'ble Mr. Sharp supplied us with yesterday is on the whole sad reading. We find there that although the total number of children attending schools in this country has advanced by 737,426 during the period from March 1912 to March 1914, still the percentage of those at school upon those of school-going age is only 19.6, the average for the whole country; and the situation is still more unsatisfactory when you come to examine the figures with regard to the boys and girls. With regard to the boys the percentage is 32.8 per cent; with regard to the girls the percentage as shown in the report is only 5.9. Considering the real value and necessity of education, I do hope and trust that means will be found, if not in this year, in subsequent years, to promote very largely primary

education specially and also to push on the interests of all other education. The same report shows, Your Excellency, that although the Government of India were in a position to make available to the Local Governments large amounts to spend on education, as much as 300 lakhs represent the unspent balances. I am quite cognisant that the report makes it clear that this figure does not really represent the actual unspent balance. But the report says that in any event such unspent balance would be at least 100 lakhs. This is certainly very disappointing, and the reason given is that the Local Governments have not been ready with the machinery to utilise the funds placed at their disposal and to give effect to the extension of education that was contemplated; and I find from the report that Bengal and Bombay have been the greatest defaulters in this respect. I do hope therefore that the Imperial Government will in future ask the Local Governments to quicken their pace as regards education, and also to lay down beforehand ready schemes for utilising the funds that may from time to time be placed at their disposal. In Bombay, for instance, on one occasion the Government had chalked out a scheme for three years for opening new primary schools and utilising grants that may be made available for the purpose. Unfortunately that practice was since abandoned and the result has been in Bombay that though funds were made available the Government were not ready with the machinery to give effect to the proposed extensions. I hope this would be impressed upon the Local Governments in future and that they will always be ready with the necessary scheme and machinery for the purpose of utilising the funds that may be placed at their disposal.

“I want, Your Excellency, to associate myself completely with what has fallen from my Hon'ble friend Pandit Bishan Narayan Dar with regard to the attitude of the Indians during the present crisis. They have combined and they have made up their minds to render whole-hearted support to the British Government and to show to the world how loyal and united India is in support of the Empire, and the result is that prophets of evil have been falsified and our enemies have been completely disillusioned; and further the bravery, not only the bravery but the initiative, skill and resource shown by the Indian troops on the field must have been a source of great gratification not only to Indians but to Europeans connected with this country. Your Excellency, as my Hon'ble friend Pandit Bishan Narayan Dar said, all Indians have agreed that the voice of controversy shall be hushed while this war is pending and that nothing shall be done while the war lasts to embarrass Government in any manner or to do anything that might have even the remotest semblance of making terms for their loyalty or for exacting terms for their loyalty; nothing of that sort, all Indians are agreed, shall be done while the war lasts. I may however say that the loyalty of all Indians, particularly of educated Indians, is what has been rightly termed in certain quarters a reasoned loyalty. They are loyal, they have been loyal, and they will continue to be always loyal, because they are fully convinced that it is only under the British Government and under the fostering influence of British administration that they can ever hope to attain in fullness of time that self-government within the British Empire which they look forward to and are entitled to look forward to. Therefore, Your Excellency, if Indians expect that on the termination of the war, which they hope will soon be brought to a successful issue, a definite step forward would be taken in that direction, they are legitimately entitled to expect and hope so; and, as I have said, they expect that to be done, not as any price of that loyalty, not as a reward for their loyalty, but as a thing that justice requires to be done, that is ripe to be done and the time for which is opportune from their point of view. Taking this view, I join again in the observations that fell from my Hon'ble friend Pandit Bishan Narayan Dar and also the Hon'ble Raja of Mahmudabad with regard to the unfortunate step that has been taken by the House of Lords with regard to the Executive Council for the United Provinces. Pained as one is at the action of the House of Lords, one is still more pained at the attitude taken by retired pro-consuls from this country, specially the remarks of Lord MacDonnell, who is reported to have said that Indians have got all that they should be given for

the present and for a long time to come. I do hope and trust that that does not represent the real responsible opinion of those who are at present responsible for the administration of this country. In that firm belief, Indians do not despair that when the war has terminated, a definite step forward will be taken in the right direction.

"And so long as England is able to produce and send out to this country statesmen of the calibre and sympathies of a Ripon, a Minto and a Hardinge, there need be no reason for despair in the matter. Here, Your Excellency, I may be permitted to join my humble voice in expressing the hope that has been expressed by many members before me, that it may be possible for this country to have Your Excellency for a renewed period and certainly till the expiration of the war."

The Hon'ble Mr. Rayaningar :—"My Lord, the Financial Statement has relieved us from great anxiety. The whole country expected there would be some sort of fresh taxation for additional revenue to fill the void created by the war. It is a great relief to us that no scheme of taxation is in hand; and that the resources of Government, supplemented by the proposed loans, are quite sufficient to carry us through the next financial year too, without a serious check to our normal progress. It is true we cannot provide as liberally for the various progressive departments of Civil administration as we would, but there is no set-back to our development. This is a great point in favour of the present budget, and it is fully appreciated by the people. The Hon'ble Sir William Meyer deserves our best thanks for the admirable manner in which he has managed the finances of Government in these critical times.

"My Lord, cognisant as we are of the extreme difficulty of the situation, we cannot reasonably make any suggestions for additional expenditure next year, however desirable on its own merits such expenditure may be. But it is as well that we should press upon the attention of Government our wants now, so that the Hon'ble Finance Minister may provide for the most urgent among them when happily the finances improve. It is with this idea that I submit for the favourable consideration of Government that the Land Improvements Loans Act, under which loans are granted to agriculturists, should be amended, with a view to widening its scope and the range of the objects for which money may be advanced, and to reduce the rate of interest chargeable for such loans. My friend, the Hon'ble Raja Kushalpal Singh, pointed out to this Council only the other day how the Madras Government strained the law to make advances for the support of rural industries. As a matter of fact, it appears to have been felt by some of the Provincial Governments that the law should be more elastic. It is somewhat curious that provision should have been made for advances for the support of agriculture, but not for the subsidiary industries without which a reasonable degree of agricultural progress cannot be counted on. India is the only country in the civilised world where subsidiary industries do not receive as much attention as they should, and this accounts for the prostration of many a good industry. For instance, sugarcane cultivation is not so profitable in India, whereas it is one of the most paying concerns in other countries, and for the best of reasons. It is not only the quality of the cane grown here which is at fault; it is not even the method of cultivation and the crude process of extraction which make the industry unremunerative. These do, of course, contribute to the net result; but the main reason why the margin of profit is so narrow in the whole sugar industry is that valuable material which could be easily turned into useful commodities is allowed to be wasted. In some of the competing countries the *bagasse*, molasses and the scum are each one of them turned to good account. The scum is converted into one of the most valuable fertilisers; molasses in combination with bran, chaff, etc., serves as an excellent food for cattle, and in combination with chopped *bagasse*, cocoanut, etc., becomes fit for human consumption. Molascuit is one of the growing industries in the West. Distillation of alcohol

is another important industry. And yet all these subsidiary industries are scarcely known in India, and no wonder the principal industry is not paying. The same remark applies to many of the agricultural industries. Thanks to Your Excellency's Government, when a few days back I asked Government if they would consider the desirability of granting agricultural loans for industries subsidiary to agriculture, the answer was in the affirmative. I submit that by an amendment of the Loans Act it should be made possible for the Provincial Governments to introduce these subsidiary industries into promising areas by advances from the State funds. If the object of the Act be to support and improve agriculture, the range of its operation must be expanded, so as to cover the subsidiary industries. Such an expansion would involve increased expenditure, but in the interests of the country it has to be incurred. And I would also suggest that the rate of interest should be 5 per cent instead of $6\frac{1}{4}$ per cent. The object of Government cannot be to make a profit out of the business, and the debt being secured, the necessity for an extra rate to cover the possible loss of the principal in some cases disappears. The general rate of interest in the country has gone down appreciably during the last few years. Even if the sanctioned rate under the Act was found necessary at the time it was fixed, the same reasons do not exist now. The rate, therefore, should be revised. The concession will be greatly appreciated by the whole rural population, and can be made at a small cost to Government.

"My Lord, I beg to refer to another urgent need of the agricultural population. Government has made provision for collegiate instruction in agriculture, but so far it has admittedly not effected any material improvement in the situation. In my humble opinion, the utility of collegiate education could be vastly increased by initiating a system of primary and secondary education in agriculture alone. Agricultural schools are everywhere wanted, and they cannot be established too soon. And in these schools instruction in the technique of the industry must of necessity be imparted through the medium of the vernacular. In the progressive countries of the West there are special schools for the different industries, and the staff renders a substantial service to the community. The sugar schools of Germany and Louisiana have done a good deal for the improvement of the sugar industry of these countries. It is time therefore Government should prepare a scheme of elementary and secondary agricultural education, even if the initial outlay be somewhat large. India is essentially an agricultural country, and money should be spent liberally for the improvement of its principal industry.

"My Lord, the Hon'ble Sir William Meyer made a pronouncement in Council last year relating to waterways in Bengal. I beg to submit that the question of the improvement of waterways is an Imperial, and not a Provincial, one. They are equally important in every part of the country. It is of great importance to the agriculturists that facilities for the cheap transport of agricultural produce should be provided, and waterways have certain undoubted advantages over railways in this respect. They likewise serve the very useful purpose of irrigation canals. It would therefore be well to have a scheme of waterways for the whole of India, and when it is ready, it can be carried out gradually in the same way as our irrigation works. I believe the waterways will in the majority of cases be found productive. Speaking of the irrigation works I reiterate my prayer for safeguarding the interests of the Tanjore District against the proposed Kannambade project.

