

MEMORANDUM EXPLAINING THE DETAILS OF THE ESTIMATES.

The Budget estimates for the year 1921-22 relate to the revenue and expenditure of the Central Government in accordance with the new division of subjects between the Central and Provincial Governments which will come into force on the 1st April 1921. To enable a comparison to be made with these estimates, the actuals for last year and the Revised estimates for the current year have been recast in accordance with the new division of subjects, and the variations between the Budget estimates for 1921-22 and the Revised estimates for 1920-21 as thus recast are explained in the following pages. It may be added that the figures shown against "India General" in the tables in this memorandum 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.

2 It has been decided to make some important changes in the existing scheme of major heads of account with effect from the next year with the object of making the accounts more intelligible to the general public. Besides a complete revision and re-arrangement of heads, the following are the more important of these changes:—

- (i) Refunds, assignments and compensations and civil furlough and absentee allowances will not be shewn under separate heads of expenditure; refunds will appear as deductions from revenue and the other items will be distributed among the respective subject heads to which the payments relate.
- (ii) The revenue from posts and telegraphs and irrigation works will, as in the case of railways, be shown net after deduction of working expenses. Capital outlay on posts and telegraphs will continue to be shown on the expenditure side, but under a separate major head.

The Budget estimates for 1921-22 as well as the figures for previous years shown in the following tables have been prepared in accordance with the new classification. It may be added that the totals of revenue and expenditure are now shown in rupees instead of in £ sterling as hitherto, Home transactions being converted into rupees at R10 per £.

3. The figures for the province of Delhi have been entered separately and explained under each major head of account. A *pro forma* 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 forma* account and the relation between it and the regular accounts.

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

		Accounts, 1919-20.
		£
Revenue		131,657,287
Expenditure charged to Revenue		147,425,876
	Imperial deficit	15,768,589
		Revised, 1920-21.
		R
Revenue		2,07,24,16,000
Expenditure charged to Revenue		2,18,38,49,000
	Imperial deficit	11,14,33,000
		Budget, 1921-22.
		R
Revenue		129,78,84,000
Expenditure charged to Revenue		128,94,58,000
	Imperial surplus	84,26,000

These figures exclude all capital, debt and remittance transactions.

Accounts, 1919-20.

5. The Accounts of 1919-20 are not discussed in this memorandum, but a brief explanation is as usual 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.

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

	REVISED, 1919-20.			ACTUALS, 1919-20.		
	Imperial.	Provincial.	TOTAL.	Imperial.	Provincial.	TOTAL.
	£	£	£	£	£	£
Revenue	86,050,400	39,519,600	135,570,000	91,426,519	40,230,768	131,657,287
Expenditure	106,124,500	39,467,300	145,591,800	107,195,108	39,776,435	146,971,543
Surplus (+) or Deficit (-)	-10,074,100	+52,900	-10,021,800	-15,768,589	+454,333	-15,314,256

7. The Imperial revenue was less than the Revised estimate by £4,624,000 and the Imperial expenditure more by £1,071,000, with the result that the deficit was £5,625,000 more than was anticipated.

The deterioration in the Imperial account was mainly due to the non-recovery from His Majesty's Government in the year 1919-20 of a sum of £5,370,000 for which credit had been taken in the Revised estimate for that year on account of the capital value of war pensions of Indian troops and their British officers; this matter is under discussion with His Majesty's Government. There was also a postponement of collections of excess profits duty (£1 million) to the current year, and the net receipts from railways showed a worseness of £296,000; but these deteriorations were partly set-off by an improvement under income-tax, land, posts and telegraphs and mint revenue, and by a saving in net military expenditure.

8. In the Provincial section, there was an improvement of £102,000 as the result of better collections of income-tax and land revenue.

Revised, 1920-21.

9. Since the 1st April 1921, the accounts have been prepared on the basis of R10 per £ for the conversion of rupee and sterling transactions. The following table compares the revised estimates for the Imperial and Provincial sections with the Budget for the current year as recast on the 10 Rupee basis:—

	BUDGET, 1920-21.			REVISED, 1920-21.		
	Imperial.	Provincial.	TOTAL.	Imperial.	Provincial.	TOTAL.
	R	R	R	R	R	R
Revenue	1,31,69,30,000	62,84,96,000	1,94,54,26,000	1,36,33,36,000	70,85,80,000	2,07,24,16,000
Expenditure	1,29,88,05,000	69,01,61,000	1,98,89,66,000	1,47,52,69,000	69,47,98,000	2,17,00,67,000
Surplus (+) or Deficit (-)	+1,81,25,000	-6,16,65,000	-4,35,40,000	-11,14,33,000	+1,37,82,000	-9,76,51,000

10. The important variations in the Imperial section are shown in the following table:—

	In lakhs of rupees (+ better—worse.)	
	+	—
(i) Land Revenue collections less owing to the failure of the monsoon in several provinces . . . . .	...	1,36
(ii) Opium revenue less . . . . .	...	79
(iii) Customs revenue more	8,04	...
(iv) Income-tax revenue more	3,90	...
(v) Interest receipts less (owing to the sale of sterling securities in the Paper Currency Reserve in order to meet reverse Bills on London) . . . . .	...	1,03
(vi) Posts and Telegraphs : receipts more	58	...
(vii) Miscellaneous receipts more	97	...
(viii) Railways : net receipts less . . . . .	...	7,67
(ix) Opium expenditure less	52	...
(x) Interest expenditure more (owing to increase in proceeds of rupee loans and in amount of treasury bills issued to the public and to the Paper Currency Reserve) . . . . .	...	2,13
(xi) Exchange loss relating to non-commercial revenue heads . . . . .	...	2,63
(xii) Military expenditure more . . . . .	...	15,24
(xiii) Increase in expenditure under refunds (1,12 mainly customs, salt and income-tax); posts and telegraphs (1,37, owing to revision of pay of establishments; general administration and political (1,03); the increase in the latter case being under special political expenditure in Persia, and that under the former being due to increased outlay on note forms and Home administration in England and to revision of pay of establishments in India . . . . .	...	3,52
(xiv) Omission of appropriation for meeting deficiency in Paper Currency Reserve included in Budget	8,75	...
(xv) Minor variations . . . . .	...	1,04
Net worseness		12,95

The more important of the above variations are explained in detail in the following pages.

11. The Provincial section shows an improvement of R7,54 lakhs as compared with the Budget. The Revised estimates include however a credit of rice profits to the Government of Burma to the extent of R9,25 lakhs against a provision of R1 crore in the Budget. There is thus a worseness of R71 lakhs in normal transactions due to a falling off in land revenue collections partly set off by minor improvements under several heads; a considerable increase in expenditure has been necessitated by the extensive revisions of pay sanctioned in all provinces during the current year, but these have been met for the most part by reductions in the budgeted programme of expenditure, mainly under civil works, education, sanitation and agriculture.

12. Paragraphs 117 to 127 of the memorandum have been communicated by Mr. E. Burdon, I.C.S., Financial Adviser, Military Finance, and paragraphs 40 to 50 and 130 to 135 by Rao Bahadur K. Balarama Iyer, Accountant General, Railways; the rest of the memorandum has been drafted by Mr. A. V. Venkataramana Aiyar, C.I.E., Assistant Secretary in the Finance Department.

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I AND 1.—CUSTOMS.

SEA CUSTOMS.	Accounts, 1917-1918.	Accounts, 1918-1919.	Accounts, 1919-1920.	1920-1921.		Budget, 1921-1922.
				Budget.	Revised.	
IMPORTS.						
<i>Special Import Duties.</i>						
	R /	R	R	R	R	R
1. Arms, Ammunition and Military Stores	4,70,631	5,00,205	9,30,424	11,14,000	10,53,000	10,00,000
2. Coal, coke and patent fuel	14,340	35,433	21,760	34,000	27,000	28,000
3. Liquors—						
(a) Ale, Beer, Porter, Cider and other fermented liquors	4,82,634	4,83,848	6,82,976	8,30,000	9,00,000	13,00,000
(b) Spirits and Liqueurs	1,01,15,259	1,01,14,953	1,24,78,852	1,35,00,000	1,76,00,000	2,49,00,000
(c) Wines	3,96,572	4,66,550	6,38,755	7,35,000	9,25,000	14,50,000
4. Opium	2,937	3,367	3,120	6,000	3,000	3,000
5. Petroleum	35,59,223	13,13,393	82,95,403	85,00,000	55,20,000	85,00,000
6. Silver, Bullion and Coin	17,03,848	1,139	2,854	...	...	...
7. Silver-manufactures	2,40,851	2,03,248	1,93,249	2,00,000	7,59,000	7,00,000
8. Sugar	1,48,16,402	1,69,43,412	1,28,11,234	1,35,00,000	1,28,50,000	2,35,00,000
9. Tobacco	61,51,771	83,02,124	89,07,086	90,00,000	1,31,70,000	1,60,00,000
10. Matches	...	...	...	...	9,00,000	1,10,00,000
11. Articles of luxury	...	...	...	...	18,00,000	2,14,00,000
<i>Duty at 2½ per cent.</i>						
12. Machinery	9,15,185	11,61,717	18,85,546	30,00,000	50,92,000	62,00,000
13. Metals—Iron and Steel	16,63,995	26,00,012	46,02,935	52,10,000	67,40,000	70,00,000
14. Railway plant and rolling stock	1,39,378	4,60,210	13,56,073	18,52,000	33,50,000	32,00,000
15. Other articles	4,16,710	3,86,510	3,02,111	4,00,000	4,25,000	3,75,000
<i>Duty at 11 per cent.</i>						
16. Articles of Food and Drink (excluding sugar and vinegar)	53,38,851	57,30,636	68,23,232	75,00,000	70,20,000	92,00,000
17. Raw materials and articles mainly unmanufactured	39,58,935	41,01,145	55,58,664	57,82,000	62,90,000	76,00,000
18. Articles wholly or mainly manufactured—						
(a) Cutlery, hardware, implements and instruments	33,83,983	48,80,774	56,73,092	62,65,000	1,38,00,000	1,33,00,000
(b) Metals other than Iron and Steel	18,37,271	23,29,577	63,66,681	70,00,000	77,00,000	94,00,000
(c) Cotton manufactures	3,83,39,219	3,78,73,533	4,09,21,093	4,50,00,000	6,94,40,000	5,95,00,000
(d) Yarns and textile fabrics (other than cotton manufactures)	52,89,008	58,29,934	77,99,100	83,00,000	1,30,60,000	1,68,00,000
(e) All other articles wholly or mainly manufactured	1,76,08,371	1,85,49,005	2,32,78,693	2,35,00,000	4,60,34,000	3,78,00,000
19. Miscellaneous	28,14,576	34,34,382	43,25,717	35,00,000	64,65,000	53,00,000
TOTAL IMPORTS	11,99,59,950	12,57,05,196	15,43,58,700	16,47,28,000	24,09,23,000	23,54,56,000
20. EXPORT DUTIES—						
(a) Hides and skins, raw	...	...	91,92,029	2,10,00,000	66,60,000	1,00,00,000
(b) Jute (raw and manufactured)	1,83,38,167	2,14,15,946	2,97,48,122	3,40,00,000	3,40,64,000	3,25,00,000
(c) Rice	1,05,26,999	1,11,13,234	37,22,235	75,49,000	56,16,000	1,10,00,000
(d) Tea	43,83,261	43,85,778	54,50,724	63,00,000	41,63,000	50,00,000
21. SEA CUSTOMS—MISCELLANEOUS	10,12,229	8,36,395	10,85,980	9,37,000	24,87,000	12,66,000
22. LAND CUSTOMS	9,83,157	6,94,711	7,39,719	6,50,000	12,85,000	8,70,000
23. EXCISE DUTY ON COTTON MANUFACTURES	76,20,779	1,38,17,033	1,55,14,490	1,50,30,000	2,45,34,000	3,00,00,000
24. EXCISE DUTY ON MOTOR SPIRIT	23,52,087	32,73,693	41,41,939	39,51,000	62,00,000	65,00,000
25. WAREHOUSE AND WHARF RENTS AND MISCELLANEOUS	3,72,190	5,67,628	8,78,855	10,00,000	96,04,000	21,00,000
GRAND TOTAL	16,55,43,819	18,18,09,614	22,48,32,802	25,51,45,000	33,53,36,000	33,46,92,000
<i>Deduct—Refunds</i>	<i>49,29,489</i>	<i>78,94,112</i>	<i>1,01,62,867</i>	<i>70,28,000</i>	<i>81,85,000</i>	<i>73,64,000</i>
NET TOTAL	16,06,19,330	17,39,15,502	21,46,69,935	24,81,17,000	32,73,51,000	37,73,28,000
CHARGES.						
India	45,66,808	47,63,833	48,82,284	60,17,000	58,95,000	71,64,000
England	3,540	1,200	30,050	2,000	84,000	75,000
TOTAL	45,69,348	47,65,033	49,12,334	60,19,000	59,79,000	72,39,000

Revised, 1920-21.

13. The Revised estimate of gross Customs revenue in 1920-21 amounts on the existing scale of taxation to Rs 32,85.36 lakhs or Rs 7,33.91 lakhs more than

the Budget estimate. The large increase is the result of the phenomenal activity of the import trade during the current year, the total increase in the revenue from import duties being Rs. 6,91.95 lakhs, of which Rs. 2,30 lakhs occur under cotton manufactures and Rs. 2,20.84 lakhs under miscellaneous manufactured articles. Other tariff heads which show important excesses are cutlery, hardware, etc. (Rs. 72.35 lakhs), yarns and textile fabrics (Rs. 50.50 lakhs), tobacco (Rs. 38.20 lakhs), spirits and liqueurs (Rs. 34 lakhs), machinery (Rs. 20.92 lakhs), iron and steel (Rs. 15.30 lakhs), railway plant (Rs. 14.98 lakhs) and miscellaneous articles paying duty at $7\frac{1}{2}$ per cent. (Rs. 28.25 lakhs). There will also be considerable increases under the excise duties on cotton manufactures (Rs. 95.04 lakhs), and on motor spirit (Rs. 22.49 lakhs), while special receipts amounting to Rs. 55 lakhs will be realised from the auction of rice export licenses at Karachi and Calcutta. On the other hand, a substantial decline is anticipated under the import duties on petroleum (Rs. 29.80 lakhs) and sugar (Rs. 12 lakhs) due in the latter case to a shortage of crops, and the export duties on hides and skins (Rs. 1,43.40 lakhs), and tea (Rs. 21.37 lakhs), due to the depressed condition of these trades, as well as rice (Rs. 19.33 lakhs).