"My Lord, if these suggestions affect the finances of Government, I have got one submission to make with regard to railways, which has no bearing whatever upon them. The railways are at present directly to some extent under the control of the Government of India, and the Provincial Governments have no power to deal with even the most trivial matters connected with their management or improvement. This arrangement is at times very inconvenient. A good deal of correspondence and time may be saved if the Provincial Governments have powers delegated to them to deal with railway matters of local importance without reference to the Government of India. If anything, such delegation of powers will result in some direct pecuniary saving.

“My Lord, I fully sympathise with my friends from the United Provinces in their disappointment at the rejection by the House of Lords of the proposal for the creation of a Legislative Council for their Provinces.

“My Lord, I cannot conclude without drawing the attention of the Council to the serious position in the Punjab. When the Defence of India Bill was discussed on the 18th instant, I had not an exact idea of the gravity of the situation in that Province to which the Hon'ble Sir Reginald Craddock referred. Recently I had been to Jullundur, Amritsar and Lahore. I met several leading men of the province. They all feel the necessity of a legislative measure of this kind. Peaceful inhabitants, especially the Hindus, are subjected to acts of violence, and the outrageous offences against life and property have been committed in many cases by apparently respectable people. It is well that the new Act has been put into force in some parts of the Punjab. Had there been any delay in the matter, the consequences would have been very serious. I hope the measure, judiciously administered, will have the desired effect and bring to the oppressed the relief which they are so much in need of.

“My Lord, I take this opportunity to express our sense of gratitude to Your Excellency for what Your Excellency, Christ-like in forbearance, have done to promote the interests of Indians in this critical time of the world's history, and I pray that God will prolong your Viceroyalty in this country.”

The Hon'ble Mr. Abbott:—“My Lord, I rise to congratulate the Hon'ble the Finance Minister on the prosperous Budget he has presented to the Council and for the lucid and exhaustive exposition he has given.

“At a time like this when the greatest war the world has ever known is devastating and ravaging three-quarters of the world it must be a source of deep gratitude and pride to you, My Lord, and to this Council, to know that we in India are living in comparative safety and prosperity, and that in our bounden duty and all pervading loyalty we have been in a position to give, and have given, both men and money, for King and Country.

“Handsome as our offerings may have been, My Lord, they have not, I regret to say, been on the same princely footing and basis as that of our fellow Colonials. However, I am confident that the demand has only to be made and loyal India will rise as one man and offer to pay the expenses of our Expeditionary Forces in the same way as Canada and Australia are doing. I would go still further, My Lord, and I think I may safely assert that to meet this extra expenditure India would not cavil at a small rise in the salt and income taxes and also on import duties.

“Regarding the embargo on the export of wheat, I hope that the cultivators of Bundelkhand will not be forgotten when ear-marking the profits. Bundelkhand has suffered from failure of crops, famine and drought on an average of every 3½ years for the past 45 years to my personal knowledge. Now, just as they are expecting a bumper crop with a golden harvest it looks as if they are to be disappointed.

“I also, My Lord, beg to draw attention to the great cry for more irrigation in the United Provinces.

“I beg to associate myself with the claim of the Hon'ble Mr. Das for an Indian Christian on Your Excellency's Council.

“My Lord, it has become a time-honoured practice with non-official Members of this Council to take this annual opportunity of prefacing in general the needs and wants of the peoples and communities they have the honour to represent.

“As such, and on behalf of the Anglo-Indian Domiciled Community, I beg, My Lord, to tender you and your Ministers our heartfelt and grateful thanks for all that has and is being done for the advancement and betterment of our community. In particular I beg to thank Sir Henry Burt for the oft repeated and timely occasions on which he has come to the help and assistance of the Railway man. Now that he is about to leave India their heartfelt

regrets go with him, together with their respectful congratulations on the great and elevated position he has been called to;

“To the Hon’ble Mr. Maxwell, Director General of Posts and Telegraphs, whose reorganisation scheme has helped to give promotion from the subordinate to the superior amalgamated Services;

To the Director General, Indian Medical Service, who has improved the status, pay and prospects of the Indian Subordinate Medical Department;

“To the Hon’ble Sir Harcourt Butler, whose generous educational grants, and grant-in-aid policy, has brought education within the reach of the most depressed classes;

“Last, but by no means least, to His Excellency the Commander-in-Chief in India, for opening the long barred gate of recruitment into the British Army to the descendants of European parentage.

“My Lord, whilst expressing the deep sense of gratitude and appreciation of the Domiciled Anglo-Indian Community for all that has, and is being, done for them, I beg to remind Your Lordship in Council that there are several important and imperative disabilities that the community still labour under, principal among these being:—

“*Railways.*—The continued annual importation of what is known as the ‘covenanted men’ and who are principally appointed as Foremen in Railway Shops, Locomotive Drivers, Permanent Way Staff and Auditors. Time was, My Lord, when these importations may have been a necessity, but those times have long gone by. We have in India to-day fully equipped and up-to-date workshops, equal to any in Europe or America. That our community have benefited by these and have advanced with the times there cannot be the shadow of a doubt; but as proof positive I would assert that I have three personal friends on both State and Company owned lines, whose entire apprenticeship was spent in Railway Workshops in India and who rose to the highest rung of the ladder—Manager of Works. Similarly, with the Locomotive Driver. He is every whit as good and as capable as his “covenanted” confrere. This is no sinecure and can be proved from the fact that the Domiciled and Anglo-Indian Driver drove and piloted His Majesty three-quarters of the thousands of miles travelled by His Majesty during his last visit to India. You, too, Your Excellency, have had the same experience throughout your Viceroyalty.

“With reference to Permanent Way Inspectors, our Engineering Colleges in India give ample scope for education and as vast an experience, as apprentices, can be gained on Indian railroads as at Home. In addition to this the Domiciled and Anglo-Indian has to his credit a thorough knowledge of the country, the language and the people and above all is acclimatised and physically fit to rough the climatic conditions of India.

“The same remarks apply to the Audit Branch: our schools and colleges can furnish ample material with the necessary educational qualifications, and the training ground in India better fits and adapts them to conditions in India than the imported or covenanted man.

“*Representation.*—My Lord, I take the liberty of again begging to remind you that the Domiciled Anglo-Indian Community still remain unrepresented in most of the Presidency and Provincial Councils of the Indian Empire. My Lord, all we ask is the extension of this great privilege to our community, the same as is given to our Indian friends of all castes and creeds.

“*Administrative and Ministerial Appointments.*—My Lord, the rapid progress of higher education is daily fitting us more and more for a bigger percentage of these responsible and coveted appointments. India being our home, we naturally aspire and claim to be allowed a fair share of the bulwarks of this vast Empire.

“*Education.*—Grateful as we are for all that has been done in this direction, I would respectfully urge that the grant of a few more State scholarships for both girls and boys, tenable in England, would be a great boon to the community.

“Also greater facilities for admission and training in agricultural and technical schools and institutions.

“My Lord, in conclusion, I beg to again thank you, your Ministers and the non-official Members of this Council, for the attention, assistance, and courtesy I have invariably received at your and their hands.”

The Hon'ble Pandit Madan Mohan Malaviya:—“My Lord, as I have listened to the debate which has taken place to-day, my thoughts have gone back again and again to one who adorned this Council for twelve years, and whose loss has been mourned in this country and beyond it, as the loss of no other Indian of modern times had been mourned before. My Lord, my faith in the future of my country makes me hope that in the generations that are passing through our schools and colleges many a young man will be found who will equal, and, I hope, even excel Mr. Gopal Krishna Gokhale in intellectual power and ability; but, My Lord, none shall excel him in the pure loftiness of his patriotism, in selfless, ceaseless devotion to the country's cause, in the sincerity and depth of earnestness with which he desired the good of his countrymen and the unflagging zeal with which he laboured to promote it. My Lord, to Mr. Gokhale will ever belong the glory of having been the first Servant of India of the noble band of the Servants of India, which he himself organized, who, discarding all personal ambition, take the yow of poverty and self-sacrifice, and dedicate themselves heart and soul to the service of their motherland. My Lord, there is a movement afoot to create an All-India memorial to our departed friend and brother. I have no doubt everyone who respected or appreciated him will contribute towards the completion of that memorial, but I have one favour to ask of all who appreciated Mr. Gokhale, and that is that they should adopt a kindlier, a more sympathetic attitude towards questions in which he took a keen personal interest, towards causes which he pleaded from the depth of his heart, even if they cannot accept in their entirety the views which he expressed upon them.

“And in that view, My Lord, I wish to mention two particular questions. One is the question of securing the benefit of that elementary education to the people of India which lies at the root of all economic progress; and the other is the question of fairer recognition of the claims of Indians to a share in the administration of their country. My Lord, the Government of India have recently done much towards promoting primary education, but what has been done is as nothing compared to what remains to be done; and I hope and trust that the impetus which Your Excellency's Government have given to the cause of primary education will grow, and that much larger funds and energy will be devoted to it until education shall become the possession of the general bulk of the people.

“And, My Lord, so far as the question of a larger share for Indians in the administration of India is concerned, I hope that Mr. Gokhale's colleagues on the Royal Commission on the Public Services will, in deciding upon their final recommendations, bear in mind the views which he entertained and expressed, and see if they cannot give effect to them in whole or in part.

“My Lord, the best of reasons make me put forward these suggestions, for there is nothing more calculated to promote friendly feeling between Indians and Englishmen than a generous concession on the part of the latter of the claims of the former to a fair share in the administration of this own country. My Lord, the recommendations of the Public Services Commission will be awaited with great interest and anxiety, and I hope they will be such as to give general satisfaction to Indians.

“My Lord, the Budget before us is a War Budget, in the sense that it is affected by the War. Congratulations have rightly been offered to the Hon'ble the Finance Member for having avoided taxation. I have myself offered my congratulations on a previous occasion, and I do not wish to take up the

time of the Council by repeating them. But there is one circumstance to which I wish to invite attention. It seems to be forgotten that the taxation which the people of India have been paying for the last many years has been very heavy, and that it is that heavy taxation which has produced the financial position which India occupies to-day. Some time ago Mr. Gokhale pointed out that the total additional revenue raised by fresh taxation in the space of twelve years—between 1886-87 and 1898-99—was no less than 12·30 crores a year. Only a small portion of that additional taxation has been remitted since 1903-04, while taxes were imposed in 1910-11 on silver, tobacco and certain other articles. It was thought at the time the last addition was made to the public burden that that was done to meet the deficit which had taken place in the previous year; but that was not so. Questioned on the subject in his evidence before the Royal Commission on Indian Currency, Sir James Meston made this quite clear. Said Sir James :—

‘It is quite arguable now, and I think it was quite arguable even then, that for immediate needs that taxation was probably unnecessary, and that we could have got over the crisis of 1908-09 by temporary borrowing. But there appeared at the same time on the horizon a consideration which is not probably before the public. That was the fact that the Government of India knew that very large claims were going to be made upon it under Lord Morley’s instructions for the development of a programme of social reform. We knew that a very big scheme of education was in the air and we had estimates prepared in the Secretariat, which have never been published, which indicated the enormous call upon us in the near future. It was the same with sanitation and medical improvement.’

“And he concluded by saying :—

‘We also stood by the taxes that had been imposed ostensibly for the troubles of 1908-09, and which are now necessary for the real needs of the country in the near future.’

“My Lord, while we offer our felicitations to the Hon’ble the Finance Member, we might also remember that it is the taxes which have been paid for the last three years and more that have enabled our friend to save us from fresh taxation.

“My Lord, this is not the time to discuss the Budget at any length but there are two or three things which strike me as worthy of the consideration of the Hon’ble Finance Member. The crisis through which we have been passing has shown the great weakness of the position of the Indian cultivator, and indeed of the mass of the Indian people. It has shown that while there is an abundance of food produced in the country, the bulk of the people are often able to purchase it at the price at which it is sold. My Lord, my friend Sir Fazulbhoy Currimbhoy pathetically described the distress of the people who are crying for bread, when they see enormous quantities of wheat being shipped to other countries before their eyes. My Lord, I venture to say that that state of things is the result of a wrong economic policy and an unsound system of taxation which has prevailed here for some time. The whole system of our revenue and taxation requires to be reconsidered. I submit that it is high time that our policy with regard to both the export and the import trade should be reconsidered, and the bases of taxation be readjusted. It is time we reconsidered whether it is not imperatively necessary to so regulate exports of food-stuffs by duties as to prevent the people from being deprived of the food which is grown in the country; in other words, to secure that they should be able to purchase food which is grown in the country at a price which they can pay for it. Unless exports of food-stuffs are so regulated, it must happen, My Lord, that when a poor agricultural country like India enters the world market, it must happen that people with larger incomes will, as they can afford to pay a higher price for food-stuffs which they import than the people of this country can afford to pay. This is the main cause of the great rise in the prices of wheat and other food-stuffs, which has inflicted indescribable hardships on the great bulk of the people. We are thankful to the Government that it has taken the export of wheat into its own hands, for the period of the war. But I hope the Hon’ble the Finance Member will consider whether the time has not come when a regular duty on food-stuffs which are exported, particularly on wheat,

might be imposed, without any real injustice to the cultivator, and with real advantage to the people and the State. Then My Lord, it should also be considered whether the duty on imports might not well be increased. Some members have suggested, the Hon'ble Mr. Abbott among them, that that might well be done. We can make a large additional revenue by increasing the Customs duties. Manufactured articles are not such a great necessity for the people. They can afford to do less with them than with the food that feeds their bodies. The object of my suggestion is that food supplies should be made more easily available to the people, even though in the matter of imports they may have to pay a little higher price.

"My Lord, a great trouble at present is that the tax on land has been growing. The land is groaning under the burden which it has to bear. Year by year, even in this year of great scarcity, even in years of famine, the land revenue shows an increasing figure. My Lord, the cultivators are not able to get enough food to feed themselves and their families; yet the land revenue has been growing steadily year by year during the last 40 years. When, My Lord, will it cease to grow so far as the Government revenue is concerned? It is desirable that there should be more and more produce of food supplies; it is desirable that the cultivators' outturn should increase, but is it desirable that out of that increase, the Government should go on taking as much as it has been taking during the last decades? That is a matter to which I would invite the attention of the Hon'ble the Finance Member."

"My Lord, another question which has cropped up in the discussion is that of our contributions to the war. We have contributed, as one of the speakers has pointed out, roughly about 10 crores in supplying the Expeditionary Forces. Well, it is not mere gross silver that we have contributed, but we have contributed men, men trained and disciplined, devoted to win and die in the service of the King and the Country. And, my Lord, what we have done recently is a matter of satisfaction and a matter for congratulation to Your Excellency's Government, because, in addition to supplying such men as we could send, such men as are demanded of us, we have now helped, I hope, by the arrangement made about regulating the export of wheat, to supply food wherever it may be needed in the British Empire.

"My Lord, the question has arisen in connection with the war, and upon which remarks have been made by several members, namely, what is going to happen after the war? To me it seems it is premature to think of it. But, My Lord, certain events have happened which have pivoted the attention of the public on this question. The pronouncements made by Mr. Asquith, by Lord Kitchener and by Mr. Herbert Roberts, that India had entered into the Federation of the Empire, that the angle of vision for looking on Indian questions will change, and that India should entertain great hopes of great developments in future, have fostered a general and wide-spread hope that Indian questions will be considered from a liberal point of view. This feeling, My Lord, whatever the actual results in the remote future may be, this feeling is a great asset in the feeling of the country. The general body of the people hoped that these pronouncements were an earnest of the changes that were going to take place. But the action of the House of Lords, in rejecting the proposal for the Executive Council for the United Provinces, has, My Lord, undone to a great extent, if not entirely, these hopes that were entertained. I feel certain, My Lord, that your Lordship's recommendations will be given effect to. I do not feel any doubt in my mind that the English Parliament will see that the United Provinces do have the Executive Council which was promised to them so far back as 1835 by an Act of Parliament. I feel certain that the day is not distant when the Lieutenant-Governor will be relieved partly of the burdens which he has to bear alone. But, My Lord, the mischief which has been done by the action of Lord MacDonnell and Lord Curzon is far-reaching and will, I think, produce a bad effect.

"My Lord, Lord MacDonnell is reported to have said, in this connection, that no section of the population of the United Provinces except an infinitesimally small body favoured the proposals. My friends the Hon'ble the Raja of Mahmudabad and Pandit Bishan Narayan Dar have shown how little truth

there is in that assertion of Lord MacDonnell. But, My Lord, I am sorry to say that that is of a piece with another assertion which Lord MacDonnell made when there was a debate going on in the House of Lords on the question of Indian reforms, when he said that there was not an Indian to be found in the whole country amounting to 300 millions who could be appointed as a member of the Executive Council of the Governor-General. My Lord, the distinction with which Sir S. P. Sinha held the office of the first Indian member of the Executive Council of the Governor General, the ability and distinction with which my friend the Hon'ble Sir Syed Ali Imam has held that office, has shown what little basis there was in the assertion of Lord MacDonnell. My Lord, the country knows, the country at any rate is convinced, that this reform, by which the Indians have been taken, so to say, into the confidence of the Government and into the innermost circle of the Government of India, is of real and far-reaching importance. There was no measure of reform among the many reforms introduced during the time of Lord Morley and Lord Minto which had a more far-reaching effect in that direction than the appointment of Indians on the Executive Council of the Governor General of India. But, My Lord, if Lord MacDonnell and Lord Curzon had had their way, this reform would not have taken place and the Indians would not have had the satisfaction of seeing a brother of their own occupying a seat in the highest Executive Council of the Empire, and Your Lordship's Government would not have had the advantage of the experience and ability of such a member.

" My Lord, in sanctioning a particular proposal of reform like that of the Executive Council, what is really needed is a determination, a resolution on the part of all who are interested in England and India, to readjust our relations somewhat, and to begin to regard each other—I am speaking of those who do not take that view—as really equal fellow subjects of one common King and of one common Empire. My Lord, the basis of our brotherly relations, if I may be pardoned for saying so, is to be found in the great Proclamation of Her late Majesty Queen Victoria. It is strange how people sometimes give their adhesion to principles and how in practice they do not like to adhere to them, and even violate them. Lord Curzon, speaking of that Proclamation, said that the famous Proclamation of 1858, the Magna Charta of India, was the ultimate goal of our demands and aspirations. And yet we find Lord Curzon getting up in the House of Lords and opposing the appointment of an Indian member to the Executive Council of the Viceroy and opposing the constitution of an Executive Council for the United Provinces, when he knows that the entire wisdom of the Government of India, for a hundred years and more, pronounced in favour of a system of Council Government for every Presidency prepared for it, when he knows that Madras and Bombay have flourished for a hundred years and more under a system of Council Government, and when he knows that, with the experience derived of the present circumstances of India, Your Excellency's Government recommended a Council Government for Bengal and also for Bihar and Orissa. My Lord, there is a rule that persons who have not lived within ten years in India ought not to be appointed members of the India Office. It seems to me, My Lord, there is much reason in the rule that gentlemen who have been out of India for more than ten years, and who have not kept in touch with the people of India by correspondence or by visits, had better refrain from making pronouncements on the needs of India of to-day. Your Excellency, who is in this country, who has fostered reform movements in different provinces of the country, and who is in touch with the people and with the Lieutenant-Governor of the United Provinces, who is the man working on the spot, feeling the apparent wisdom of his advice, made a recommendation that Council Government should be instituted in the United Provinces. Lord MacDonnell who has been out of India for about fourteen years and Lord Curzon who has not been in touch with India for nearly ten years, take it upon themselves to say that India does not need such a reform. I only refer to this because Lord MacDonnell went on to make an assertion which is calculated to create, and which I fear from the remarks which have appeared in the papers, has already created, a very bad impression. I have referred to the