14. The Budget estimate of gross Customs revenue for 1921-22 is taken at Rs. 30,29.92 lakhs on the existing basis of taxation, or Rs. 2,55.44 lakhs less than the Revised for the current year. Allowance has been made for the general slump in the import trade which is anticipated in the coming year as the result of the over-stocked condition of the Indian markets. The estimates provide accordingly for large decreases under cotton manufactures (Rs. 2.05 lakhs), miscellaneous manufactured articles (Rs. 1,05.84 lakhs), cutlery, hardware, etc. (Rs. 30 lakhs), and yarns and textile fabrics (Rs. 18.50 lakhs). On the other hand, increases are expected under sugar (Rs. 47 lakhs) and petroleum (Rs. 29.80 lakhs), the imports of which have been abnormally low in the current year, under the export duties on rice (Rs. 53.84 lakhs) and hides and skins (Rs. 33.40 lakhs), and under the excise duty on cotton manufactures (Rs. 54.66 lakhs).

15. It is proposed to enhance the import duties on certain articles with effect from the 1st March 1921 in order to obtain additional revenue. The increases proposed and the additional revenue expected in the current and next years are shown in the following table:—

Budget, 1921-22.

Item.	Extent of increase.	Additional revenue in lakhs of rupees expected in	
		1920-21.	1921-22.
<i>Special Import Duties.</i>			
Ale, beer, porter, cider, and other fermented liquors	From 4½ to 6½ annas per gallon	40	400
Spirits and liqueurs—			
Liqueurs, untested	From Rs. 14-10 to Rs. 25 per gallon	700	8450
Liqueurs, tested	From Rs. 11-4 to Rs. 18-12 per proof gallon		
Perfumed spirits	From Rs. 18-12 to Rs. 30 per gallon		
All other spirits (except denatured spirits)	From Rs. 11-4 to Rs. 18-12 per proof gallon		
Wines—			
Champagnes and other sparkling wines	From Rs. 4-6 to Rs. 9 per gallon	50	550
Other sorts of wines	From Rs. 1-12 to Rs. 4-8 per gallon		
Sugar	From 10 to 15 per cent. <i>ad valorem</i>	550	6500
Tobacco	On cigars and cigarettes from 50 to 75 per cent. <i>ad valorem</i> , and on all other sorts of manufactured tobacco from Rs. 1-8 to Rs. 2-4 per lb.	350	4000
Matches	From 7½ per cent. <i>ad valorem</i> to 12 annas per gross of boxes	900	1,1000
Articles of luxury (such as motor cars, motor cycles and tyres, silk piece-goods, umbrellas, clocks and watches, etc.)	From 7½ to 20 per cent. <i>ad valorem</i>	1800	1,1400
General Import duties (except on matches and articles of luxury)	From 7½ to 11 per cent.	2530	3,8400
Machinery and other articles used in cotton spinning and weaving mills	To be removed from free list	80	1000
	Total	7000	8,1700

EXPENDITURE.

Budget, 1921-22. 16. The increase of Rs12.60 lakhs in the Budget estimate for 1921-22 as compared with the Revised for the current year is due mainly to provision for the revision of the pay of establishments in the Madras (Rs1.50 lakhs), Bombay and Karachi (Rs2.88 lakhs), Calcutta (Rs1.08 lakhs) and Rangoon (Rs3.22 lakhs) Customs offices.

II AND 2.—TAXES ON INCOME.

REVENUE.

	Accounts, 1917-1918.	Accounts, 1918-1919.	Accounts, 1919-1920.	1920-1921.		Budget, 1921-1922.
				Budget.	Revised.	
	₹	₹	₹	₹	₹	₹
EXCESS PROFITS DUTY.						
1. India . . . . .	...	...	43,504	...	...	...
2. N.-W. Frontier . . . . .	...	...	96,800	...	...	...
3. Madras . . . . .	...	...	21,42,128	...	48,00,000	...
4. Bombay . . . . .	...	...	2,78,07,499	...	57,87,000	...
5. Bengal . . . . .	...	...	5,13,82,284	25,00,000	70,00,000	...
6. United Provinces . . . . .	...	...	32,76,758	1,50,000	8,00,000	...
7. Punjab . . . . .	...	...	6,94,035	10,00,000	6,21,000	...
8. Burma . . . . .	...	...	39,23,846	...	...	...
9. Bihar and Orissa . . . . .	...	...	2,24,608	...	29,000	...
10. Central Provinces . . . . .	...	...	26,68,908	33,000	...	...
11. Assam . . . . .	...	...	20,124	...	1,000	...
Total . . . . .	...	...	9,22,30,494	36,83,000	1,90,33,000	...
SUPPER-TAX.						
1. India	88,382	1,07,556	53,468	98,000	3,71,000	3,87,000
2. N.-W. Frontier . . . . .	...	15,187	19,433	26,000	26,000	26,000
3. Madras	4,78,870	24,67,516	33,99,508	30,60,000	20,00,000	62,00,000
4. Bombay	70,99,663	1,34,33,398	1,01,50,702	1,48,83,000	1,91,33,000	2,17,38,000
5. Bengal	1,31,67,811	1,26,81,997	90,06,438	1,82,49,000	2,50,00,000	2,73,00,000
6. United Provinces	5,81,979	10,83,426	8,87,591	14,93,000	15,90,000	15,00,000
7. Punjab	1,67,200	2,78,141	3,71,364	7,38,000	8,13,000	7,76,000
8. Burma	1,77,097	13,32,002	12,84,955	35,88,000	38,84,000	36,23,000
9. Bihar and Orissa	2,26,327	4,42,376	9,05,288	8,93,000	8,54,000	6,70,000
10. Central Provinces	83,881	21,942	2,56,600	5,12,000	8,00,000	6,60,000
11. Assam	88,260	7,591	17,723	1,26,000	70,000	15,000
Total	2,21,59,460	3,18,81,632	2,63,53,070	4,36,65,000	5,45,41,000	6,23,95,000
INCOME-TAX.						
1. India General—						
Civil	20,78,248	22,05,214	18,91,813	21,09,000	21,35,000	25,12,000
Non-Civil Departments	23,68,237	35,98,388	40,29,019	43,51,000	52,22,000	51,98,000
2. Delhi	5,90,190	7,91,719	8,07,540	9,14,000	13,73,000	13,73,000
3. Baluchistan	34,234	35,919	35,943	33,000	39,000	39,000
4. North-West Frontier	2,99,688	3,73,047	3,29,925	4,09,000	4,58,000	4,92,000
5. Madras	78,61,839	80,51,117	1,06,94,329	1,12,01,000	1,40,01,000	1,68,51,000
6. Bombay	2,07,46,327	2,55,49,837	3,46,96,785	3,71,14,000	4,43,05,000	5,31,45,000
7. Bengal	2,07,92,489	2,24,02,645	3,47,37,615	4,00,00,000	4,00,00,000	5,08,50,000
8. United Provinces	48,88,547	61,23,604	63,95,167	60,71,000	61,86,000	75,83,000
9. Punjab	34,36,364	37,54,362	44,90,189	55,00,000	48,20,000	75,68,000
10. Burma	47,30,775	65,22,674	86,83,839	89,66,000	1,12,89,000	1,19,70,000
11. Bihar and Orissa	21,66,747	23,19,499	24,54,375	25,00,000	27,00,000	37,50,000
12. Central Provinces	15,39,273	18,62,118	26,50,092	34,00,000	30,00,000	34,50,000
13. Assam	8,29,157	9,05,155	7,43,248	9,41,000	9,13,000	9,80,000
Total	7,24,62,095	8,44,95,308	11,34,44,879	12,35,09,000	13,64,41,000	16,58,71,000
Total Taxes on income	9,46,21,555	11,63,76,940	23,20,78,443	17,08,57,000	21,00,20,000	22,87,66,000
Deduct—Refunds	8,93,964	12,62,953	77,37,263	42,76,000	1,19,02,000	1,04,20,000
TOTAL REVENUE	9,37,27,591	11,51,13,987	22,43,41,180	16,65,81,000	19,81,18,000	21,83,46,000
Deduct—Share of Provincial Governments in income-tax revenue under the Devolution Rules						3,25,39,000
Total Revenue of the Central Government						18,58,07,000

EXPENDITURE.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
	R	R	R
1. India General	43,458	41,000	41,000
2. Delhi	5,508	4,000	4,000
3. North-West Frontier	4,439	16,000	19,000
4. Madras	1,49,341	3,56,000	4,10,000
5. Bombay	4,42,885	5,90,000	6,23,000
6. Bengal	2,66,623	3,07,000	3,96,000
7. United Provinces	2,84,601	3,76,000	5,58,000
8. Punjab	1,09,818	2,12,000	4,45,000
9. Burma	1,21,772	1,69,000	1,21,000
10. Bihar and Orissa	52,165	62,000	1,70,000
11. Central Provinces	61,732	1,00,000	2,25,000
12. Assam	4,927	6,000	5,000
Total	15,27,269	22,39,000	29,97,000
England	1,230	53,000	39,000
TOTAL EXPENDITURE R	15,28,499	22,92,000	30,36,000

REVENUE.

(i) *Excess profits duty.*

Revised, 1920-21.

17. The Revised estimate for 1920-21 is more than the Budget by R1,53.55 lakhs owing to collections of arrears thrown forward from the previous year.

(ii) *Super-Tax.*

Revised, 1920-21.

18. The Revised estimate for 1920-21 is taken at R1,08.76 lakhs more than the Budget; increases of R67.51 lakhs in Bengal and R42.50 lakhs in Bombay, due generally to a rise in the incomes assessed to super-tax and to a larger yield from the flat rate of one anna per rupee at which super-tax is levied on the undivided profits of companies and firms from the 1st April 1920, will be slightly set off by a decrease of R10.60 lakhs in Madras as the result of slow progress in collections.

Budget, 1921-22.

19. It is proposed with effect from the coming year to raise the rates for super-tax as shown in the following table:—

Limits of income.	PIES PER RUPEE.	
	Present rate.	Proposed rate.
First R50,000 over R50,000	12	12
For the next R50,000 (i.e.) R1 lakh to R1½ lakhs	18	18
„ R50,000 (i.e.) R1½ lakhs to R2 lakhs	24	24
„ R50,000 (i.e.) R2 lakhs to R2½ lakhs	30	30
„ R50,000 (i.e.) R2½ lakhs to R3 lakhs	36	36
„ R50,000 (i.e.) R3 lakhs to R3½ lakhs	36	42
For any excess over R3½ lakhs	36	48

In the present conditions of trade and business generally, there will be a substantial reduction in the incomes which will be assessed to super-tax in the coming year; on the other hand, large collections will be made on account of arrears carried forward from the current year. Allowing for these factors and for the enhanced rates referred to above, the gross receipts from super-tax in 1921-22 are estimated at R6,28.95 lakhs.

(iii) *Ordinary income-tax.*

Revised, 1920-21.

20. The Revised estimate for 1920-21 exceeds the Budget by R1,29.32 lakhs, the more important increases occurring in Bombay (R71.91 lakhs), Madras (R28 lakhs), and Burma (R23.23 lakhs). The rise is attributable to

larger profits realised in certain trades in 1919-20 which form the basis of assessments for the current year, to additions recently sanctioned to the salaries of Government servants, and to improved efficiency in assessments.

21. Under rule 15 of the Devolution rules, Provincial Governments will receive a share in the income-tax collected within their jurisdiction at the rate of three pies on each rupee brought under assessment in respect of which the income-tax assessed has been collected. In consideration of this allocation, the Provincial Governments will make fixed annual assignments equivalent to the amount which would have accrued to them in the year 1920-21 if the three-pie rate had been in force in that year. The following table shows the estimates for the share of revenue allocated to all Provincial Governments together for 1921-22 and of expenditure to be borne by them, together with the assignments to be made to the Central Government and the net addition to the Provincial revenues resulting from the arrangements for the allocation of a share of income-tax revenue:—

Budget, 1921-22.

	(In lakhs of rupees.)
Share of income-tax revenue creditable to Provincial Governments under rule 15(1).	3,25.39
Share of income-tax establishment under rule 15(3)	—9.73
Assignments to the Governor-General under rule 15(2)	—3,11.88
Net addition to Provincial revenues	3.78

Several provinces do not receive any addition to their resources during the next year owing to an anticipated reduction in the incomes which will be assessed to income-tax in that year as the result of the prevailing depression in trade. The assignments in these cases have been calculated so as to prevent the new arrangements resulting in a loss to Provincial revenues.

22. It is proposed with effect from the coming year to raise the rates of income-tax on the higher incomes in the manner shown in the following table:—

Limits of income.	PIES PER RUPEE.	
	Present rate.	Proposed rate.
R2,000—5,000	5	5
R5,000—10,000	6	6
R10,000—20,000	9	9
R20,000—30,000	{ 9 12 }	12
R30,000—40,000	12	14
Over R40,000	12	16

Allowing for the anticipated reduction in assessable incomes mentioned above, the collection of arrears carried forward from the current year, and the proposed enhancements in the rates of the tax, the gross receipts in 1921-22 are estimated at R16,58.71 lakhs.

EXPENDITURE.

23. The increase of R7.44 lakhs in the Budget estimate for 1921-22 as compared with the Revised for the current year is due to the provision made in several provinces for the re-organisation and strengthening of income-tax establishments.

III AND 3.—SALT.

	Accounts, 1917-1918.	Accounts, 1918-1919.	Accounts, 1919-1920.	1920-1921.		Budget, 1921-1922.
				Budget.	Revised.	
REVENUE.	R	R	R	R	R	R
Northern India (a)	3,51,00,571	1,27,33,432	80,81,326	1,33,01,000	1,49,99,000	2,17,21,000
Madras (a)	1,61,98,441	1,77,72,899	1,51,53,932	1,54,31,000	1,41,54,000	1,46,95,000
Bombay (a)	1,73,25,271	1,91,25,839	1,71,82,357	1,86,92,000	1,98,00,000	1,36,89,000
Bengal (b)	1,09,13,107	1,11,77,530	1,33,59,449	1,62,00,000	1,48,00,000	1,70,00,000
Burma (b)	29,53,959	33,58,470	32,00,112	37,00,000	31,00,000	34,00,000
Bihar and Orissa	120	1,278	1,233	1,000	1,000	1,000
Assam	837	832	910	1,000	1,000	1,000
TOTAL	8,24,92,306	6,41,69,830	5,74,79,319	6,73,26,000	6,68,55,000	7,05,07,000
Deduct—Refunds	2,24,467	66,59,831	3,95,405	3,09,000	53,62,000	4,41,000
	8,22,67,839	5,75,09,999	5,70,83,914	6,70,17,000	6,14,93,000	7,00,66,000
CHARGES.						
Cost of salt purchased by Government	15,82,318	22,86,119	19,17,766	20,67,000	18,24,000	22,07,000
Assignments and com- pensations	41,35,537	30,43,514	44,46,452	40,04,000	39,99,000	39,70,000
Other charges	48,23,761	59,77,535	61,69,248	94,43,000	67,22,000	96,89,000
Total India	1,05,41,616	1,13,07,168	1,25,33,466	1,55,13,000	1,25,45,000	1,58,66,000
England	3,850	21,900	51,730	16,000	1,05,000	65,000
TOTAL	1,05,45,466	1,13,29,068	1,25,85,196	1,55,29,000	1,26,50,000	1,59,31,000
Total Consumption Mds.	4,41,85,000	5,12,22,000	4,93,94,000	5,23,37,000	4,80,56,000	5,11,42,000

(a) Chiefly excise on local manufacture.

(b) Chiefly duty on imported salt.

REVENUE.

Revised, 1920-21.

24. The Revised estimate of gross revenue for the current year falls short of the Budget by Rs. 4.71 lakhs. The more important salt sources in Northern India and the Kharagoda source in Bombay were closed to fresh indents during the earlier months of the year pending the clearance of outstanding indents; the re-opening of the former to indents in August and of the latter in October resulted in heavy advance payments of duty amounting to about Rs. 90 lakhs in each case. Of the advance payments in Northern India, Rs. 50 lakhs are being refunded in the current year and provision for the payments is included under the head "Refunds" in the above table. But for these special receipts, the decline in revenue as compared with the Budget would have amounted to Rs. 1.15 lakhs; all the provinces contribute to the decrease which is due to a fall in demand owing to the large stocks carried forward from the preceding year and to issues of salt against duty credited in previous years having exceeded anticipations. Part of the decrease (Rs. 17 lakhs) is nominal, due to the non-introduction in Northern India of the new arrangements for the supply of bags on payment by Government, and is set off by an equivalent saving on the expenditure side.

Budget, 1921-22.

25. The total issues of salt in 1921-22, imported as well as locally manufactured, are taken at 5.11 lakhs of maunds. Including sale proceeds of Government salt and other miscellaneous receipts but allowing for the advance payments made in Bombay in the current year, the Budget estimate of gross revenue for 1921-22 has been placed at Rs. 7.05.07 lakhs.

EXPENDITURE.

Budget, 1921-22.

26. The Budget estimate for 1921-22 exceeds the Revised for the current year by Rs. 32.81 lakhs; part of the increase (Rs. 10 lakhs) relates to the new

arrangements for the supply of bags by Government and is set off by an increase in revenue. Special allotments have been made for further expenditure on the scheme for the extension of the Pritchard salt works (R1.09 lakhs), and the reorganisation of the non-gazetted staff of the combined salt and excise establishment (R1.81 lakhs) in Bombay, the revision of the pay of officers and establishments and increases under petty construction and repairs and *Kudivaram* payments in Madras (R6.87 lakhs), transport, storage and other improvement schemes in the Sambhar salt source (R7 lakhs) and Kohat and other mines (R1.29 lakhs), and revision of the pay of the staff of the Northern India Salt Department (R2.20 lakhs).

IV AND 4—OPIUM.

	Accounts, 1917-1918.	Accounts, 1918-1919.	Accounts, 1919-1920.	1920-1921.		Budget, 1921-1922.
				Budget.	Revised.	
	₹	₹	₹	₹	₹	₹
INDIA.						
Revenue—						
Sale of provision and medical opium	4,02,73,194	4,25,23,327	3,92,84,669	3,75,36,000	2,99,44,000	2,87,60,000
Excise Opium and other Revenue	59,10,344	68,13,343	62,77,543	65,94,000	62,88,000	85,26,000
TOTAL	4,61,83,538	4,93,36,670	4,55,62,212	4,41,30,000	3,62,32,000	3,72,86,000
<i>Deduct—Refunds</i>	<i>198</i>	<i>431</i>	<i>419</i>	<i>1,000</i>	<i>1,000</i>	<i>1,000</i>
	4,61,83,340	4,93,36,239	4,55,61,793	4,41,29,000	3,62,31,000	3,72,85,000
Expenditure—						
Purchase of Opium (including payments to Cultivators)	1,49,80,342	1,77,16,583	1,11,23,467	1,52,12,000	1,02,52,000	1,31,77,000
Other Charges	16,83,923	19,46,339	18,91,180	22,50,000	20,12,000	20,02,000
TOTAL INDIA	1,66,64,265	1,96,62,922	1,30,14,647	1,74,62,000	1,22,64,000	1,51,79,000
ENGLAND.						
Miscellaneous Charges	13,950	5,960	39,850	27,000	80,000	75,000
TOTAL	1,66,78,215	1,96,68,882	1,30,54,497	1,74,89,000	1,23,44,000	1,52,54,000

REVENUE.

(i) *Provision and Medical Opium.*Revised, 1920-21.

27. The Budget Estimate for 1920-21 provided for a revenue of ₹3,74.40 lakhs from the sale of about 10,970 chests of opium for consumption outside India. Of this quantity 3,200 chests were to be disposed of at the monthly auctions held at Calcutta, and the balance was to be supplied to the Foreign Governments with which agreements have been entered into for the direct supply of opium at fixed prices, the countries which at present take the largest supplies in this manner being the Straits Settlements, the Netherlands Indies and Siam. As the result of a fall in the demand for opium in the Far East and the unsettled conditions in regard to exchange, only 1,535 chests have so far been sold by auction and 1,00 chests are on offer for the sale of this month. The upset price for auction sales was raised to ₹5,000 a chest from the 1st February 1920; the average price realised during the year will amount to ₹5,128 a chest, and the proceeds from auction sales are estimated at ₹33.84 lakhs, or ₹76.16 lakhs less than the Budget. Inclusive of receipts in respect of direct supplies which do not show any material variation from the Budget, it is now estimated that 9,659 chests will be disposed of in the current year and that they will fetch a revenue of ₹2,99.44 lakhs.

Budget, 1921-22.

28. The Budget estimate provides for a revenue of ₹2,87.60 lakhs from the sale of provision opium.

(ii) *Excise Opium and other revenue.*Revised, 1920-21.

29. The Revised estimate for 1920-21 is less than the Budget by ₹3.06 lakhs owing to a fall in consumption in Bombay, Burma and Assam, partly as the result of an enhancement of the issue price of excise opium. The Budget estimate exceeds the Revised by ₹22.38 lakhs in consequence of the increase of the price payable by Local Governments from ₹13 to ₹20 per seer from the 1st April 1921. Only the amount charged to local Governments on account of

Budget, 1921-22.

the cost of production of opium consumed in India is credited under this head, the difference between the actual price of issue and the cost of production forming an item of excise revenue creditable to Provincial revenues in the case of the major provinces.

EXPENDITURE.

30. The Revised estimate for 1920-21 falls short of the Budget provision by Rs. 51.45 lakhs owing to the outturn of the 1920 poppy crop in the United Provinces and the Central India States and the area settled for cultivation during the 1920-21 season in the former having fallen short of expectations. The saving would have been higher but for an increase of Rs. 3.20 lakhs owing to the revision of the pay of officers and establishments. The Budget estimate for 1921-22 provides for an expansion of the area under cultivation in both the United Provinces and the Central India states, for the increase of the price payable to cultivators in the former area to Rs. 15 per seer from the next season, and for normal expenditure in other respects.

V AND 5.—LAND REVENUE.

REVENUE.

(Including the portion due to Irrigation.)

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-22.
	R	R	R
1. India General	7,43,212	8,36,000	8,07,000
2. Delhi	3,51,411	4,11,000	4,08,000
3. Baluchistan	9,21,486	10,00,000	10,85,000
4. North-West Frontier	21,32,080	20,45,000	21,34,000
<i>Deduct—Refunds</i>	14,963	28,000	20,000
Total Revenue	41,33,226	42,64,000	44,14,000
Shown under V.—Land Revenue	40,31,021	41,65,000	42,98,000
Shown under XIII.—Irrigation	1,02,205	99,000	1,16,000

EXPENDITURE.

1. India General	5,25,942	5,45,000	6,09,000
2. Delhi	1,28,403	1,47,000	1,36,000
3. Baluchistan	2,89,264	3,53,000	3,59,000
4. North-West Frontier	8,42,934	10,25,000	11,37,000
Total	17,86,543	20,70,000	22,41,000
England	5,180	5,000	1,000
TOTAL EXPENDITURE	17,91,723	20,75,000	22,42,000

REVENUE.

Budget, 1921-22.

31. The increase in the Budget Estimate for 1921-22 as compared with the current year's revised occurs mainly in the North-West Frontier Province (R89,000) and Baluchistan (R85,000) and is based on the assumption of normal agricultural conditions in next year.

EXPENDITURE.

Budget, 1921-22.

32. The Budget Estimate for 1921-22 exceeds the Revised by R1.67 lakhs; provision has been made for the revision of the pay of subordinate establishments in Ajmer and Coorg (R54,000) and for the revision of the Provincial Civil Service and extra establishment in the North-West Frontier Province (R54,000).

**VI AND 6.—EXCISE.
REVENUE.**

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-22.
	₹	₹	₹
1. India General	81,91,289	83,73,000	83,75,000
2. Delhi	6,21,398	6,27,000	6,28,000
3. Baluchistan	7,30,615	7,03,000	7,03,000
4. North-West Frontier	8,55,164	10,49,000	10,41,000
<i>Deduct—Refunds</i>	<i>14,568</i>	<i>11,000</i>	<i>11,000</i>
Total	53,83,898	57,41,000	57,36,000

EXPENDITURE.

1. India General	1,53,256	1,85,000	1,71,000
2. Delhi	12,065	12,000	12,000
3. Baluchistan	14,262	17,000	18,000
4. North-West Frontier	24,717	36,000	43,000
Total	2,04,300	2,50,000	2,44,000

33. The variations are unimportant.

VII AND 7.—STAMPS.

REVENUE.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
1. India General	5,36,095	5,35,000	6,71,000
2. Delhi	5,90,664	7,40,000	7,50,000
3. Baluchistan	1,30,164	1,91,000	1,89,000
4. North-West Frontier	8,74,553	10,10,000	10,48,000
Deduct—Refunds	41,207	48,000	48,000
TOTAL	20,90,269	24,28,000	26,10,000

EXPENDITURE.

1. India General :—			
(i) Superintendence and other charges	3,25,124	4,25,000	4,11,000
(ii) Credits for value of stamps supplied to Local Govern- ments, etc.	—19,93,495	—15,07,000	—9,68,000
2. Delhi	10,489	14,000	11,000
3. Baluchistan	2,002	2,000	2,000
4. North-West Frontier	29,406	31,000	32,000
TOTAL	—16,26,474	—10,35,000	—5,10,000
England . . . . .	...	6,00,000	20,04,000
TOTAL EXPENDITURE	—16,26,474	—4,35,000	14,94,000

REVENUE.

Budget, 1921-22.

34. The increase in the Budget estimate (₹1.82 lakhs) represents normal growth in revenue.

EXPENDITURE.

Budget, 1921-22.

35. The excess in the Budget for next year as compared with the current year's Revised occurs mainly in England and is due to larger outlay on the manufacture of stamps.

VIII AND 8.—FOREST.

REVENUE.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
	₹	₹	₹
1. India General	18,16,573	15,85,000	21,70,000
2. Baluchistan	17,937	21,000	17,000
3. North-West Frontier	4,62,541	3,50,000	8,02,000
<i>Deduct—Refunds</i>	3,068	2,000	2,000
Total	22,93,983	19,04,000	29,87,000

EXPENDITURE.

1. India General	20,37,553	24,96,000	29,08,000
2. Baluchistan	25,314	29,000	54,000
3. North-West Frontier	3,01,453	4,50,000	6,98,000
Total	23,64,320	29,75,000	36,60,000
England	2,37,300	9,07,000	3,77,000
TOTAL EXPENDITURE	26,01,620	38,82,000	40,37,000

REVENUE.

36. The Budget estimate for 1921-22 exceeds the current year's Revised Budget, 1921-22. by ₹10·83 lakhs. There will be increases of ₹5 lakhs in the Andamans owing to a larger demand for timber and ₹4·52 lakhs in the North-West Frontier Province due to the substitution of the departmental extraction of timber in certain forests for the sales of standing trees.

EXPENDITURE.

37. An increase of ₹6·85 lakhs in India is partly set off by a decrease of ₹5·30 lakhs in England due to the omission of special items of expenditure incurred in the current year. The increase in India is due to the extension of the departmental extraction of timber and the provision of accommodation for increased forest staff in the North-West Frontier Province (₹1·86 lakhs), to the extension of the Chatham saw mills, and the substitution of free for convict labour in the Andamans Forests (₹2·63 lakhs), and to larger outlay on the Forest Research Institute at Dehra-Dun (₹1·01 lakh).

IX AND 9.—REGISTRATION.

REVENUE.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
	₹	₹	₹
1. India General	36,928	35,000	30,000
2. Delhi	87,732	47,000	45,000
3. Baluchistan	6,023	8,000	8,000
4. North-West Frontier	69,149	75,000	70,000
<i>Deduct—Refunds</i>	80	...	...
Total	1,49,752	1,65,000	1,53,000

EXPENDITURE.

1. India General	10,190	10,000	11,000
2. Delhi	10,646	12,000	11,000
3. Baluchistan	2,409	3,000	3,000
4. North-West Frontier	18,797	24,000	24,000
Total	42,042	49,000	49,000

38. The figures do not call for remark.

X.—TRIBUTES.