pronouncements of Mr. Asquith, of Lord Kitchener, and of Mr. Herbert Roberts. As if to counteract, as if to put forward something against, those statements, Lord MacDonnell is reported to have said that all reasonable demands of educated Indians have been adequately provided for the present and for a long time, and when the time came for a change, it would be better to proceed by dividing the provinces and thus relieving over-burdened Lieutenant-Governors than to give them Councils. Lord Curzon endorsed that view by saying that it would be better to convert Lieutenant-Governorships into Chief Commissionerships. He might have gone a step further and advocated converting them into Commissionerships, because, My Lord, Commissioners' divisions are large enough to occupy the attention of one man. I regret to say that Lord MacDonnell and Lord Curzon do not realize what disservice they have done to the cause of progress and reform, and to the cause of the contentment of the people in this country, by making such assertions at a time when the newspapers have been full of discussions as to the possibility of reform movements in the future. As I have said over and over again, My Lord, I do not wish to talk of the reforms that will come. I have faith enough to believe that they will come in their proper time. When the Proclamation of Her late Majesty Queen Victoria was published, Lord Canning was at the helm of affairs in this country, and, My Lord, there is one passage that he published in a Proclamation of his own to which I wish to invite the attention both of the people of my country and of all the officers who serve the Government. In that Proclamation Lord Canning called upon the servants of the Queen, one and all, each in his degree and according to his opportunity, to act with his whole heart and strength in fulfilling the gracious will of their Queen as set forth in the Royal Proclamation, and at the same time, My Lord, he rightly called upon all Her Majesty's Indian subjects to yield loyal obedience to the Queen. My Lord, the words of Lord Canning are the golden key of our conduct.

"My Lord, there is one other matter to which I should like, with Your Excellency's permission, to refer before I finish. I should have personally avoided, My Lord, a reference in to-day's debate to Your Excellency's impending retirement. But as a reference has been made to it by more than one speaker, I hope Your Excellency will pardon me for saying a few words about it. My Lord, I venture to think that of all the British statesmen who have made themselves illustrious as Viceroys and Governors General of India, there is none, in my opinion, who has touched a truer chord of sympathy, none who has enjoyed the esteem and affection of the people of India in a higher degree than Your Excellency. Your Excellency's generous sympathy with the people of India, your love of justice, the trust that you have reposed in them, your earnest desire and endeavour to promote their well-being, their happiness and contentment, and last, though not least, My Lord, the sufferings that Your Excellency has undergone in the service of this country, have endeared Your Excellency to the people of India; and though it would seem to be almost cruel to desire that the period of Your Excellency's office—a period of heavy responsibility which rests upon you as the Head of this extensive Empire at a time of great stress—should be prolonged, yet, My Lord, the faith that the people have learnt rightly to repose in Your Excellency is a factor of inestimable value to the Empire and, therefore, both for the good of India and of England, the prayer which has been addressed to His Majesty the King-Emperor by the Indian National Congress, speaking on behalf of the people of India, will, I hope, coincide with the sense of His Majesty's Ministers of what is demanded by the situation in India and commend itself to His Majesty. And, My Lord, I have hope that, with the lofty sense of duty which Your Excellency has shown in your high position, Your Excellency will be pleased to agree to stay another year or two with a people who hold you in grateful affection, and love and trust you as they have seldom loved and trusted any of your predecessors."

The Hon'ble Rai Bahadur Sita Nath Ray :—"My Lord, the singular ability which the Hon'ble Finance Minister has displayed in tackling

a peculiar and grave situation and the skilful manner in which he has been able to meet the deficit, without adding, however slightly, to the burden of our taxation, are sure to call forth the unstinted admiration from all alike, and for all this, I beg to offer him my sincere congratulations. In this year of extraordinary stress and emergency, in this year of dislocated trade and finance when a vague but unwarranted sense of insecurity was prevailing in the country and when apprehensions of something grave and unforeseen happening were agitating the public mind, it is well that the Hon'ble Finance Member should have abstained from having recourse to any extraordinary expedient, temporary or otherwise, from meeting the situation and thereby relieved the public mind of a heavy load of anxiety and at the same time, I must confess, that the several bold steps which the Hon'ble Finance Member has taken in this connection have eased the situation and have had the desired effect in reassuring the public mind and restoring public confidence.

“ My Lord, I cannot, in passing, abstain altogether from alluding to the very acute situation which arose in Bengal at the outbreak of war when the shock of it was most severely felt, for it was then just the beginning of the jute season and the war nearly paralysed that industry in all its branches bringing suffering to large classes of people in Bengal. The result was that there was a rush of depositors for withdrawal of their moneys from savings banks, and though the efforts of the authorities combined with individual efforts succeeded in partially allaying the public anxiety, the rush continued for some time ; and in that state of public feeling, I must say, the Government acted very wisely in allowing every facility to the depositors for withdrawal of their moneys from the savings banks, and it was indeed a very wise, bold, and statesmanlike step to provide facilities, even in district treasuries, for encashment of currency notes, which the Government was not bound to do. However, the indulgence shown and the extreme latitude given had their own rewards, and what was the result ? The result was returning full confidence in the stability and permanence of the British Government, and what does the present position of the Government securities and other stocks, such as Municipal and Port Trust debentures, indicate ? If it indicates anything, it indicates the growing conviction of the people in the ultimate success of the invincible arms of the Allies over German militarism and barbarism and the triumph of righteousness over unrighteousness. It further indicates returning prosperity and revival of trade and commerce so unduly disturbed in the beginning of the war.

“ In this connection I may further mention that the Government of India acted very wisely in prohibiting the issue of gold to the public as it would have given rise to a panic and every one would have scrambled for gold for holding, hoarding, or burying it underground, and the result would have been wide-spread alarm, for Government would have ultimately been obliged to withdraw the concession. How serious and acute the situation was can be realized from the following quotation from the Hon'ble Finance Member's speech :—

‘ The price of raw jute necessarily showed a great drop from the record figure (Rs90 per bale of raw jute) obtained in the preceding year, falling as low at one time as Rs31 a bale. But the initial paralysis of the internal trade is clearly indicated by the fact that whereas between August and October 1913, the issue of rupees from the Calcutta Currency Office in connection with the financing of the jute crop amounted to some thirteen crores of rupees, the issue in the corresponding period of 1914 was about fifty-six lakhs only. And this at a time when the crop was a record one. This state of things brought hardships to all engaged in that trade, but specially to the poor ryots. The position has since then generally improved, but not to the extent as anticipated as the winter rice crop has not been up to the average mark’

“ In this connection I cannot refrain from mentioning the several wise precautionary measures that were taken from time to time in Bengal and specially in Calcutta by our popular and much respected Governor and his Government in allaying public anxieties and in ensuring public safety.

“ My Lord, as regards the main features of the Budget, I wish to make a few remarks only. There is a deficit in the current year as shown in the

revised estimate instead of a surplus on the Imperial side, and Imperial and Provincial figures taken together show a somewhat larger deficit in the revised estimate than what was anticipated in the Budget estimate. In the forecast of the coming year there is also to be a deficit. 'All this,' to quote the Hon'ble Finance Member's words, 'is, speaking generally, entirely attributable to the war, and more especially to the decrease in the two large sources of revenue which have been so severely affected by the consequent dislocation and depression of trade.' Not only on Railways and Customs but on almost all the earning departments of the Imperial and Provincial Governments the war has left its marks. The Budget for 1915-16 has been forecasted in consideration of the same conditions prevailing in the next year. We have not only to meet the deficit but there is also the other important head of capital outlay which has also to be met. The Hon'ble Finance Member has shown us how he has met these demands in the present year and how he intends to meet all the demand upon his purse in the forthcoming year. I should like to say a few words on the general line of policy which the Hon'ble Member has adopted in his Budget statement to meet his demands in the next year. There is, I see, a considerable curtailment of expenditure in some of the heads. The effects of this policy of retrenchment are largely visible in the following heads: expenditure for special grants, education, medical, etc., railway expenditure and Delhi expenditure. As regards the former the Hon'ble Finance Member says: 'The large balance still in hand is in considerable measure due to the fact that we have found it necessary in existing circumstances to debar local Governments from drawing on their balances with us during the coming year beyond an aggregate amount of about one million.' There has been also considerable curtailment of railway expenditure and Delhi expenditure.

"My Lord, while on this railway head, I am glad to mention here that the Sara Bridge, now associated with Your Excellency's name, is an accomplished fact, which will go further to promote the development of the great jute and tea industries of North and East Bengal and of Assam. This subject of railway communication naturally reminds me of another subject which is closely allied to it, and is so regarded by the Governments of all other civilised countries. But the subject has never been treated in that light by our own Government. The splendid natural waterways of this country, especially of Bengal, to which I alluded in my last budget speech, are a valuable asset. I again invite the attention of the Government to look upon these splendid natural waterways as necessary adjuncts to railways. Not only trade and commerce but sanitation would also derive considerable advantages from their improvement. The improvement of the numerous waterways which intersect the country is beyond the scope and resources of the local Governments, and so I earnestly entreat Your Excellency's Government to take up this subject as a matter of Imperial policy and concern. In this connection I cannot refrain altogether from prominently drawing the attention of Your Excellency's Government to the very useful project generally known as the Grand Trunk Canal Scheme in Bengal formulated by Mr. Lees. I believe the scheme has been referred to the Imperial Government for sanction, and I hope that the carrying out of this well thought out scheme, while improving the waterways and thereby facilitating the development of the internal trade of Bengal, will be associated with Your Excellency's name by giving early sanction to its execution.