REVENUE.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
<i>Imperial.</i>			
	₹	₹	₹
1. India General	20,53,988	20,68,000	19,42,000
2. Madras	44,96,519	44,97,000	44,97,000
3. Bombay	13,64,544	13,30,000	13,50,000
4. Bengal	67,701	68,000	68,000
5. United Provinces	3,21,000	3,50,000	3,50,000
6. Punjab	1,43,607	1,44,000	1,44,000
7. Burma	4,52,180	4,52,000	26,000
8. Bihar and Orissa	1,00,749	70,000	86,000
9. Central Provinces	2,78,437	2,39,000	2,41,000
10. Assam	50,100	5,000	5,000
	TOTAL	92,23,000	87,09,000
<i>Deduct—Refunds</i>	4,26,680	2,25,000	13,000
	TOTAL INDIA	89,98,000	86,96,000

39. 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 decrease of ₹5·14 lakhs in gross revenue in the Budget for 1921-22 is mainly due to the treatment of the tributes from the Shan States as an item of land revenue creditable to the Provincial revenues of Burma from the 1st April 1921.

Budget, 1921-22.

XI AND XII AND 10 TO 12—RAILWAY REVENUE ACCOUNT.

	Accounts, 1919-20.	Revised, 1920-21.	Budget, 1921-22.
	₹	₹	₹
STATE RAILWAYS—			
Gross Receipts	79,06,26,615	81,86,25,000	87,05,83,000
<i>Deduct—</i>			
Working Expenses	45,52,09,481	54,21,95,000	58,69,92,000
Surplus profits paid to Companies, etc.	2,00,92,140	1,68,34,000	1,32,00,000
Net Receipts	31,53,24,994	25,95,96,000	27,03,91,000
Interest and capital redemption charges—			
Annuities in purchase of Railways	3,35,76,590	3,83,71,000	4,02,90,000
Sinking Funds	25,57,070	80,96,000	34,73,000
Interest on Debt	11,30,86,332	14,23,93,000	15,80,71,000
Interest on Capital contributed by Companies	2,16,52,578	2,44,23,000	2,65,33,000
Net Result	17,08,71,570	20,82,83,000	22,83,67,000
Net Result	14,44,53,424	5,13,13,000	4,20,24,000
Other Receipts	23,74,350	26,86,000	21,22,000
Other Charges	87,26,330	30,61,000	32,96,000
Net Result	—63,51,980	—3,75,000	—11,74,000
TOTAL NET RESULT	13,81,01,444	5,09,38,000	4,08,50,000
Redemption of capital from revenue	1,06,32,430	1,09,97,000	1,13,74,000
STATISTICS—			
State Railways—			
Capital at charge at end of each year	4,99,05,76,000	5,23,43,76,000	5,59,51,55,000
Miles open on the 1st April	26,106	26,526	26,725

Revised, 1920-21.

Gross Receipts.

40. The Budget estimate of gross receipts for 1920-21 was placed at Rs. 83·98 crores or Rs. 4·75 crores more than the Revised estimate for 1919-20. It was based on the assumption that the ordinary passenger traffic would show a large improvement owing to the favourable agricultural prospects of the country, the greater spending power of the people, and the provision by railways of larger train services; also that goods traffic would materially develop owing to expansion of the trade of the country. Allowance was made for a decrease in earnings on account of diminution in military traffic. The Revised estimate is now placed at Rs. 81·81 crores. The decrease of Rs. 2·17 crores compared with the Budget estimate is attributable to a large decline in railway traffic owing to the partial failure of the rains in several parts of the country, general depression in trade and the restriction of train services on some railways due to shortage of coal.

Working Expenses.

41. The Revised estimate of working expenses for 1920-21 has been adopted for Rs. 54·12 crores which is Rs. 4·07 crores more than the Budget grant. The excess is attributable mainly to the grant of increases of pay and

allowances to the superior and subordinate staff of all railways and to a rise in the prices of materials.

42. The increase of Rs. 8.34 lakhs in the Revised Estimate is due to the larger net earnings of some railways in the last quarter of 1919-20 than anticipated in the Revised Estimate of that year upon which the Budget Estimate of surplus profits of the current year was based. *Surplus Profits.*

43. The Budget Estimate of gross receipts for 1921-22 under India is placed at Rs. 87 crores or an increase of Rs. 5.19 crores over the Revised of the current year. It is anticipated that both passenger and goods traffic will show a large improvement next year. *Budget, 1921-22.*
Gross Receipts.

44. The Budget Estimate of working expenses for 1921-22 shows an increase of Rs. 4.47 crores over the Revised Estimate of the current year due mainly to the provision made for a large programme of renewals of permanent way and renewals and heavy repairs of locomotives and rolling stock, all of which are necessary to make good arrears which have accumulated as a result of the restriction of expenditure during the period of the war owing to the financial stringency and the impossibility of obtaining the requisite material. Provision has also been made for additional operating expenditure due to the increased traffic anticipated. *Working Expenses.*

45. The large decrease of Rs. 36.34 lakhs compared with the Revised estimate for the current year under surplus profits is due to the probable net earnings of 1920-21 on which the share of surplus profits payable to companies in 1921-22 will be calculated being smaller than those of 1919-20 which formed the basis for the calculation of surplus profits paid in the current year. *Surplus profits.*

Interest Charges, etc.

46. The excess under Interest on debt is explained in paragraph 64.

Other receipts.

47. The receipts shown under this head represent the Government share of the surplus profits of the Rohilkund and Kumaon, Southern Punjab, Amritsar-Patti and Hardwar-Dehra Railways payable under the terms of their respective contracts, and dividends on certain shares of the Ahmedabad-Dholka Railway allotted to Government in payment of expenditure incurred by it on behalf of the railway. The improvement of Rs. 9,69,000 on the Budget estimate of receipts in the current year and the decrease of Rs. 5,64,000 provided for in the Budget of 1921-22 are due mainly to the variations in the Government share of the surplus profits of the Southern Punjab Railway Company. *Revised, 1920-21.*
Budget, 1921-22.

Other charges.

48. These consist of cost of land required by certain Railway Companies, the contracts with which provide for the free supply of 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 figures are :—

	Accounts, 1919-20.	1920-21.		1921-22.
		Budget.	Revised.	Budget.
	₹	₹	₹	₹
1. Subsidised Companies—Land and Subsidy	3,61,973	5,00,000	6,21,000	6,00,000
2. Miscellaneous Expenditure	83,64,357	21,30,000	24,40,000	26,96,000
TOTAL	87,26,330	26,30,000	30,61,000	32,96,000

Revised, 1920-21. 49. *Land and Subsidy.*—The Revised estimate shows an increase of R1,21,000 over the Budget estimate of the year which is mainly attributable to an allotment of R1,03,000 for land to be acquired for the Larkana Jacobabad Railway. The principal allotment made in 1921-22 is for the Manoharpur Chord Railway. Provision is also included for the payment of subsidy to the Arakan Light and the Bankura Damoodar River Railways.

Budget, 1921-22.

Revised, 1920-21. 50. *Miscellaneous Expenditure.*—The increase of R3,10,000 in the Revised estimate for 1920-21 over the Budget Estimate of the year is chiefly due to an excess of R2,70,000 on the Hukong valley survey and of R1,87,000 on the Frontier Railway Reserve and to a provision of R1,94,000 for the Indian Railway Committee, counterbalanced by decreases under other items of which the principal is R3,91,000 under England. The Budget for 1921-22 is made up as follows:—

Budget, 1921-22.

	R
Cost of surveys	14,73,000
Government supervision, audit and control:—	
Establishment of the Railway Board	8,30,000
" " Accountant General, Railways	1,94,000
Government Inspectors and Government Examiners of Accounts	6,42,000
Surplus Establishment and Miscellaneous Charges	1,29,000
Indian Railway Committee	3,00,000
State Railways: Miscellaneous expenditure in England Exchange	6,63,000
	1,38,000
	<hr/>
Total	48,64,000
Less—Recoveries on account of supervision	—16,68,000
	<hr/>
GRAND TOTAL	26,96,000
	<hr/>

XIII, XIV AND 14, 15 AND 16—IRRIGATION.

	Accounts, 1919-20.	Revised, 1920-21.	Budget, 1921-22.
	₹	₹	₹
Revenue—			
Works for which Capital Accounts are kept—			
(1) Productive Works—Direct Receipts—			
North-West Frontier Province	12,56,068	13,04,000	15,35,000
Portion of Land Revenue due to Irrigation—			
North-West Frontier Province	1,02,205	99,000	1,16,000
TOTAL	13,58,273	14,03,000	16,51,000
Deduct—			
Working expenses—			
North-West Frontier Province	8,77,614	9,30,000	10,91,000
England	9,210	73,000	57,000
TOTAL	8,86,824	10,03,000	11,48,000
NET TOTAL	4,71,449	4,00,000	5,03,000
(2) Unproductive works—Direct Receipts—			
Baluchistan	1,09,949	1,23,000	67,000
India General	16,721	18,000	28,000
TOTAL	1,26,670	1,46,000	95,000
Deduct—			
Working Expenses—			
Baluchistan	37,640	42,000	44,000
India General	83,908	84,000	1,33,000
TOTAL	1,21,548	1,26,000	1,77,000
NET TOTAL	5,122	20,000	—82,000
Works for which no Capital accounts are kept—			
India General	713	3,000	3,000
Baluchistan	290	...	...
TOTAL	1,003	3,000	3,000
GRAND TOTAL	4,77,574	4,23,000	4,24,000
Expenditure—			
Irrigation Works for which Capital Accounts are kept—			
Interest on Debt—			
Productive Works—			
India General	—50,000	—44,000	...
North-West Frontier Province	9,33,915	9,60,000	9,85,000
TOTAL	8,83,915	9,16,000	9,85,000
England	50,000	51,000	....
TOTAL	9,33,915	9,67,000	9,85,000
Miscellaneous—			
India General	9,289	13,000	14,000
Baluchistan	21,261	40,000	28,000
North-West Frontier Province	7,42,458	1,03,000	89,000
TOTAL	7,73,008	1,56,000	1,31,000
Construction of works financed from ordinary revenues—			
Baluchistan	94,718	65,000	29,000
India General	16,726	9,000	31,000
TOTAL	1,11,444	74,000	60,000
GRAND TOTAL	18,13,367	11,97,000	11,76,000

51. An increase in the receipts from productive works in the North-West Frontier Province, owing to an enhancement in water rates in the Swat River Canal, is partly set off by a rise in working expenses in the same province. The figures do not otherwise show any important variations. Budget, 1921-22.

XV AND 18—POSTS AND TELEGRAPHS.

	Accounts, 1917-1918.	Accounts, 1918-1919.	Accounts, 1919-1920.	1920-1921.		Budget, 1921-1922.
				Budget.	Revised.	
	₹	₹	₹	₹	₹	₹
GROSS RECEIPTS.						
INDIAN POSTAL AND TELEGRAPH DEPARTMENT.						
INDIA.						
1. Postage and Message Revenue	5,23,91,597	6,20,55,045	7,28,30,379	7,47,54,000	7,17,12,000	9,96,13,000
2. Commission on money orders	76,49,308	79,56,330	97,82,027	94,00,000	1,96,00,000	1,61,00,000
3. Other Receipts	48,50,337	51,75,856	53,26,359	55,50,000	55,75,000	56,50,000
TOTAL INDIA	6,48,91,242	7,51,87,281	8,79,38,765	8,97,04,000	9,68,87,000	12,13,63,000
ENGLAND	2,30,000	...	...	...	...	...
TOTAL INDIAN POSTAL AND TELEGRAPH DEPARTMENT :	6,51,21,242	7,51,87,281	8,79,38,765	8,97,04,000	9,68,87,000	12,13,63,000
INDO-EUROPEAN TELEGRAPH DEPARTMENT.						
INDIA.						
1. Message Revenue	36,22,663	46,86,704	39,58,011	29,50,000	11,45,000	23,70,000
2. Other Receipts	11,763	75,522	98,523	—3,79,000	2,62,000	—14,000
TOTAL INDIA	36,34,426	47,62,226	40,56,534	25,71,000	14,07,000	23,56,000
ENGLAND						
1. Message Revenue	2,26,880	2,57,580	10,45,920	3,00,000	14,89,000	8,45,000
2. Other Receipts	26,240	8,130	6,350	3,20,000	2,000	3,20,000
TOTAL ENGLAND	2,53,120	2,65,710	10,52,270	6,20,000	14,91,000	11,65,000
TOTAL INDO-EUROPEAN TELEGRAPH DEPARTMENT	38,87,546	50,27,936	51,08,804	31,91,000	28,98,000	35,21,000
TOTAL GROSS RECEIPTS.	6,90,08,788	8,02,15,217	9,30,47,569	9,28,95,000	9,97,85,000	12,48,84,000
WORKING EXPENSES.						
INDIAN POSTAL AND TELEGRAPH DEPARTMENT.						
INDIA.						
1. Establishment charges	3,39,90,038	3,39,62,425	4,34,87,442	4,92,77,000	6,04,16,000	6,42,61,000
2. Stationery and Printing	24,88,973	16,95,418	31,08,971	19,50,000	32,67,000	34,46,000
3. Conveyance of mails	72,59,446	76,58,621	82,80,236	97,46,000	1,05,81,000	1,19,05,000
4. Maintenance of Telegraph Lines	22,89,030	26,71,957	30,56,590	26,80,000	38,87,000	42,22,000
5. Miscellaneous	12,91,086	19,02,352	18,88,441	18,96,000	12,09,000	11,60,000
TOTAL INDIA	4,73,18,573	5,28,90,773	5,98,21,680	6,55,49,000	7,93,60,000	8,49,94,000
ENGLAND,						
1. Contribution to Eastern mail subsidy	4,57,880	4,57,880	4,57,880	4,58,000	3,40,000	3,20,000
3. Other items	39,330	34,870	68,040	1,10,000		
TOTAL ENGLAND	4,97,210	4,92,750	5,25,920	5,68,000	3,40,000	3,20,000
TOTAL INDIAN POSTAL AND TELEGRAPH DEPARTMENT	4,78,15,783	5,33,83,523	6,03,47,600	6,61,17,000	7,97,00,000	8,53,14,000
INDO-EUROPEAN TELEGRAPH DEPARTMENT INDIA AND ENGLAND.						
Working expenses	21,55,719	24,24,371	31,18,035	30,92,000	32,31,000	32,96,000
TOTAL WORKING EXPENSES	4,99,71,502	5,58,07,894	6,34,65,625	6,92,09,000	8,29,31,000	8,86,10,000
NET RECEIPTS	1,90,37,286	2,44,07,323	2,95,81,944	2,36,86,000	1,68,54,000	3,62,74,000
CAPITAL OUTLAY.						
Indian Telegraph Department						
Indian Telegraph Department	17,40,688	27,15,593	63,29,242	1,42,85,000	1,66,24,000	1,97,47,000
Indo-European Telegraph Department						
Indo-European Telegraph Department	3,96,925	1,04,958	—3,15,281	11,76,000	7,16,000	12,55,000
TOTAL	21,37,613	28,20,551	60,13,961	1,54,61,000	1,73,40,000	2,10,02,000

GROSS RECEIPTS.