"My Lord, now coming again to the policy of retrenchment which I have stated already, I may say that there is a limit to this policy. We have come to a stage when this policy cannot be pushed much further, as I see that every day there is an increasing interest and demand for further development and progress and consequently further expenditure for material and social improvement. The question then comes to this, how we are to increase our income to meet our ever-growing demands? The answer is that we must have recourse to either borrowing or taxation. The Hon'ble Finance Member has taken the former course, and gives his reasons in the following words: 'We do not propose on this occasion to raise any money by increased taxation. We should not hesitate to do so to meet the deficiency in revenue which promised to be of a

more or less abiding character. But the present circumstances are altogether peculiar. We know that ordinarily we can count upon surpluses. India, too, has a very small unproductive debt, and with trade conditions depressed and the present rise in food prices in a large part of the country, we have come to the conclusion that we ought not to add to existing taxation unless it is absolutely necessary. We hold that this necessity has not yet arisen.' My Lord, the circumstances are no doubt peculiar, and no one knows when normal conditions will return. Even if they arrive sooner, we cannot, in my humble opinion, rely on this loan policy nor can we count upon our ordinary surpluses, for they may not appear for some years to come. As the Hon'ble Finance Member says: 'We must also remember that when the war is ended some of its effects may endure for some time to come, and in particular we shall then have to face the question of dealing with the temporary debt which we are now accumulating.' Then again, there is an ominous warning in the words of the Hon'ble Finance Minister when he says: 'We have not proposed additional taxation to make good deficits which we hope will prove temporary only; but as I have already said we should not hesitate to do so if it appeared that our permanent revenue position was seriously threatened.' I also wish that our deficit may prove temporary only. But, My Lord, I have very grave doubts on this point, when I consider that our agricultural prosperity on which depends everything else, is susceptible to external influences in the extreme; that we cannot have any more windfalls from the opium revenue; that the effects of the war, as the Hon'ble Finance Member says, may endure for some time to come even after the cessation of it, which will greatly influence our financial position; that there is an ever increasing demand for social and material improvement. The whole course of events and the gist of the Hon'ble Finance Member's speech point to the direction from which we can expect help. The Hon'ble Finance Minister says that we should not hesitate to do so (to have recourse to taxation) if it appeared later that our present revenue position was seriously threatened. My Lord, no one knows when this critical situation will come. In these abnormal times and exceptional circumstances, it may come sooner, after all. We ought to be ready beforehand to meet this eventuality. Then, My Lord, I shall try to prove why this loan policy cannot, on its own merits, be a successful one in the present abnormal situation. I admit that 'the public debt of India represents productive outlay normally yielding a return far in excess of the interest which she has to pay on the amount borrowed; sufficient indeed to cover also the interest on the small margin of debt which can be described as unproductive and still to leave an ample margin.' I admit that 'we raised 5 crores in the current year and with great success' but that was before the war, when the circumstances were entirely different. The Hon'ble Finance Member also holds this view. We have to remember this peculiar situation in connection with the floatation of our loan in the forthcoming year in India. Then as regards our borrowing in England, the Hon'ble Finance Member said last year: 'An increase in rupee borrowing is justified not merely by the general conditions which prompt every country to keep as much of its public debt as possible in the hands of its own people but by the fact that of late it has become more economical to borrow in India than in London.' If such was the case in normal times, I do not understand what hope is there that our future loans would be successful and economical in the exceptional circumstances now prevailing in England and which are sure to continue for some time to come. In another place the Hon'ble Finance Member says: 'I recognise, too, that the circumstances prevalent in July, when we usually float our loans, may prove so unpropitious that we may find it desirable to have recourse to other methods for raising either a part or the whole of this amount.' In connection with the raising of this loan I beg to suggest that the time has come when it would be extremely desirable and politic in the interest of the people of this country that future loans should be raised at the rate of 4 per cent. I may give an instance of the bad effects which followed the policy which led Sir J. Westland to reduce the rate of interest from 4 to 3 per cent and the result was that the Government securities which are quoted at the rate of 3 per cent became an unsaleable commodity in the market, and it is now no longer a marketable commodity. I therefore quite agree with

the Hon'ble Mr. Dadabhoj that future loans should be raised at 4 per cent, which will go to induce the people of this country not only largely to invest in Government securities, but at the same time go to inspire confidence.

"In conclusion, I beg to associate myself with the words which have fallen from the Hon'ble Sir Gangadhar and the Hon'ble Mr. Banerjee about the undoubted claims which Your Excellency has established upon the gratitude of my countrymen; for Your Excellency's kind and sympathetic administration, for Your Excellency's kind sympathies with the hopes and aspirations of the people entrusted to your charge, and for the various ways in which Your Excellency has tried to foster education, sanitation and, may I add, self-government; and, lastly, for the unflinching faith and confidence Your Excellency has under all circumstances shown in the loyalty and good sense of India, and the way in which they have been utilised; and as such I must say that we sincerely share the regret which has been expressed on all sides at the approaching departure of Your Excellency, but we sincerely trust and pray that His Imperial Majesty will be graciously pleased to give due effect to the united prayer of a whole nation, by extending the term of your exalted office until such time at least as the war lasts."

The Hon'ble Raja Kushalpal Singh:—"My Lord, it is but the barest justice to the Hon'ble Sir William Meyer to mention that the Budget under discussion is an agreeable surprise to us. Within a short time after declaration of war between Britain and Germany, it became evident that we would have to face a heavy deficit both in the current and in the coming year, and that our finances would stand in urgent need of replenishment. In view of the exceptional conditions, the popular belief was that additional taxation, of a temporary nature at least, would be unavoidable; but through wise management, which does credit not only to his head but to his heart as well, the Hon'ble Sir William Meyer has spared the country a pecuniary sacrifice for which it was prepared. And yet the absolute needs of good government have not been overlooked. It is doubtless possible to suggest alterations in the Budget allotments according to our views of the relative importance of the different heads of expenditure, but they would involve controversial questions of policy which cannot be profitably discussed now.

"On the whole, the Budget inspires confidence as much in the financial strength of Government as in the ability of the Hon'ble Finance Minister to carry us through these difficult times with the minimum of inconvenience.

"My Lord, the Hon'ble Finance Minister will not think I am wanting in my appreciation of the provision he has made even at this time of difficulty for the extension of irrigation, both productive and protective, in my province as also for minor works, if I press the claims of the United Provinces for further allotments.

"But these are minor matters. The great need of the Province is liberal Imperial grants for Education. The Hon'ble Finance Minister, in justification of the reduced programme of expenditure for Education, has referred among other things to the inability of the provinces to spend in full the non-recurring Imperial grants. But his conclusion must be based upon the experience of Provinces other than the United Provinces. So many schemes are ready that no difficulty can justly be apprehended on the score of the inability of the department to utilise a heavier allotment.

"My Lord, one more observation on a subject of local interest. The adverse decision of the House of Lords, as regards an Executive Council for the United Provinces, has been received with keen disappointment by the local public. Nobody ever thought the subject was anyway controversial or that there was any doubt about the policy of Government. We have all along hoped, and our hopes have been encouraged and confirmed by the sympathetic pronouncements of Government, that the Province would get the Council form of Government in a short time. We do not blame this Government for the

result. Indeed, the Government of India have been so earnest about the reform that a sum of Rs. 1,19,000 is allotted in the present Budget for an Executive Council for the United Provinces. But what we do complain is that the House of Lords should have intervened at the last moment to thwart an administrative reform to which the people justly attach great importance and about the utility and expediency of which this Government, with all the facts in its possession, is fully convinced. We sincerely trust the sound views of the Government of India will yet prevail, and this reform will be further pressed upon the Secretary of State as one which should be adopted at once in the interests of good government.

“ My Lord, one matter of vital importance to the whole of India demands close scrutiny at the hands of Government. For the last few years the people have realised more and more the absolute necessity of a rapid extension of feeder railway lines, known as Light Railways, not only for the economic development of rural areas, but also for the safe and profitable investment of their savings. The encouragement so far given by Government to them has been productive of excellent results, and with the success of some of these lines the prospects of this class of private enterprise have brightened. The popularity of the railways is distinctly on the increase. But these factors appear to have excited the jealousy of the foreign companies working the trunk lines, and a movement seems to have been started by them for securing a monopoly of the feeder lines also. The most influential among them—the East Indian Railway Company and the Bengal-Nagpur Railway Company—according to the latest information, are seriously contemplating forming auxiliary companies for the floatation of schemes of feeder lines to those two trunk systems. This is most unfortunate, and the people look up to Government for arrangements, reserving for them this class of investment and enterprise. When we are anxious to participate in railway enterprise, there is no reason why we should not have as of right at least one class of railways in which we may have scope for our activity. There is nothing in principle to justify the existing arrangement under which the fate of a scheme started by a private company in India should be dependent upon the good-will and sanction of a powerful competitor like the big Companies managing the trunk lines. The subordination of our interests to those of foreign Companies is neither economically nor politically sound. I submit, My Lord, an early and sympathetic decision by Government on this subject is needed to satisfy public expectations.

“ My Lord, the appointment of our colleague, Sardar Daljit Singh, to the India Council must be agreeable to landholders as a class all over the country. It has also the merit of giving effect to the principle embodied in the Parliamentary Bill for the reconstitution of that Council. For the first time has an elected member of the Imperial Legislative Council been selected to serve on the highest Executive Council. Apart from the question of the personal merits of the nominee, the selection should on this ground alone be acceptable to the public.

“ My Lord, one more submission, and I have done. Your Excellency has come to be trusted and loved by the people; we have firm faith in your untiring industry for our good; we are safe under your protection. Self-interest accordingly prompts us to hope that, even though an extension of service may be personally disagreeable and inconvenient to you, Your Excellency will not leave the country you have loved so well until the clouds of war have completely passed away. We have fervent hope that His Imperial Majesty will be graciously pleased to consult the wishes of his Indian subjects and to allow India the substantial benefit of Your Excellency's sympathetic guidance till the war is over.”