(a) Indian Postal and Telegraph Department.

52. The Revised estimate for 1920-21 exceeds the Budget by ₹71.83 lakhs. *Revised, 1920-21.*
The improvement is due to the heavy commission (₹1.02 lakhs) realised on the issue of sterling money orders to cover the difference between the rate of 2s. per rupee at which sterling and rupees are converted for the issue of money orders and the rates at which the post offices are authorised to issue them from time to time on the basis of the current market rates. On the other hand, a fall of ₹29.50 lakhs is expected in the revenue from ordinary postal and telegraph business as the result of the present trade depression.

53. The Budget estimate for 1921-22 anticipates a recovery in the ordinary revenue, and a decrease in the receipts from commission on sterling money orders following on a reduction in the total amount of money orders to be issued in that year. *Budget, 1921-22.*

54. It is proposed with effect from the 1st April 1921 to make the following increases in the postal rates:—

- (i) Abolition of the half anna postage for letters, the charges in future to be one anna for letters not exceeding $2\frac{1}{2}$ tolas in weight and half an anna for every additional $2\frac{1}{2}$ tolas.
- (ii) Raising to half an anna the quarter anna postcard.
- (iii) Rate for book, pattern and sample packets to be raised from half an anna for every 10 tolas to half an anna for every 5 tolas or fraction thereof.
- (iv) The rates for registered newspapers to be altered from $\frac{1}{4}$ anna for newspapers not exceeding 8 tolas in weight and $\frac{1}{2}$ anna for papers not exceeding 40 tolas, to $\frac{1}{4}$ anna for papers not exceeding 5 tolas and $\frac{1}{2}$ anna for papers not exceeding 20 tolas.
- (v) Rates of money order commission to be raised to the level at which they stood up to April 1902, (*i.e.*), 2 annas up to ₹10, 4 annas up to ₹25 and for sums exceeding ₹25, 4 annas for each complete sum of ₹25 and 4 annas for the remainder, provided that if the remainder does not exceed ₹10, the charge will be only 2 annas.

Allowing for the yield of the enhanced rates, the total revenue of the Indian Telegraph Department for 1921-22 is estimated at ₹12,13.63 lakhs.

(b) Indo-European Telegraph Department.

55. The Revised estimate for 1920-21 is less than the Budget by ₹3 lakhs as the result of arrear payments to the civil administration, Iraq, in respect of its share of foreign message revenue for the previous year. The Budget estimate for 1921-22 provides for an improvement in traffic. *Revised, 1920-21.*
Budget, 1921-22.

WORKING EXPENSES.

(a) Indian Postal and Telegraph Department.

56. The expenditure in 1920-21 is likely to exceed the Budget grant by ₹1,35.83 lakhs. About 13 lakhs of the increase is due to larger outlay on stationery and printing and the remainder relates almost entirely to the cost of revisions of pay of officers and establishments sanctioned during the course of the current year. *Revised, 1920-21.*

57. The Budget estimate for 1921-22 is taken at ₹56.14 lakhs more than the Revised for the current year. It includes provision for the maintenance and repairs of post office buildings, the cost of which has hitherto been adjusted as public works expenditure, and for further revisions of pay of officers and establishments, inclusive of ₹10 lakhs for increase in allowances of extra-departmental agents and in pay of stamp-vendors. *Budget, 1921-22.*

*(b) Indo-European Telegraph Department.*Revised, 1920-21.

58. The Revised estimate for 1920-21 is more than the Budget by R1.39 lakhs owing to revisions of pay, arrear payments for rental of the Central Persia Telegraph line and special expenditure on harbour works. The Budget for 1921-22 does not differ materially from the Revised estimate for the current year.

Budget, 1921-22.

CAPITAL OUTLAY.

Revised, 1920-21.

59. The Revised estimate for 1920-21 will exceed the Budget by R18.79 lakhs. There will be a debit of R16.03 lakhs on account of the difference for exchange in respect of outlay on stores in England between the 2s. rate adopted for conversion in the accounts and the actual average rate of exchange during the year which is estimated at 1s. 9d.; there will also be an increased outlay of R15 lakhs on the purchase of telegraph stores in India in order to recoup stocks. The excess due to these causes will be partly set off by the saving resulting from a curtailment in the programme of works. The Budget for 1921-22 is taken at R36.62 lakhs more than the Revised estimate for the current year. It includes a provision of R20 lakhs for the construction of post office and telegraph buildings the cost of which was hitherto charged to the Public Works head; the debit on account of exchange will be higher by R6.92 lakhs owing mainly to the assumption of an average rate of 1s. 8d. for next year; the rest of the increase is due to a slight increase in the programme of construction contemplated for next year.

Budget, 1921-22.

XVI.—INTEREST RECEIPTS.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
	R	R	R
INDIA.			
1. Interest on loans and advances by the Central Government	85,96,153	85,95,000	84,89,000
2. Interest on overdrawn Capital of Railway Companies in India	5,45,148	6,79,000	10,08,000
3. Interest on advances to Railway Companies charged to Capital	22,480	1,25,000	3,75,000
4. Interest on Securities of Railway Companies' Provident Funds	31,97,828	28,12,000	27,71,000
5. Interest on the outstanding balance of the Provincial Loan Account	47,65,807	49,69,000	40,11,000
6. Interest on outlay on Irrigation Works to end of 1920-21	2,25,54,712	2,30,60,000	2,15,37,000
7. Interest on loans to Provincial Governments . . . . .	...	...	4,00,000
8. Miscellaneous items	4,39,201	1,19,000	1,06,000
TOTAL INDIA	3,51,21,309	3,52,99,000	3,36,97,000
ENGLAND.			
1. Interest realised from investment of Cash Balances, etc.	30,25,580	} 21,31,000	} 12,12,000
2. Interest on advances to the Imperial Bank of Persia for the purpose of the Persian Government	2,27,710		
3. Interest on investment in Special Reserve	35,04,180		
4. Miscellaneous	4,520		
TOTAL	73,61,940	21,31,000	12,12,000
TOTAL RECEIPTS	4,24,83,249	3,74,30,000	3,49,09,000
Loans and advances outstanding on 31st March—			
1. Loans by the Central Government, —	8,87,25,623	8,74,50,628	8,56,27,628
2. Loans between the Central and Provincial Governments . . . . .	...	...	9,33,94,000

India.

60. Provision has been made in the Budget estimate for 1921-22 for the interest payable by Provincial Governments to the Central Government in respect of the outstanding balance of the Provincial loan account and of the outlay on productive and protective irrigation works to end of the year 1920-21, as well as for interest on loans to be made by the Central Government to Provincial Governments in the coming year. The following table shows the amounts on which interest is payable and the provision for interest included in the Budget for next year :—

(In lakhs of rupees.)

	Outstanding balance of provincial loan account on the 1st April 1921.	Interest payable in 1921-22.	Outlay on irrigation works to end of 1920-21.	Interest payable in 1921-22.	Loans to be made by Central Government in 1921-22.	Interest payable in 1921-22.
Madras	1,13.35	4.94	9,17.21	31.29	70.00	...
Bombay	3,13.23	15.63	1,32.07	32.54	...	...
Bengal . . . . .	...	...	1,17.61	4.04	50.00	1.75
United Provinces	2,39.39	12.71	12,28.93	42.01	23.00	.75
Punjab . . . . .	...	...	30,92.36	70.60	...	...
Burma . . . . .	...	...	...	...	...	...
Bihar and Orissa	60.53	2.50	6,08.66	20.35	...	...
Central Provinces	87.88	4.33	3,54.82	14.54	54.50	1.50
Assam . . . . .	...	...	...	...	...	...
TOTAL	8,14.38	40.11	64,51.71	2,15.37	1,97.50	4.00

The Governments of Bengal, the Punjab and Assam will repay the entire outstanding under the Provincial loan account from the Provincial balance on the 1st April 1921, and the Government of Burma will repay on that date the outstanding under the loan account as well as the capital outlay on irrigation works ; no interest will be received in respect of these accounts from the provinces mentioned. The outlay on irrigation works shown against the Punjab in the above table is less by R1 crore than the estimated outlay to the end of 1920-21 ; it is proposed to make this reduction in repayment of the sum of R1 crore which the Government of the Punjab surrendered in 1914 in return for a fixed annual assignment of R3½ lakhs.

61. Apart from the transactions mentioned above, the only important variations in the Budget for next year occur in the interest on overdrawn capital of railway companies and interest charged to capital on advances, and are the result of corresponding variations in the amounts of overdrawn capital and advances.

England.

62. The interest on the investment of cash balances of the home treasury in 1921-22 will be R9.19 lakhs less than in the current year as it is anticipated that the cash balances available for investment will be smaller throughout 1921-22 than in 1920-21.

19 AND 20.—INTEREST EXPENDITURE AND 21.—SINKING FUNDS.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
	₹	₹	₹
Interest on Debt other than that charged to Railways and Irrigation Works—			
Interest on total Debt—			
1. India	14,92,79,918	17,85,40,000	17,08,00,000
2. England	6,96,21,840	6,61,58,000	6,79,07,000
Total	21,89,01,758	23,96,98,000	23,87,07,000
Deduct—amounts charged to—			
(a) Railways :			
(i) India	7,63,56,062	9,92,54,000	11,16,72,000
(ii) England	3,67,30,270	3,77,47,000	3,86,66,000
Total Railways	11,30,86,332	13,70,01,000	15,03,38,000
(b) Irrigation :			
(i) India	8,83,915	9,09,000	9,85,000
(ii) England	50,000	51,000	...
Total Irrigation	9,33,915	9,60,000	9,85,000
Total deduction	11,40,20,247	13,79,61,000	15,13,23,000
Interest on Ordinary Debt	10,48,81,509	10,17,37,000	8,73,84,000
Interest on other Obligations—			
On Savings Bank Balances	1,62,88,424	1,94,78,000	1,95,44,000
Other items	24,22,714	41,62,000	35,33,000
TOTAL	1,87,11,138	2,36,40,000	2,30,77,000
Sinking Funds—			
(i) India	73,00,000	73,61,000	1,54,00,000
(ii) England	50,00,000	50,00,000	50,00,000
TOTAL	1,23,00,000	1,23,61,000	2,04,00,000
TOTAL	13,58,92,647	13,77,33,000	13,08,61,000
Debt outstanding on 31st March—			
Sterling	₹ 192,631,082	₹ 192,631,082	₹ 197,631,082
Rupess Debt—			
Permanent Debt—			
New Loan . . . . .	...	...	15,00,00,000
6 per cent. Bonds 1930 . . . . .	...	29,34,70,000	29,34,70,000
5½ per cent. War Bonds	29,39,44,665	29,15,07,865	29,15,07,865
5 per cent. debt	45,96,52,000	45,05,39,000	43,06,39,000
4 per cent. "	17,36,92,100	17,24,87,000	17,12,87,000
3½ per cent. "	1,19,07,92,465	1,19,13,92,465	1,19,19,85,000
3 per cent. "	6,61,57,750	6,54,57,750	6,47,57,750
Other debt	1,00,13,500	1,00,13,500	1,00,13,500
Temporary Debt—			
5½ per cent. War Bonds	57,43,74,473	29,53,07,473	12,42,78,473
Treasury Bills—			
Issued to public	42,89,00,000	37,70,00,000	37,70,00,000
Issued to Paper Currency Reserve	10,09,00,000	61,26,00,000	57,19,00,000
Savings Bank Balances	41,19,82,242	45,37,04,242	49,99,35,242
Post Office Cash Certificates	5,75,31,356	4,77,56,356	4,17,56,356

Interest on Ordinary Debt.

63. In the Budget for 1921-22 provision has been made for a full year's interest on the rupee loan of R29 crores raised in the current year. A sum of R80 lakhs has been set aside for the service of the rupee loan to be floated in the coming year and R4,40 lakhs for discount on treasury bills; of the latter over R2,85 lakhs will be required for the replacement of the Indian treasury bills held in the Paper Currency Reserve exclusive of bills to the value of R4,07 lakhs which will be discharged by appropriation of the interest on investments in the Reserve; the balance of R1,55 lakhs will be available for meeting the discount on the treasury bills which it is anticipated will be sold to the public during the course of 1921-22 in replacement of those issued in the current year. Allowance has been made for the discharge of the War Bonds, 1921, amounting to over R15 crores which are due for payment in September next, and provision has been entered in England for the dividends due on the undischarged balance of India's share of the British war debt, as well as for the service of the sterling loan of £5 million which the Secretary of State expects to float in the coming year (R10 lakhs).

*Transfers to Rail-
way and Irrigation
Accounts.*

64. 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 or other purpose. The present procedure is to charge to railways and irrigation works, in respect of that portion of the debt which has not been incurred specifically for these works, interest on capital expenditure incurred to the end of 1916-17 at the average rate of interest paid on borrowings to the end of that year, and interest on capital outlay in subsequent years at the average rate paid on borrowings in that period.

The increase in the total amount of interest to be transferred in 1921-22 over the Revised estimate for 1920-21 is almost wholly due to the progress of capital expenditure.

Interest on other obligations.

65. The Revised estimate for 1920-21 includes arrear adjustments in consequence of the raising of the rate of interest on railway provident funds to $5\frac{1}{2}$ per cent. with retrospective effect from the 1st April 1919. The Budget for 1921-22 eliminates this adjustment, but includes an increased provision for interest charges following on the growth in the balances of provident fund and other accounts.

Sinking Funds.

66. In addition to the depreciation fund of $1\frac{1}{2}$ per cent. on the total issue in respect of the 1929-47 and 1945-55 loans and a sinking fund of £500,000 for the outstanding balance of India's liability in connection with the £100 million war contribution, the Budget estimate for 1921-22 includes a special sinking fund provision of R80 lakhs which it is intended to apply to the purchase and cancellation of scrip of the 1929-47 and 1945-55 loans.