The Hon'ble Sir William Meyer :—“ My Lord, I said in my speech in introducing the Financial Statement that the Budget for the coming year was framed by us under circumstances of peculiar difficulty and uncertainty. It is therefore a matter of sincere gratification to me, both on behalf of Your Excellency's Government and for myself in particular as Finance

Member, to find that the way in which we met the difficulties that confronted us, the manner in which we faced the situation without recourse to drastic cutting down of expenditure on the one side or the imposition of taxation on the other; has met with general approval throughout the country and that this has been so eloquently and unanimously voiced by our non-official Colleagues in Council. I think, too, that I may claim the same meed of approval for the special action taken from time to time by the Finance Department from the beginning of the war crisis. I thank my Hon'ble non-official Colleagues who have spoken for the very kind way in which they have referred to me personally; and it adds to my gratitude that I have not much to say in the way of a reply to criticisms, for I do not propose to travel outside matters that are cognate to the budget. This, My Lord, is a sort of recognised oratorical saturnalia; every member speaks of the things that are near to his heart; but as the Finance Member is also under a time limit he cannot be expected to follow all these devious paths and must keep to what actually belongs to his budget.

“Nor can I consider what the Hon'ble Mr. Banerjee and others have invited me to do; I cannot deal with what is going to happen when peace and plenty come back again—as I trust they will ere long—when that time comes we shall have to consider what we can do with, I hope, our abundant cash. In the meantime I am not going to be seduced by eloquence from Bengal or elsewhere into making any premature promises. I would only add a word of caution—that the end of the war is of course not necessarily the beginning of a new financial era; there will be a great deal of ground to make up and there will be also a good deal of temporary debt to defray.

“I will, however, make one exception to the rule I have laid down for myself. The Hon'ble Mr. Das pleaded for a member in this Council to represent the Indian Christian community. Well, although the Hon'ble Member specifically represents another constituency, he also represents the interests of his co-religionists so well that I wondered why this request was made, but, after a little cogitation, I think I have got the right reason. I have noticed on several occasions that the rigour of the time rule has brought down the guillotine on the Hon'ble Member when he was in the full flow of his eloquence. It is probable that if he could get a Colleague after his own heart, a brother of his soul, who might sit by him, he would, when the guillotine descended, pass on his manuscript and notes, and so the speech could be delivered in an entire form!

“The same Hon'ble Member complains of the want of special budget provision for the education of Indian Christians. Well, it is not usual to make special provision in budgets for education according to sects, but I must say I was a little surprised at this complaint of the neglect of his class, because I have always understood that the Indian Christian was exceedingly well-off for educational institutions, thanks to the activity of Missionary bodies for example, whose schools and colleges are largely subsidised by Government. And if my friend will look at actual results, he will find that the Indian Christians stand very high indeed in the educational scale.

“The Hon'ble Sir Gangadhar Chitnavis, Mr. Dadabhoy, Mr. Marshall Reid and Sir Fazulbhoy Currimbhoy dwelt on what I have said in regard to the possibility of borrowing in India next year. Well, I can only repeat here what I said in my speech on the Financial Statement that we hope to get 3 million pounds in India some way or other. We recognise that the circumstances are peculiar, and we must reserve to ourselves the consideration of the particular way in which we shall endeavour to do this. It would be quite premature to consider that matter now. The circumstances of the market, the circumstances of the political world, may have entirely changed before the time at which we usually bring out our loans. But I can say one thing in regard to what these Hon'ble Members have said, that of course the Government, in making any arrangements for next year, will have in mind, as far as possible, the safeguarding of the interests of the people who are in possession of existing Government securities. It would be very bad business on our part to do anything wantonly to depreciate our own paper, and we shall therefore take that

fact fully into consideration. I shall also keep fully in touch with commercial opinion through the Controller of Currency, Mr. Howard; and I am myself going down to Bombay presently. I think it is quite likely, though I cannot pledge myself yet, that when the time is more advanced, if things still seem difficult and uncertain, I may follow the example that has been urged upon me, that of Mr. Lloyd George, and, with Your Excellency's permission, have an informal conference with some representatives of the banking and commercial community. As I say, however, I cannot make any definite statement on that point yet. But I do hope that, if we have such a conference, the Bombay representatives will show themselves a little more courageous than my friend Mr. Marshall Reid. Mr. Reid commenced his speech by saying that although he accepted an eight million railway programme in the special circumstances of next year, as soon as things got normal again he was going to press not for a 12, but for a 15, million pound programme. That means, of course, extra borrowing, and I thought that Mr. Reid would go on to say that Bombay would help to find the money. Not so; he says 'provide more money for railways by all means, but for heaven's sake do not ask us to lend it to you; get the coin from somebody else.' Well, to those who ask Government to raise more money for capital enterprise I say that there must be two sides to every bargain, and if they want the Government to move they must do something to meet the Government.

"The Hon'ble Mr. Dadabhoj made some very interesting remarks about Post Office deposits and said that we should increase our present rate of interest. Well, our present rate of interest is 3 per cent, which is more liberal than what the Home Government gives and I think it is quite liberal enough as compared with our present borrowing rate. As we borrow in the open market at $3\frac{1}{2}$ per cent, Mr. Dadabhoj would like us to pay $3\frac{1}{2}$ per cent for our Post Office deposits also. But obviously there is all the difference in the world between the interest you pay for a loan which you do not have to repay except when you want to, and the interest which you pay on money which you have to pay out on demand, and which, as the circumstances of this year have shown, you may suddenly have to pay out to a large and inconvenient extent.

"The same Hon'ble Member was eager for more statistical information as regards education and sanitation, and especially in regard to the expenditure of grants and so forth. Well, I endeavoured to give this in my last year's Budget speech as far as I could do so in a general way, and if my Hon'ble friend will refer to paragraphs 43 to 48 in my speech of last year he will find that I brought certain figures together. But when Mr. Dadabhoj asks for the same sort of information as is furnished by the Secretary's memorandum in respect of capital railway outlay, he must remember that in respect of capital railway outlay we are dealing with large projects of limited number which are entirely under our own control. Now as regards the outlay on education and sanitation, grants go from the Government of India to the Provinces, and the Provinces also make their own allotments from provincial funds. As these grants flow to the people through a vast variety of different channels, it would be quite impossible to have a statement showing expenditure on education and sanitation in the same way as expenditure on railways.

"The Hon'ble Mr. Malaviya made some interesting remarks on export duties and import duties and Mr. Ghuznavi professed an ardent desire to pay more income tax. Well, these suggestions may prove useful if the time ever comes when we have to increase taxation, but I need not discuss them at present as we have decided not to do this now.

"The Hon'ble Mr. Malaviya referred to the taxation that was imposed in 1910, and said that it was that taxation that enabled the present Government to meet the existing crisis without putting on fresh taxes, implying that that taxation was imposed before its time. Well, that question was thoroughly debated at the time, but it will interest the Council, perhaps, to learn that the proceeds of that extra taxation come to about £1 million, and if Hon'ble Members will refer later on to that portion of my last year's speech to which I referred just now and look at paragraph 46 about grants to local Governments,

primarily for Education and Sanitation, they will find that besides large non-recurring grants we gave exactly a million pounds of permanent contributions to local Governments between 1911-12 and 1914-15 so that that may be taken against the extra taxation imposed in 1910. And of course there is another thing to be remembered on the other side, that we have lost about 3 million pounds recurring revenue under opium. So, although I should be the last person to belittle anything my predecessors have done—in fact, I think I tried to acknowledge their merits in the matter of finance very specially in my speech introducing the Financial Statement—still I do not think it can be fairly implied that we are entitled to no particular credit for not having imposed taxation this year because of the taxes imposed in 1910.

“The Hon'ble Pandit also referred to the land revenue and asked, why is the land revenue not coming down; and why is it going up? Well, that is a matter of course for my Hon'ble Colleague Sir Robert Carlyle rather than for myself, but I may say that land revenue naturally expands with the increase of cultivation. As regards the actual rates of land revenue, there was a very interesting enquiry, which the Hon'ble Pandit no doubt remembers, instituted by Lord Curzon; about the year 1902, I think, and there are further discussions on the subject in the Chapter on Land Revenue in Volume IV of the Imperial Gazetteer.

“I think the Hon'ble Member will find there that, relatively, so far as the proportion which the Government takes, in comparison with the actual takings of the cultivator is concerned, the land revenue has not increased; it has decreased.

“The Hon'ble Raja Kushalpal Singh is very anxious about Feeder-line Companies. The Feeder-line Companies, I think, have shown their capacity to look after themselves. To my mind they are one of the most welcome features of the economic development of this country in recent years. You have got companies financed by indigenous capital opening out the country and earning a good rate of interest. And even during the present difficult circumstances, money is going on being subscribed. But the Hon'ble Member seemed to think that there was great rivalry between the feeder lines and the main lines. We had some correspondence with the Secretary of State on that subject not so many months ago, and the decision come to was that there was room for both. We came to the conclusion, and the Secretary of State entirely agreed, that there was room enough for various sorts of legitimate railway enterprise, and that the feeder companies were not suffering at all.

“The Hon'ble Mr. Surendra Nath Banerjee criticised the grant of time-scale allowances to Indian Civil Service and Police officers, and in so doing he also voiced an amount of criticism that I have seen in the press, for I can assure my Hon'ble friend that I do read the newspapers, including his own paper, the 'Bengalee.' I read his leading articles for political instruction, and I derive amusement from the letters of his London correspondent. I should like to explain more clearly what has happened in that matter. As Hon'ble Members will realise, there are two ways of paying the rank and file in any service, apart from the selection appointments at the top. You can have what is called a 'time-scale,' that is, a man gets so much on joining, and then his pay increases year by year—or it may perhaps be every two years or so; but it increases regularly by certain increments, provided, of course, he continues to do his work satisfactorily. As opposed to that, you may have what I may call a 'promotion scale.' Here there is no time-scale, but there are a certain number of grades and a certain number of posts in each grade. These carry specific rates of pay, and an officer's attaining to a particular grade or class does not depend directly on the length of his service, but has a certain amount of luck about it. It depends on the extent to which his seniors retire, or die or take leave, for leave gives him temporary promotion. Originally most of our big services were dealt with in this way, but of late years we have in a number of cases found the time-scale a more convenient method of payment, that is to say, for the rank and file; and many of the great services, Public Works, Education, Forests and so on, have been put on to a time-scale.

On the other hand, the Indian Civil Service and the Police remain on what I have called the promotion-scale. Well then, what is the result in a time like this? It must be remembered that, even though you have a promotion-scale, you must have some sort of normal expectation of how things will go, not in any particular year, but throughout a period of say two or three years taken together. For instance in the Indian Civil Service, we carefully work out every year or so, with reference to recruitment, what the normal state of promotion ought to be. It has been recognised again that, an Indian civilian ought to be able to attain to what is called a superior appointment in a given period of time, and so on. When you have got an abnormal time; when promotion is unduly blocked; when, as the juniors would put it, people who ought to go, won't go; or, as the state would put it, deserving officers remain on instead of retiring and on the top of this, leave is restricted or stopped, you get an abnormal block in a promotion-service. On the other hand, it does not affect a time-service at all, except to the minor extent that the top places which have special rates of pay may be filled more slowly. But apart from that, you may recall every man on leave and the juniors would still get their old rate of pay. When you get a promotion-scale and things are materially disturbed, that is to say the state of promotion is much slower than the normal rate which has obtained in past experience and tradition, it is not merely the existing members of the Service who suffer, but, unless something is done to remedy it, recruitment suffers; the calibre of your service is diminished for the future. We have had cases of that sort in the Indian Civil Service from time to time. I remember when I first came out in the early eighties, there was a block in promotion in Madras, and also in the United Provinces, which had led to the application of a minimum time-scale there. (I shall explain directly what this minimum time-scale exactly is.) Well in 1913, just before I joined the Government of India, it had been decided that there was again such an abnormal block in promotion, owing to people not being obliging enough to retire or die according to actuarial calculations, and also, to a certain extent, to over-recruitment during a series of years, that the Civilians in the United Provinces, the Punjab and the Central Provinces were getting far lower salaries than they had a right to expect, having regard, to the normal conditions of promotion for many years past. The Government of India, therefore, with the consent of the Secretary of State, gave what is called a minimum time-scale; that is to say, they said that every man who had done a certain period of service should draw not less than a certain amount. But this minimum was not at all what the man would have drawn normally; it was materially less than his normal expectation; it was a certain *solatium* because it was thought unjust to the men themselves to undergo this sudden dislocation of their prospects without any palliative, and also, as I have said, because acute discontent in the service, which was thought to have some justice at the back of it, would re-act at home and prejudice future recruitment. Then, later on, the Government of Bombay asked for a similar application of the system to their Presidency and I would ask my Hon'ble friend to remember that the Government of Bombay contains as one of its members an Indian gentleman who had no previous connection with our Government services. Then came the circumstances of the present war, and it was thought desirable to recall officers from leave. They answered to the call most loyally, a great many of them, at very considerable personal loss. Many of them willingly surrendered leave they urgently required for the purposes of health and recuperation. The result of this was that all the normal expectations of acting promotion were disturbed, and after consideration, the Government of India, last autumn, thought it desirable that here again we should apply a minimum time-scale, which would be, as I say, a partial compensation, but would in no way be the equivalent of what the beneficiary would ordinarily be drawing in normal circumstances; and that was necessarily applied to the whole of India. Then, after we had got the consent of the Secretary of State to that action in regard to the Indian Civil Service, we got his consent to similar action in regard to the Police. Of course it is open to any Hon'ble Member who does not agree, to argue that we might have done it for less and so on. But I do want the Council

to understand that our action was taken deliberately and with reference to what we thought the best interests of the country, having regard not merely to present members of the Services, but to the effect on future recruitment.

“ I was sorry to hear the Hon'ble Mr. Abbott say that he thought India had not done enough in connection with this war, and compare our action with that of the Dominions, somewhat to the discredit of India.

“ The contribution of India has not been limited to the amount of money we have given, substantial though that is compared to our resources, for I may bring to notice that without this contribution there would have been no deficit in 1914-15 and 1915-16 taken together. As my Hon'ble friend Pandit Madan Mohan Malaviya so aptly observed, we have contributed what is far more precious than silver and gold; we have contributed men. As Your Excellency observed some time ago in this Council, India has placed at the service of the Home Government in various parts of the world some 200,000 men, trained soldiers, whereas the forces of the Dominions, splendid fellows as they are, were, at the beginning of the war, largely untrained. India has not only done that; she has supplied munitions of war to a large extent to His Majesty's Government from her factories and from her arsenals; she has helped in supplying horses and mules; she has given to the full of what she possessed. And how was this possible? Because for many years India had been paying heavily for a splendid Army which was entertained, and necessarily entertained, for the defence of India. Well, India had been maintaining this Army long before the Dominions thought of doing anything, to speak of, in the way of military expenditure; and at the present period of stress, India placed a very great part of her Army which was, as I have said, primarily raised for other purposes, at the disposal of His Majesty's Government. I cannot claim, of course, in any way to speak as a military expert, but I think I may say that the value of the Indian contingents who have done so splendidly in this war, the value of the Indian supplies of munitions of war, and so on, will prove to have been of most material assistance in determining the present campaigns. Besides that, there were the splendid offers from the Indian Chiefs to whom I referred in my speech on the Financial Statement, and I would like to add now the name of His Highness the Maharaja of Jaipur, who has since given 5 lakhs. My Lord, I do not want to be thought to belittle the Colonies in any way; but I love the people of India (Hear! hear!) I have served here for a generation and I cannot bear anybody to belittle India (Hear! hear! and applause), and to speak as though the part played by India in the war and her contribution to it, were in any way inferior to that of other parts of the Empire.

“ I have nothing more to say, my Lord, except to express the hope that no unforeseen and untoward circumstances will cause any material reconsideration of the estimates we have made.”

His Excellency the Viceroy:—“ We are now approaching the close of another session of this Legislative Council, and before we disperse I would like to say a few words upon the budget and other matters of general interest.

“ As regards the memorable budget which has been under discussion this session, it is a matter of much satisfaction to me that all its important decisions—those for example relating to taxation, capital outlay and borrowing—have commanded practically unanimous acceptance both inside this Council and beyond it. The imposition of additional taxation at the present time would not in our judgment have been justified, either by financial requirements or by the present economic condition of the country, and our attitude in this matter has, I think, been thoroughly understood and appreciated. As regards capital outlay, we have had to strike a mean. At a time like this, material development must inevitably be retarded. But our capital programme is an integral part of India's financial system, and must be maintained on a scale bearing some reasonable relation to past standards, if excessive hardship and

dislocation are to be avoided. Our borrowing arrangements naturally follow from the conclusions on these two points. We are fortunate in being able to see our way to carrying them through without straining our credit, or drawing to the full on reserves which may afterwards be required to meet the many contingencies of another year of war.

“Sir William Meyer’s most interesting recital of the financial events of the war period brings out convincingly the inherent soundness and strength of India’s financial position, and this has been recognised in every quarter. It is quite true that our revenue has suffered and that our resources have been depleted in other ways. This must be expected in a country whose fiscal system is so directly responsive, under almost every head of revenue, to fluctuating economic conditions, and whose Government performs so many financial functions besides that of looking after its own balances. We undoubtedly undertake in this country some heavy financial responsibilities, some indeed from which other Governments, the Home Government for example, are exempt. But we are in a position to say to-day, after eight months of war, that these responsibilities have been fully discharged, and that the strain which was thrown on us at the outset has now sensibly relaxed. At the same time we realise fully that another year of war must bring with it many unknown possibilities; and if further burdens are thus thrown upon our finances we are not unprepared to meet them.

“I turn now to the economic questions which have recently engaged my attention and that of my Government. The principal question under this head has been the high prices of wheat. When I addressed you at the beginning of this session, we had already restricted the exports from December to the end of March to a fixed quantity, in order to secure that only a limited proportion of the surplus remaining over from the old crop should be exported, and we had also taken powers to inquire into the existence of stocks, and, if necessary, to take over such as might be unreasonably withheld. The inquiries conducted by local Governments showed, however, that such stocks were not in existence, and further action in this direction could have had no good effect. It was, therefore, apparent that the only possible policy was to do what we could to relieve distress by cheap grain shops and the like, and to await the effect on prices of the new crop which usually begins to operate some time in February. World prices, however, continued to rise, and it became necessary in the interests of the Indian consumer to take steps which would ensure the effect of the new crop making itself felt as soon as possible. No ordinary measures would have sufficed, and the urgency of the situation called for decisive action. We accordingly issued the announcement that all private export of wheat would be prohibited on and after the 1st April. Our object was to ensure that as supplies of the new crop, which, I am glad to say, promises to be one of the finest on record, began to be marketed, they should be used to relieve the undoubted shortage in India instead of being attracted to other countries by the high prices prevalent in the markets of the world. The results of this announcement were immediately beneficial and prices promptly declined to a more reasonable level. At the same time we have not neglected our responsibilities to the cultivator and to Indian trade. There is every sign that there will be an unusually large surplus this year available for export, and while we intend to keep export under our own control in order that prices may not be driven up again by sudden and excessive exportation, we are equally desirous of allowing our export trade to be carried on, so far as is compatible with the interests of the Indian consumer. I trust that this double object will be achieved by the scheme which has already been laid before Council in a recent debate. Under this scheme we shall keep the control of purchases for export in our own hands, and we hope thus to be able to ensure a moderate level of prices, to safeguard the consumer, and yet not to disappoint the cultivator of his legitimate profits. The fact that we shall have created an artificially low level of prices in India, as compared with prices in the other markets of the world, implies that export may be conducted on a considerable margin of profit. We hope to make arrangements by which such profits as may accrue to the State under this

scheme will not be utilized, as is our revenue from normal sources, to meet the ordinary expenses of administration, but will be devoted to some special purpose for the advantage of the people. It is not possible for me now to say what this will be, but I have noted with sympathy the feeling expressed during the debate in my Council in favour of such profits as may accrue being expended for the benefit of the agricultural classes.