22.—GENERAL ADMINISTRATION.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
	₹	₹	₹
INDIA.			
1. Salary and expenses of the Governor-General	68,34,992	11,82,000	11,58,000
2. Executive Council		6,01,000	6,20,000
3. Legislative Assembly and the Council of State		1,69,000	7,78,000
4. Charges of the Secretariat and headquarters establishment		74,26,000	69,19,000
5. Delhi	84,017	1,15,000	2,43,000
6. Ajmer-Merwara Administration, etc.	2,518	2,000	3,000
7. North-West Frontier Administration	4,02,701	4,25,000	4,49,000
Total	68,24,228	99,20,000	1,01,70,000
ENGLAND.			
Home establishment and other miscellaneous charges	46,89,390	65,13,000	41,87,000
GRAND TOTAL	1,15,13,618	1,64,33,000	1,43,57,000

INDIA.

67. The Budget estimate for 1921-22 exceeds the Revised for the current year by ₹2·50 lakhs. Increases of ₹6·09 lakhs in the charges for the Legislative Assembly and the Council of State, ₹1·51 lakhs under the Legislative Secretariat due to increased establishment, and ₹1·28 lakhs in the Delhi province owing to the inclusion of a provision of ₹1·50 lakhs for the revision of the pay of subordinate establishments, is largely set off by a decrease of ₹6·59 lakhs in the cost of the other Secretariats, due to the absence of provision for the Reforms Office and officers on special duty, mainly in connection with the Reforms.

ENGLAND.

68. The Budget estimate for 1921-22 is less than the Revised for the current year by ₹23·26 lakhs. The former allows for a contribution of ₹20 lakhs from the Lords Commissioners of His Majesty's treasury towards the administrative expenses of the India Office; the corresponding recovery in the Revised estimate (₹7·20 lakhs) is shown under the receipt head "Miscellaneous." The rest of the decrease is due to the omission of special expenditure incurred in the current year in connection with the acquisition of premises for the High Commissioner for India.

23.—AUDIT.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
	R	R	R
1. India General	6,32,534	7,58,000	11,13,000
2. Delhi	51,863	1,05,000	94,000
3. Madras	4,17,868	5,60,000	6,11,000
4. Bombay	4,96,477	5,49,000	7,27,000
5. Bengal	5,11,254	6,75,000	7,11,000
6. United Provinces	4,34,524	5,65,000	6,23,000
7. Punjab	3,75,892	5,43,000	6,07,000
8. Burma	5,45,344	6,63,000	7,53,000
9. Bihar and Orissa	2,89,627	3,88,000	3,90,000
10. Central Provinces	2,35,769	2,72,000	2,91,000
11. Assam	1,76,621	2,21,000	2,16,000
TOTAL INDIA	41,67,773	52,79,000	61,36,000
ENGLAND	1,23,920	3,00,000	3,29,000
Total	42,91,693	55,79,000	64,65,000

69. The Budget estimate for 1921-22 includes provision for the cost of establishment in the Auditor General's office for the audit of sanctions accorded by the Governor-General in Council, (R42,000), and in the audit offices in the provinces for the verification of cancelled currency notes (R1,53,000), and for the overhauling of the accounts of the *quasi*-commercial departments (R38,000). The balance of the increase in the Budget is due mainly to increments to establishments under the time-scale recently sanctioned for them. The Budget under India General includes a lump provision of R1 lakh for temporary establishments in all audit offices.

XVII and 24—ADMINISTRATION OF JUSTICE.

EXPENDITURE.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
	R	R	R
1. India General	2,96,844	3,30,000	3,24,000
2. Delhi	1,81,575	1,98,000	1,81,000
3. Baluchistan	27,565	30,000	30,000
4. North-West Frontier	7,79,373	9,04,000	9,49,000
Total India	12,85,357	14,62,000	14,84,000
England	10,010	23,000	18,000
TOTAL	12,95,367	14,85,000	15,02,000

REVENUE.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
1. India General	46,113	56,000	51,000
2. Delhi	26,179	25,000	24,000
3. Baluchistan	49,935	60,000	59,000
4. North-West Frontier	2,98,086	2,51,000	2,48,000
Total	4,20,313	3,92,000	3,85,000

70. The variations are unimportant.

XVIII AND 25.—JAILS AND CONVICT SETTLEMENTS

EXPENDITURE.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
	R	R	R
1. India General	24,19,904	30,15,000	31,24,000
2. Delhi	78,821	91,000	92,000
3. Baluchistan	70,830	80,000	80,000
4. North-West Frontier	3,56,541	4,48,000	5,15,000
Total India	29,26,096	36,34,000	38,11,000
England	1,63,160	17,000	...
TOTAL	30,89,256	36,51,000	38,11,000

REVENUE.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
1. India General	11,90,326	10,22,000	10,21,000
2. Delhi	22,326	12,000	13,000
3. Baluchistan	2,794	2,000	1,000
4. North-West Frontier	54,908	52,000	55,000
TOTAL	12,70,354	10,88,000	10,90,000

EXPENDITURE.

Budget, 1921-22.

71. The Budget estimate of expenditure for 1921-22 includes allotments of R1 lakh for reforms in the penal settlement at Port Blair and R50,000 in the North-West Frontier Province for the maintenance of prisoners confined in the jails of other provinces. The figures do not otherwise call for remark.

REVENUE.

72. The variations are unimportant.

XIX AND 26.—POLICE.

EXPENDITURE.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
	R	R	R
1. India General	10,48,978	10,86,000	12,68,000
2. Delhi	5,53,277	6,71,000	6,90,000
3. Baluchistan	7,94,748	9,10,000	11,40,000
4. North-West Frontier	41,03,354	44,86,000	47,14,000
Total India	65,00,357	71,33,000	78,12,000
England	79,700	83,000	52,000
TOTAL	65,80,057	72,16,000	78,64,000

REVENUE.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
1. India General	10,10,711	14,43,000	12,26,000
2. Delhi	14,821	21,000	19,000
3. Baluchistan	21,439	21,000	21,000
4. North-West Frontier	1,17,706	27,000	18,000
TOTAL INDIA	11,64,677	15,12,000	12,84,000

EXPENDITURE.

73. The Budget for 1921-22 exceeds the Revised estimate for the current Budget, 1921-22. year by R6.48 lakhs; it includes a full year's provision for the cost of revision of the pay of the police force sanctioned in the current year in Baluchistan and the North-West Frontier province and allotments for revisions to be sanctioned for the forces in Ajmer (R74,000), Bangalore (R37,000), Coorg (R27,000) and Delhi (R25,000).

REVENUE.

74. The decrease in the Budget for 1921-22 is due to the Revised estimate for the current year including arrear recoveries from Railway Companies.

XX AND 27.—PORTS AND PILOTAGE.

EXPENDITURE.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
	R	R	R
1. Bombay	82,831	1,01,000	1,24,000
2. Bengal	26,28,690	15,30,000	19,45,000
3. Burma	2,74,651	3,63,000	3,45,000
4. Bihar and Orissa . . . . .	...	8,000	8,000
TOTAL INDIA	29,85,172	20,02,000	24,22,000
England . . . . .	...	...	47,000
TOTAL	29,86,172	20,02,000	24,69,000

REVENUE.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
1. Bombay	1,80,462	1,78,000	1,78,000
2. Bengal	12,78,662	15,95,000	16,25,000
3. Burma	5,07,389	5,01,000	5,40,000
TOTAL	19,66,513	22,74,000	23,43,000

EXPENDITURE.

Budget, 1921-22.

75. The excess of R4.67 lakhs in the Budget for the next year as compared with the current year's Revised occurs mainly in Bengal and is due to provision for a launch for pilots (R76,000), for repairs to pilot vessels (R69,000) and for enhanced prices for coal.

REVENUE.

76. The variations are unimportant.

28.—ECCLESIASTICAL.

EXPENDITURE.

	Accounts, 1917-1918.	Accounts, 1918-1919.	Accounts, 1919-1920.	1920-1921.		Budget, 1921-1922.
				Budget.	Revised.	
				R	R	
1. India General	1,72,913	1,68,143	2,01,442	1,68,000	1,85,000	2,12,000
2. Delhi	16,047	13,981	18,065	23,000	17,000	21,000
3. Baluchistan	24,523	23,859	23,103	25,000	31,000	29,000
4. North-West Frontier	61,316	67,817	56,645	76,000	67,000	1,02,000
5. Madras	3,54,978	3,50,675	3,53,028	3,82,000	4,71,000	4,92,000
6. Bombay	3,75,670	3,77,867	3,73,796	3,95,000	4,47,000	5,20,000
7. Bengal	1,81,113	1,92,408	1,82,587	1,98,000	2,68,000	2,55,000
8. United Provinces	2,40,029	2,68,869	2,67,789	2,97,000	3,46,000	3,90,000
9. Punjab	2,61,785	2,76,295	2,46,955	2,98,000	3,71,000	3,53,000
10. Burma	1,35,100	1,28,643	1,29,432	1,62,000	1,52,000	2,08,000
11. Bihar and Orissa	39,215	37,013	33,270	41,000	40,000	43,000
12. Central Provinces	1,03,088	1,19,009	1,07,963	1,16,000	1,51,000	1,69,000
13. Assam	20,051	24,694	23,772	29,000	27,000	23,000
TOTAL INDIA	19,85,823	20,50,273	20,22,347	22,10,000	25,73,000	28,27,000
England	2,810	1,070	1,56,090	4,000	2,77,000	2,73,000
TOTAL	19,88,633	20,51,343	21,78,937	22,14,000	28,50,000	31,05,000

77. The Budget estimate for next year exceeds the current year's Revised Budget, 1921-22, by Rs 255 lakhs owing to provision for the full strength of ecclesiastical officers and for the revised rates of pay recently sanctioned for them.

29—POLITICAL.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
	R	R	R
1. India General	1,87,00,903	1,94,24,000	60,34,000
2. Delhi	4,265	3,000	1,000
3. Baluchistan	32,54,513	31,90,000	37,75,000
4. North-West Frontier	48,69,600	44,52,000	56,76,000
5. Madras	1,50,862	1,28,000	1,35,000
6. Bombay	12,52,696	12,86,000	13,33,000
7. Bengal	25,963	31,000	29,000
8. United Provinces	1,80,165	1,79,000	1,73,000
9. Punjab	6,37,932	6,35,000	6,38,000
10. Burma	12,84,933	15,26,000	16,07,000
11. Bihar and Orissa	79,279	80,000	90,000
12. Central Provinces	35,218	39,000	39,000
13. Assam	6,49,212	8,96,000	4,64,000
TOTAL INDIA	3,11,25,541	3,18,69,000	1,99,94,000
England	7,07,100	7,69,000	9,69,000
TOTAL	3,18,32,641	3,26,38,000	2,09,63,000

Revised, 1920-21.

78. The Revised estimate for the current year includes R72 lakhs for the Indian moiety of the cost of the South Persia Rifles and R47.50 lakhs and R10.34 lakhs respectively on account of special political expenditure in Persia and charges in connection with pilgrimage to the Hedjaz. No expenditure on these accounts is anticipated in 1921-22. Excluding these items, the Budget for next year is R13.09 lakhs more than the Revised. The increase occurs in Baluchistan and the North-West Frontier Province and is due to provision for the re-organisation of the frontier militias and revision of their pay and to their being under strength in the current year. The saving in Assam (R4.32 lakhs) is nominal and is due to the Central Government's contribution to the cost of one battalion of the military police in that province which is now adjusted under this head, being provided for under the head "Miscellaneous Adjustments between the Central and Provincial Governments" in the Budget for next year.

Budget, 1921-22.

30.—SCIENTIFIC DEPARTMENTS.

EXPENDITURE.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
	₹	₹	₹
1. Survey of India	24,26,930	32,79,000	36,72,000
2. Botanical Survey	₹9,900	1,00,000	1,63,000
3. Geological Survey	2,86,035	3,81,000	4,07,000
4. Meteorological Survey	4,49,079	4,96,000	5,62,000
5. Archæological Survey	3,89,673	4,51,000	15,21,000
6. Zoological Survey	1,18,922	1,11,000	1,39,000
7. Museums	43,694	58,000	64,000
8. Mines Department	1,28,317	1,63,000	2,80,000
9. Hydro-Electric Survey	46,785	1,81,000	33,000
10. Grant to Indian Institute of Science . . . . .	...	88,000	1,50,000
11. Grant to Bose Research Institute . . . . .	...	...	78,000
12. Other items	4,087	36,000	38,000
Total India	32,83,412	53,74,000	71,07,000
England	5,07,470	19,12,000	12,40,000
Total	44,90,882	71,86,000	83,47,000

79. The expenditure in 1921-22 will be ₹11·61 lakhs more than the Revised for the current year. The more important reasons for the excess are : *(a)* the revision of pay of officers and establishments in the Survey of India (₹3·93 lakhs), *(b)* provision for the conservation of ancient monuments, the expenditure on which was hitherto adjusted as provincial expenditure under the Public Works head (₹8·70 lakhs) and for the reorganisation of the Archæological Department (₹1·18 lakhs), *(c)* revision of the pay of establishments and increase in the number of superior officers in the Mines Department (₹2·80 lakhs), and *(d)* provision for an increased grant to the Institute of Science, Bangalore, and the Bose Research Institute in Calcutta. The latter item has hitherto been adjusted as an assignment to the Provincial revenues of Bengal. The excess due to the above causes is partly set off by a reduction in the outlay on stores in England and on the Hydro-electric survey the cost of which, in so far as it relates to the provinces, will be borne in future by the Provincial Governments concerned.

XXI AND 31.—EDUCATION.

EXPENDITURE.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
	₹	₹	₹
1. India, General	8,48,431	9,08,000	8,55,000
2. Delhi	2,98,333	3,41,000	4,55,000
3. Baluchistan	1,47,263	1,98,000	2,95,000
4. North-West Frontier	8,81,295	9,81,000	12,09,000
5. Bombay . . . . .	...	25,000	25,000
6. United Provinces . . . . .	...	2,00,000	2,00,000
7. Punjab	53,047	28,000	28,000
8. Central Provinces	35,053	36,000	37,000
Total	22,63,422	27,15,000	31,04,000
England	1,63,240	2,32,000	2,22,000
TOTAL	24,26,662	29,47,000	33,26,000

REVENUE.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
1. India, General	48,129	47,000	50,000
2. Delhi	15,045	15,000	12,000
3. Baluchistan	21,373	23,000	23,000
4. North-West Frontier	26,816	27,000	27,000
TOTAL	1,11,363	1,12,000	1,12,000

EXPENDITURE.

Budget, 1921-22.