"In addition to the control of wheat, my administration has had to bear its part in the policy which is being so vigorously and successfully prosecuted by the Imperial Government for preventing supplies of food-stuffs and raw materials reaching the countries with which we are at war. The strictest watch has been kept upon our trade with neutrals. Prohibitions and restrictions have been imposed where necessary, and I have pleasure in testifying to the readiness with which the commercial community has submitted to these necessary interferences with the ordinary course of trade. Trading in India by firms or companies containing a hostile element has been put an end to, and the process of closing down such businesses is being carried into effect with due caution in order to avoid possible injury to Indian and British interests. At the same time, my Government have been giving such assistance as they can to Indian industries in its endeavours to take advantage of the opportunity for expansion afforded by the cessation of imports from Germany and Austria and other continental countries affected by the war. I should like to add that the whole question of promotion of industrial development in India is one which has been and is receiving the most careful consideration of myself and my Government, and I am glad to find from the prominent place which it has taken in the debates of my Council this session, that it is also occupying the minds of public men in India. The present time, when commerce and finance are naturally disturbed by a great war, when men's minds can hardly be expected to look on economic problems from their normal angle, is not in my judgment a suitable moment for taking special action or for initiating special inquiries as to how best this end may be achieved. But it is a question, the importance of which is very present in my thoughts, and it is one which I shall hope to see taken up vigorously and effectively as soon as normal conditions have supervened.

"Since I last addressed you on the subject of the war in Europe, the position of the Allies in Flanders has been maintained and improved, while in Eastern Prussia and Poland the tide of war has ebbed and flowed. The recent success, at Neuve-Chapelle, in which the Indian Army Corps took so prominent a part has been a source of satisfaction to us all. In the meantime, the British fleet has maintained its absolute supremacy and having swept German commerce from off the seas, recently administered a severe punishment to a German squadron that wished to make a further bombardment of unprotected towns on the British coast. The economic pressure created by our supremacy at sea is gradually having its effect in Germany and the piratical policy now being pursued by German submarines is proof of the extent to which that pressure is being felt. Happily the efforts of the German submarines have met with very little success, and their number is diminishing under the losses that they have experienced. In any case such a policy can have no possible effect on the eventual result of the war, and there can be no doubt that the day of triumph of the Allies who are making huge sacrifices for the right of all free nations to live their own lives and follow their own destinies is slowly but surely dawning, when the monstrous theory that one military nation can impose by brute force her will and barbarous code of civilization upon all others will be finally shattered and hurled into utter oblivion and darkness.

"In the Near East, Turkey is beginning to experience the folly of the policy into which she has been forced by the reckless disregard by a small military clique under German tutelage of her best and highest interest.

"On every side where the Turkish forces have been engaged in fighting against the Allies they have met with reverses, and the moment is rapidly

approaching when, if the Turkish Government are sufficiently wise, they will throw themselves on the mercy of the Allies and thus free themselves from the German yoke.

“As an indication of how little the so-called Turkish Government is in touch with the real sentiments of the Turkish people, I may mention that a few weeks ago I saw a letter written by a resident in Constantinople in which, after describing the oppression and exaction of the military authorities, the confident opinion of the middle and lower classes of the Turks was expressed in the saying that ‘it will be all right when the British fleet comes up’.

“As you are aware, I paid a short visit to the Persian Gulf and to Basrah a few weeks ago. It was a great pleasure and advantage to me to have an opportunity of inquiring into the whole economic, commercial, and political situation of the province of Basrah, and also to visit our troops in their advanced posts within six or seven miles of the Turkish Camp, which was plainly visible and to congratulate them on their prowess and splendid bearing. One could not but feel very proud of them all. I had also time to visit the hospitals in Basrah and was glad to be able to verify the fact that all the sick and wounded British and Indian troops are being well and carefully tended.

“As regards the province of Basrah it struck me as one of immense potentialities. Under Turkish misrule it has greatly suffered and the population of the surrounding country is consequently very sparse. At small expense the city of Basrah might become a splendid port, and the port of exit of all the trade of Mesopotamia and Northern Persia. Merely the fringes of the Shat-el-Arab have so far been cultivated, but the soil is extremely fertile and only the most elementary schemes of irrigation are required to extend indefinitely the area under cultivation. The climate is splendid and resembles that of the Northern Punjab. I cannot conceive of a country more suitable for Indian immigration in the future when a more stable form of Government has been established. That country may then really become a garden of Eden and blossom like a rose.

“You are aware of the declaration made by the British, French, and Russian Governments of the inviolability of the holy places and of the freedom of Jeddah from attack so long as there was no interference with the Indian pilgrims. Solicitude for the welfare of pilgrims generally prompted His Majesty's Government, on hearing that there was a shortage of food-stuffs at Jeddah and Mecca, to arrange for supplies to be sent there for distribution by the Italian Consul at Jeddah. I regret to state that the Turkish authorities, in spite of the protests of the Italian Consul, have seized for military purposes a cargo of 30,000 sacks of barley destined for the pilgrims. Until, therefore, we are able to receive some definite assurance that any further supplies that may be sent will reach their proper destination, it will be impossible for His Majesty's Government to make any further similar arrangements.

“On the North-Western frontier the situation remains normal; and although there have been attacks on our advanced posts by trans-frontier tribesmen, they have been gallantly and successfully repelled by our troops, militia, and tribal levies.

“It has been with a sense of profound regret that I have learnt that an address to His Majesty the King-Emperor against the draft Proclamation creating an Executive Council for the United Provinces has been carried by the House of Lords. It appears that out of a total of nearly 650 Peers of the Realm and in a House of only 73 Peers, the motion against the draft Proclamation was carried by 47 votes to 26. No information has been received of any similar motion in the House of Commons, and we may therefore conclude that the Proclamation has not been rejected by Parliament as a whole. As you are aware, the Proclamation was approved by the Governor General in Council, by the Secretary of State in Council, and by His Majesty's Government, and, in accordance with the law, was laid upon the table in both Houses of Parliament. It may seem to you, as it does to me, a matter of

serious concern that it should be within the power of a small body of Peers, who perhaps hardly realise the rate of progress made in this country during the past few years to throw out a proposition put by the Government of India and His Majesty's Government before Parliament with the full approbation of Indian public opinion. It seems clear to me, under the circumstances, that a modification of the law by which such procedure is possible is absolutely essential, and I trust that this will be recognised by His Majesty's Government.

"Nobody can reasonably contend that, with the advance of civilisation entailing the discussion and solution of new questions of ever-increasing complexity arising every day, one-man Government is better than Council Government. The principle of Executive Councils for local Governments by which the local administration is less dependent upon the personal equation and which ensures a greater continuity of policy has already taken root in India and cannot now be eradicated. Moreover the inclusion of an Indian gentleman in the Council of a province is to my mind a source of great strength to the Governor or Lieutenant-Governor. I speak from my own experience, and have no hesitation in saying, without any idea of flattery, that the presence of my friend Sir Ali Imam on my Council and his knowledge and experience are and have been of the greatest possible advantage to me and my Government. I can well understand that all educated people of this country will be disappointed at the result of the action of a small party in the House of Lords, but I would ask them not to be depressed, for I regard the proceedings of the 16th March in the House of Lords as only a temporary set-back, and I feel as confident that the United Provinces will have its Executive Council within a very short period as that the dawn will follow the night.

"The activities of the Council during the current session have necessarily been circumscribed by the decision to avoid as far as possible all controversial business. Nevertheless some measures of importance have come under your consideration. I need only refer to the measure recently passed in this Council to secure the defence of India and the public safety, in order to express the thanks of Government for your loyal co-operation in enacting that measure. Another Bill of importance has also been passed in this Council, namely, the Assam Labour and Emigration Act, which I hope will mark a stage in our efforts to remove abuses attendant on the present system of emigration and in securing that the welfare of labourers recruited to Assam is adequately safeguarded. The only other measure of importance to which I need allude is the Benares Hindu University Bill which was introduced into this Council on the 22nd. It will be a source of gratification to me if this measure becomes law during my tenure of office as Governor General. It is too early to speak of the possible effects of this Bill, but I have every hope that it will do much to promote the cause of education and to encourage learning and research amongst all classes.

"In the discussion of resolutions, though the range of subjects has also been limited by the exclusion of controversial matters, much valuable experience has been gained. I may refer to the discussion on the export of wheat as particularly instructive. It enabled the Government to ascertain the views of the Council on the subject and to make an important and effective pronouncement of its policy. The discussion on the management of State Railways was of equal importance and interest. In these circumstances, although our session this year has not been a full one, I think we may congratulate ourselves that we have done a considerable amount of useful work in spite of the difficulties which have confronted us.

"I wish also to say one word of a personal nature. I thank you for the kind words that so many of you have been so good as to speak of myself and my administration. I am very grateful and shall always treasure those words, but I have only done my duty; and although I love India and wish always to do my duty towards her, the question of the duration of my stay in India is not one that is in my hands.

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“With these few words I will now conclude, and in adjourning this Council *sine die*, I wish you all a very happy return to your homes.”

The Council adjourned *sine die*.

W. H. VINCENT,

*Secretary to the Government of India,
Legislative Department.*

DELHI;

The 30th March, 1915.