80. The Budget estimate for 1921-22 exceeds the Revised for the current year by ₹3.79 lakhs owing mainly to increased provision for grants to educational institutions and scholarships in the North-West Frontier Province, Baluchistan and Delhi.

REVENUE.

81. The figures do not call for remark.

XXII AND 32.—MEDICAL.

EXPENDITURE.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
	₹	₹	₹
1. India General	9,82,571	12,29,000	14,97,000
2. Delhi	2,88,457	3,03,000	2,98,000
3. Baluchistan	1,42,176	1,98,000	3,28,000
4. North-West Frontier	1,93,187	4,05,000	3,99,000
TOTAL INDIA	16,06,391	21,35,000	25,20,000
England	60,860	1,36,000	3,42,000
TOTAL	16,67,251	22,71,000	28,62,000

REVENUE.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
	₹	₹	₹
1. India General	19,150	23,000	22,000
2. Delhi	5,483	6,000	6,000
3. Baluchistan	767	5,000	...
4. North-West Frontier	741	1,000	1,000
TOTAL INDIA	26,141	35,000	29,000
England	1,460	2,000	1,000
TOTAL	27,601	37,000	30,000

EXPENDITURE.

82. The Budget for 1921-22 exceeds the Revised for 1920-21 by ₹5·91 lakhs owing to increased provision for Bacteriological Officers, for equipment for hospitals in Baluchistan and for stores obtained from England. *Budget, 1921-22.*

REVENUE.

83. The figures do not call for remark.

XXIII AND 33.—PUBLIC HEALTH.

EXPENDITURE.

	Accounts, 1919-20.	Revised, 1920-21.	Budget, 1921-22.
	₹	₹	₹
1. India General	18,19,741	24,20,000	10,68,000
2. Delhi	49,754	2,07,000	1,31,000
3. Baluchistan	13,784	17,000	19,000
4. North-West Frontier	2,04,408	2,14,000	2,80,000
5. Madras . . . . .	...	...	14,000
6. Bengal . . . . .	...	...	4,000
7. Bihar and Orissa . . . . .	...	3,000	3,000
TOTAL INDIA	20,87,687	28,61,000	14,69,000
England	45,290	26,000	29,000
Total	21,32,977	28,87,000	14,98,000

REVENUE.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
	₹	₹	
1. India General	2,46,286	6,00,000	5,97,000
2. North-West Frontier	85	...	...
TOTAL	2,46,321	6,00,000	5,97,000

EXPENDITURE.

Budget, 1921-22.

84. The decrease of ₹13·89 lakhs in the Budget estimate for the next year is due mainly to the absence of a special payment to the Indian Research Fund (₹7·50 lakhs) included in the Revised for the current year and to a reduced provision for expenditure on account of the Central Health Board (₹4·50 lakhs).

REVENUE.

85. The figures do not call for remark.

XXIV AND 34—AGRICULTURE.

EXPENDITURE.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
	R	R	R
1. India General	12,87,424	15,45,000	16,07,000
2. Delhi	22,779	27,000	29,000
3. Baluchistan	56,749	58,000	1,04,000
4. North-West Frontier	1,00,432	1,17,000	1,43,000
TOTAL INDIA	14,67,384	17,47,000	18,88,000
England	-14,380	40,000	44,000
TOTAL	14,81,764	17,87,000	19,32,000

REVENUE.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
1. India General	3,83,622	3,40,000	3,44,000
2. Baluchistan	10,148	15,000	24,000
3. North-West Frontier	8,538	7,000	7,000
TOTAL	4,02,308	3,62,000	3,75,000

86. The Budget estimate of expenditure for 1921-22 includes special allotments for a Central Cotton Committee in Bombay (R50,000), for increased gazetted staff at Pusa (R40,000) and for larger purchases of agricultural publications (R20,000). The figures in the above table do not otherwise call for remark.

Budget, 1921 22.

XXV AND—35.—INDUSTRIES.

EXPENDITURE.

	Revised, 1920-21.	Budget, 1921-22.
	₹	₹
1. Acetone, Factory Nasik	4,75,000	5,27,000
2. Electrical Adviser . . . . .	... (a)	43,000
4. School of Mines and Geology	33,000	50,000
5. Other items	16,000	77,000
Total India	5,24,000	6,97,000
England	5,000	8,000
Total	5,29,000	7,05,000

(a) Included under the head "Civil Works".

87. The Budget for 1921-22 under the head "Other items" includes a grant of ₹53,000 for the development of the glass industry. The figures do not otherwise call for remark.

REVENUE.

	Revised, 1920-21.	Budget, 1921-22.
India General	3,00,000	4,00,000

88. The variation is not important.

36.—AVIATION.

EXPENDITURE.

	Revised, 1920-21.	Budget, 1921-22.
	₹	₹
India General	4,00,000	66,000
England	10,000	9,000
Total	4,10,000	75,000

89. The Budget for 1921-22 provides for essential expenditure only in view of the financial situation.

37.—MISCELLANEOUS DEPARTMENTS.

	Accounts, 1919-20.	Revised, 1920-21.	Budget, 1921-22.
	₹	₹	₹
Census	24,015	15,78,000	27,40,000
Bureau of Commercial Intelligence	2,26,688	2,50,000	4,03,000
Imperial Library	52,148	50,000	72,000
Emigration	1,51,142	1,37,000	1,91,000
Examinations	53,251	67,000	56,000
Chief Inspector of Explosives	83,844	90,000	78,000
Controller of Patents and Designs	49,461	55,000	48,000
Actuary to the Government of India	30,618	25,000	31,000
Registrar, Joint Stock Companies	1,77,770	1,70,000	1,95,000
Indian War Memorial	43,903	16,000	8,000
Metallurgical Institute . . . . .	...	50,000	1,00,000
Government Test House, Alipore . . . . .	...	95,000	1,23,000
Indian Stores Department . . . . .	...	...	8,00,000
Ethnographical Survey	2,127	1,000	16,000
Purchase of Java Quinine	22,24,210	...	...
Miscellaneous	4,91,328	1,19,000	1,49,000
TOTAL INDIA	35,69,505	27,03,000	50,10,000
England	80,200	22,000	17,000
	35,99,705	27,25,000	50,27,000

XXVI.—MISCELLANEOUS DEPARTMENTS.

	Accounts, 1919-20.	Revised, 1920-21.	Budget, 1921-22.
	₹	₹	₹
Total Revenue	6,07,080	8,31,000	10,19,000

EXPENDITURE.

90. The Budget estimate for 1921-22 exceeds the Revised for the current year by ₹23·02 lakhs. It includes provision (i) for increased expenditure on the census operations (₹11·62 lakhs), (ii) for the reorganization of the Commercial Intelligence Department and the opening of Commercial Intelligence Offices at Bombay, Karachi and Rangoon, (₹1·53 lakhs), (iii) for the new stores organization to be established in India in pursuance of the recommendations of the Indian Stores Committee (₹8 lakhs), and (iv) for minor increases in the charges for emigration, the Metallurgical Institute and the Government Test-House.

REVENUE.

91. The increase of ₹1·88 lakhs in the Budget estimate for 1921-22 as compared with the current year's Revised is due to the recoveries on account of departmental charges expected in respect of purchases to be made through the new stores organization (₹3 lakhs), partly set off by a decrease in the receipts from the registration of joint-stock companies (₹1 lakh).

XXVII AND 38.—CURRENCY.

EXPENDITURE.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
	R	R	R
1. Currency Department :	16,56,497	18,29,000	19,05,000
2. Allowance to the Imperial Bank of India	7,20,879	7,64,000	7,00,000
3. Charges for remittance of treasure	6,43,170	7,64,000	6,52,000
4. Loss by exchange on local transactions	2,16,475	10,000	14,000
5. Other charges	1,525	1,000	1,000
TOTAL INDIA	32,38,546	33,68,000	32,72,000
England	15,06,980	50,20,000	32,28,000
TOTAL EXPENDITURE	47,45,526	83,88,000	65,00,000

REVENUE.

1. Profits on Note circulation	66,70,420	85,15,000	...
2. Premium on Bills	4,99,665	5,20,000	1,55,000
3. Value of old Currency Notes assumed to be no longer in circulation	65,510	46,000	44,000
4. Other miscellaneous receipts	30,810	15,000	15,000
TOTAL INDIA	72,66,405	90,96,000	2,14,000
England	2,30,63,570	1,24,20,000	...
TOTAL REVENUE	3,03,29,975	2,15,16,000	2,14,000

EXPENDITURE.

(a) India.

Budget, 1921-22.

92. The Budget estimate of expenditure in India for 1921-22 is taken at **₹96,000** less than the current year's Revised estimate, decreases of **₹1.12 lakhs** and **₹64,000** respectively in the charges for the remittance of treasure and the allowance payable to the Imperial Bank of India for the conduct of Government business owing to the discontinuance of payments for treasury work being partly set off by an excess of **₹76,000** in the provision for the Currency Department owing to the formation of a separate office of Deputy Controller of the Currency for Northern India.

(b) England.

93. The Budget estimate for 1921-22 in England provides for normal outlay on note forms, the Revised estimate for the current year including arrear payments.

REVENUE.

Budget, 1921-22.

94. The Budget estimate of revenue for 1921-22 is taken at **₹2.14 lakhs** only. No credit is taken for interest on investments on behalf of the Paper Currency Reserve as, under section 13 of the Indian Paper Currency (Amendment) Act XLV of 1920, the interest is earmarked for the reduction of created securities in the Paper Currency Reserve. In consequence of the transfer to the Imperial Bank of India of the resource work at places where there are offices of the Bank, the issue of bills and telegraphic transfers between such places will be undertaken by the Bank in future, and this accounts for the reduction of **₹3.65 lakhs** in the receipts from premium on bills.

XXVIII AND 39.—MINT.

	Accounts, 1917-1918.	Accounts, 1918-1919.	Accounts, 1919-1920.	1920-1921.		Budget, 1921-1922.
				Budget.	Revised.	
REVENUE.	₹	₹	₹	₹	₹	₹
INDIA.						
1. Percentage chargeable on coinage of new rupees	43,15,269	1,04,02,304	74,88,568	10,00,000	13,60,000	...
2. Profit on circulation of—						
(a) Nickel coins	22,56,321	1,49,73,811	1,71,41,867	80,00,000	48,00,000	40,00,000
(b) Bronze coins, etc	4,70,417	14,72,382	14,09,847	10,00,000	...	5,00,000
3. Fees for coining dollars, etc.	2,22,419	1,23,478	2,45,650	...	4,77,000	...
4. Other items	4,96,585	4,23,642	5,12,591	1,93,000	4,52,000	2,59,000
TOTAL	77,61,011	2,74,01,117	2,67,98,523	1,01,93,000	70,89,000	47,59,000
England . . . . .	...	730	590	...	1,000	...
TOTAL	77,61,011	2,74,01,847	2,67,99,113	1,01,93,000	70,90,000	47,59,000
EXPENDITURE.						
INDIA.						
1. Establishment charges	11,18,659	18,52,453	20,91,913	12,98,000	13,67,000	12,38,000
2. Purchase of stores	4,68,335	9,62,177	11,75,776	6,95,000	6,27,000	6,27,000
3. Loss on bronze coinage . . . . .	...	...	...	...	...	...
4. Loss on re-coining old silver coins	3,00,686	1,28,847	1,11,979	5,87,000	3,78,000	3,27,000
5. Other coinage losses	3,09,637	9,68,198	9,01,106			
6. Charges for gold mint . . . . .	...	95,186	...	50,000	...	...
7. Electrification of Bombay Mint . . . . .	...	...	...	3,00,000	...	1,10,000
TOTAL	21,97,317	40,18,861	42,80,774	29,30,000	23,72,000	23,02,000
England	2,08,940	3,80,190	6,23,060	6,28,000	6,76,000	2,24,000
TOTAL	24,06,257	43,97,051	49,03,834	35,58,000	30,48,000	25,26,000
TOTAL NET REVENUE	53,54,754	2,30,04,796	2,18,95,279	66,35,000	40,42,000	22,33,000

REVENUE.

95. The Revised estimate for the current year is less than the Budget by ₹31.03 lakhs. The profit on subsidiary coinage will be less by ₹42 lakhs owing to a decline in the demand in consequence of the depressed trade conditions. On the other hand, seignorage on rupee coinage will exceed the Budget by ₹3.60 lakhs, owing to the uncoined balance of silver at the end of 1919-20 having been in excess of anticipations; the operative gains included under "other items" show an increase of ₹2.59 lakhs and there will be an increased receipt of ₹4.77 lakhs in respect of recoinage undertaken for the Straits Government. Revised, 1920-21.

96. The Budget estimate for 1921-22 is taken at ₹23.31 lakhs less than the Revised estimate for 1920-21. Provision is made for a moderate profit of ₹45 lakhs from the circulation of subsidiary coinage, but no receipt is anticipated from seignorage on rupee coinage or from coinage for other Governments. Budget, 1921-22.

EXPENDITURE.

97. The saving of ₹5.10 lakhs in the Budget allotment for the current year is the result of a decrease of ₹2.09 lakhs in operative losses and of the non-utilisation of the provision for the gold mint and the electrification of the Bombay Mint, due in the former case to the postponement of the re-opening of the gold mint in view of the present conditions of the rupee-sterling exchange. The Budget for 1921-22 includes provision for normal expenditure on coinage and an allotment of ₹1.10 lakhs for the electrification of the Bombay Mint. Revised, 1920-21.
Budget, 1921-22.

XXIX AND 40.—EXCHANGE.

	Accounts, 1917-18.	Accounts, 1918-19.	Accounts, 1919-20.	1920-21.		Budget. 1921-22.
				Budget.	Revised.	
	₹	₹	₹	₹	₹	₹
Revenue	4,71,77,799	7,25,16,177	...	...	...	...
Expenditure . . . . .	...	...	...	...	2,63,30,000	3,28,54,000

98. Since the 1st April 1920, the accounts have been prepared on the basis of the rate of 2s. per rupee for the conversion of rupee transactions into sterling and *vice versa*. The sterling value of the rupee has however fluctuated largely during the year; the average rate for the year is expected to work out at about 1s. 9d., the highest value touched being 2s. 3½d. on the 15th April 1920 and the lowest about 1s. 3½d. In consequence of these wide variations from the 2s. rate, large sums have to be brought to account as gains or losses in respect of transactions involving remittances of funds to and from the Secretary of State.

99. The following table shows the losses by exchange in respect of remittance and allied transactions which are expected to be brought to account in the current and next years, the estimates being based on the assumption of an average rate of exchange of 1s. 9d. for the current and 1s. 8d. for next year:—

	(In lakhs of Rupees).	
	1920-21.	1921-22.
(i) Loss on realisation of sterling securities in the Paper Currency Reserve	17,00	...
(ii) Loss on war disbursements in India recoverable from His Majesty's Government and other military transactions	6,67	4,22
(iii) Loss due to sale of reverse bills on London at over 2s per rupee	2,44	...
(iv) Loss in connection with cancellation of the overbuying guarantee	1,67	...
(v) Loss in respect of gold purchases, acquisition and sales	1,22	...
(vi) Loss on rupee coinage	92	...
(vii) Loss on sterling money order and other miscellaneous transactions	45	—28
Total	30,37	3,94

100. The losses expected in the current and next years in respect of remittance transactions are shown against items (i) to (iii) and (vii) in paragraph 99. The loss of ₹17 crores shown against item (i) represents the payment made to the Paper Currency Reserve on account of the difference between the rupee value at the 2s. rate of the sterling securities which the Secretary of State withdrew from the reserve in the first half of the year in order to meet reverse bills on London and the value at 1s. 4d. the rupee at which the securities were held in the reserve. The sterling securities in the Currency Reserve which were not withdrawn for the above purpose as well as the gold held in it were revalued at the 2s. rate on the 1st October 1920 in accordance with the provisions of the Indian Paper Currency (Amendment) Act XLV of 1920, and the payment to the reserve in respect of the difference in valuation was made in the form of Indian treasury bills of the value of ₹18.40 lakhs issued to the reserve.

The loss shewn against item (iv) represents the amount paid to the British Exchange Banks in settlement of the overbuying guarantee. The Secretary of State undertook to sell, within a year after the termination of the war, Councils to the extent to which the British Banks were overbought in consequence of their having provided the necessary finance for exports of national importance during the war and the rates of exchange at which the finance was provided. The guarantee has been liquidated by

weekly payments of the difference between the rupee equivalent at the guaranteed rate and at the average maximum and minimum rate for telegraphic transfers on London on the day of liquidation.

The amount shown against item (v) represents the loss on sales of gold to the public (R2,11 lakhs) until their discontinuance in September, counter-balanced by a gain of 79 lakhs on gold purchased by the Secretary of State and 10 lakhs on gold acquired under the Gold Import Act prior to the withdrawal on the 21st June 1920 of restrictions on the imports of gold.

The loss against item (vi) represents the difference between the purchase price and outturn value of silver purchased last year but left uncoined at the end of the year.

101. It has been decided with the approval of the Secretary of State to adopt with effect from the current year the following revised procedure for the adjustment of exchange gains and losses attributable to the revenue and capital accounts. All exchange gains and losses arising in respect of remittance transactions will be recorded in the first instance under a suspense head; the portion attributable to the revenue and capital accounts in respect of outlay incurred in England will be calculated on the basis of the average telegraphic transfer rate from Calcutta on London during the year and will be transferred to these accounts; and it will be considered with reference to the circumstances of each year whether the balance remaining under the suspense head after the transfers are made should be written off to revenue or kept in suspense against the possibility of opposite results in succeeding years. It has also been decided that the portion of the exchange gain or loss attributable to the revenue account which relates to outlay in England on behalf of commercial services (Railways, Irrigation works and Posts and Telegraphs) and to expenditure of Provincial Governments should be debited to the commercial heads and Provincial Governments concerned, the balance of the gain or loss pertaining to the revenue account being shown under the general revenue or expenditure head "Exchange".

102. The following table shows the amounts chargeable to the revenue and capital heads during the current and next years on account of losses from exchange and the balance remaining under the suspense head after such allocation:—

Transferred to—	(In lakhs of rupees.)	
	1920-21.	1921-22.
Capital heads (Railways, Irrigation and Delhi)	2,73	2,89
Provincial Governments	... (a)	66
Commercial revenue heads (Railways, Irrigation and Posts and Telegraphs)	1,51	2,14
General expenditure head "Exchange"	2,64	3,22
Total transfers	6,88	8,97
Unadjusted loss under suspense head	23,49	...
Appropriation of loss to revenue and capital in excess of actual loss on remittances	...	5,03
Net loss under suspense head for two years together	18,46	

Taking into account a gain of R5,23 lakhs which accrued in 1919-20, there will be an outstanding balance of R13,23 lakhs under the suspense head at the end of 1921-22 awaiting clearance in subsequent years.

(a) The transfers to the Provincial Governments in the current year are shown under the head "Transfers between Imperial and Provincial Revenues."

XXX and 41.—CIVIL WORKS.

EXPENDITURE.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
	R	R	R
1. India General	10,89,131	9,85,000	18,34,000
2. Delhi	15,99,302	21,90,000	22,85,000
3. Baluchistan	13,57,450	13,69,000	12,85,000
4. North-West Frontier	21,45,303	33,15,000	29,09,000
5. Madras	4,52,231	3,82,000	2,92,000
6. Bombay	8,52,231	15,00,000	8,13,000
7. Bengal	13,17,701	18,40,000	10,02,000
8. United Provinces	9,08,943	14,32,000	12,34,000
9. Punjab	36,80,557	33,25,000	14,88,000
10. Burma	2,25,214	1,90,000	2,47,000
11. Bihar and Orissa	2,37,691	2,29,000	3,31,000
12. Central Provinces	9,16,348	10,12,000	11,16,000
13. Assam	50,780	54,000	2,18,000
TOTAL INDIA	1,48,43,032	1,75,23,000	1,50,04,000
England	1,29,430	3,02,000	99,000
TOTAL	1,49,72,462	1,78,25,000	1,51,03,000

REVENUE.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
1. India General	44,133	21,000	16,000
2. Delhi	1,63,046	1,20,000	1,20,000
3. Baluchistan	37,488	85,000	45,000
4. North-West Frontier	1,69,533	1,72,000	1,67,000
5. Madras	19,885	21,000	21,000
6. Bombay	80,359	41,000	43,000
7. Bengal	1,38,023	1,62,000	1,12,000
8. United Provinces	56,943	84,000	59,000
9. Punjab	1,88,933	3,27,000	3,67,000
10. Burma	19,407	19,000	12,000
11. Bihar and Orissa	28,893	33,000	22,000
12. Central Provinces	56,729	56,000	53,000
13. Assam	1,032	1,000	1,000
TOTAL INDIA	10,04,444	11,42,000	10,38,000

EXPENDITURE.

103. The total grant for 1921-22 has been fixed at Rs 1,08.45 lakhs, exclusive of Rs 4.09 lakhs allotted for expenditure in the Civil Department, mostly in the several minor administrations, and of sums aggregating Rs 38.49 lakhs to be spent by the Administrations of North-West Frontier Province (Rs 28.00 lakhs) and Baluchistan (Rs 10.49 lakhs). The total budget for 1921-22 is less than the Revised estimate for 1920-21 by Rs 28.28 lakhs. The decrease is due mainly to the curtailment of expenditure in view of the present financial situation; part of the decrease is nominal and is due to the transfer of provision for Post and Telegraph works to the head "Posts and Telegraphs."

104. The purposes to which the grant of Rs 1,08.45 lakhs mentioned in the preceding paragraph will be applied are shown below:—

(A) ORDINARY GRANT.

	In lakhs of rupees.
(1) Establishment and miscellaneous charges	15.27
(2) Repairs	27.80
(3) Works in progress	23.47
(4) New works—	
(a) Costing up to Rs 10,000	8.58
(b) Costing over Rs 10,000	7.62
(5) Reserve for unforeseen expenditure	8.72
	91.46(a)

(a) Includes Rs 99 lakhs for expenditure in England.

(B) DELHI PROVINCE.

(1) Works in progress	1.55
(2) New works—	
(a) Costing up to Rs 10,000	2.00
(b) " over Rs 10,000	0.20
(3) Repairs	9.20
(4) Establishment and miscellaneous charges	2.74
(5) City extension improvement scheme	1.30
	16.99
Total	1,08.45

105. The more important works for which funds are being provided out of the ordinary grant are stated below:—

Province.	Name of work	Amount of grant.
<i>In progress.</i>		
Bombay	Office and residential buildings in connection with Salt works at Bhandop	Rs 1,00,000
	Pipe line water supply from Karachi to Maurypur Salt works	1,40,000
Rajputana	New Government High School at Ajmer	1,30,000
Simla	Clerks' quarters	1,64,500
	Council Chamber for the Legislative Assembly	5,64,500
	Quarters for non-official members of Council	1,12,000
Central India	Submerged bridge at Khalghat over the Narbada river on the Agra-Bombay road	1,20,000
<i>New works.</i>		
Dehra Dun	Buildings for the Economic branch of the Forest Research Institute at Dehra Dun.	4,40,000
Bihar and Orissa	Buildings for the enlargement of the Agricultural Research Institute at Pusa.	1,61,500

REVENUE.

106. The variations are unimportant and do not call for remark.

42.—WATERWAYS AND EMBANKMENTS.

	Accounts, 1919-20.	Revised, 1920-21.	Budget, 1921-22.
	Rs.	Rs.	Rs.
North-West Frontier Province . . . . .	...	...	3,000
Madras	2,705	3,000	5,000
TOTAL	2,705	3,000	8,000

107. The figures do not call for any remark.

43.—FAMINE RELIEF AND INSURANCE.

	Accounts, 1919-20.	Revised, 1920-21.	Budget, 1921-22.
	Rs.	Rs.	Rs.
India General	26,306	...	...
North-West Frontier Province . . . . .	...	20,000	20,000
TOTAL	26,306	20,000	20,000

108. The figures do not call for remark.

44.—TERRITORIAL AND POLITICAL PENSIONS.

	Accounts, 1917-1918.	Accounts, 1918-1919.	Accounts, 1919-1920.	1920-1921.		Budget, 1921-22.
				Budget.	Revised.	
				Rs.	Rs.	
1. India General	1,09,792	1,08,037	1,14,418	1,22,000	1,09,000	1,09,000
2. Delhi	45,090	44,340	41,641	48,000	52,000	51,000
3. Baluchistan	36,500	49,844	41,068	38,000	38,000	37,000
4. North-West Frontier	41,313	77,775	57,359	60,000	60,000	60,000
5. Madras	2,90,101	2,75,777	2,91,799	2,90,000	2,81,000	2,81,000
6. Bombay	4,35,993	4,67,280	4,83,763	4,63,000	4,63,000	4,52,000
7. Bengal	7,12,113	6,93,011	6,09,984	6,62,000	6,05,000	6,05,000
8. United Provinces	7,35,697	7,47,412	7,41,913	7,68,000	7,39,000	7,78,000
9. Punjab	69,061	69,825	66,561	70,000	70,000	77,000
10. Burma	1,22,079	1,26,482	1,68,576	1,69,000	1,69,000	1,93,000
11. Bihar and Orissa	73,749	55,317	47,604	53,000	51,000	54,000
12. Central Provinces	1,69,039	1,70,124	1,69,427	1,72,000	1,70,000	1,70,000
13. Assam	7,124	8,301	8,386	8,000	8,000	9,000
TOTAL INDIA	28,47,651	28,93,525	28,42,499	29,23,000	28,15,000	28,76,000
England	1,04,300	—76,780	1,78,110	1,11,000	1,06,000	1,13,000
TOTAL	29,51,951	28,16,745	30,20,609	30,34,000	29,21,000	29,89,000

109. The variations are unimportant and do not call for remark.

XXXIII AND 45.—SUPERANNUATION ALLOWANCES AND PENSIONS.

EXPENDITURE.

	Accounts, 1919-20.	Revised, 1920-21.	Budget, 1921-22.
	R	R	R
1. India General	14,34,367	15,17,000	15,86,000
2. Delhi	2,50,861	2,52,000	2,52,000
3. Baluchistan	33,020	35,000	34,000
4. North-West Frontier	2,15,317	2,38,000	2,66,000
5. Madras	41,112	41,000	2,07,000
6. Bombay	36,685	51,000	60,000
7. Bengal	73,011	69,000	2,30,000
8. United Provinces	18,370	19,000	1,89,000
9. Punjab	18,740	19,000	1,32,000
10. Burma	88	1,60,000	67,000
11. Bihar and Orissa	3,779	4,000	14,000
12. Central Provinces . . . . .	...	...	70,000
13. Assam	22,178	27,000	27,000
TOTAL INDIA	21,52,528	24,32,000	31,34,000
England	2,04,74,040	2,19,35,000	2,13,99,000
TOTAL	2,26,26,568	2,43,67,000	2,45,33,000

REVENUE.

	Accounts, 1919-20.	Revised, 1920-21.	Budget, 1921-22.
	R	R	R
1. India General	3,35,239	4,25,000	4,26,000
2. Delhi	5,146	5,000	5,000
3. Baluchistan	7,907	8,000	8,000
4. North-West Frontier	25,340	21,000	22,000
5. Madras	90,501	82,000	85,000
6. Bombay	1,21,195	1,48,000	1,56,000
7. Bengal	1,55,569	1,95,000	1,97,000
8. United Provinces	1,35,338	1,00,000	2,03,000
9. Punjab	91,480	71,000	71,000
10. Burma	70,037	59,000	81,000
11. Bihar and Orissa	70,384	48,000	48,000
12. Central Provinces	49,325	38,000	43,000
13. Assam	26,652	22,000	26,000
TOTAL INDIA	12,14,113	12,22,000	13,71,000
England	4,43,490	4,08,000	3,89,000
TOTAL	16,57,603	16,30,000	17,60,000

EXPENDITURE.

110. The Budget estimate for 1921-22 is more than the current year's Budget, 1921-22. Revised by R1.66 lakhs, an excess of R7.02 lakhs in India being partly set off by a decrease of R5.36 lakhs in England. The Budget for India provides for the increases to small pensions recently sanctioned and for new pensions to employes of the Central Government to be sanctioned in the coming year.

REVENUE.

111. The increase of R1.30 lakhs in the Budget for the next year as Budget, 1921-22. compared with the current year's Revised occurs mainly in the United Provinces; normal provision has been made for recoveries under the Indian Civil Service family pension regulations in that province, the current year's provision being low owing to the absence of officers on leave.

XXXIV AND 46.—STATIONERY AND PRINTING.

EXPENDITURE.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
	R	R	R
1. Central Stationery Office	3,06,883	3,34,000	3,37,000
2. Stationery purchased for Central stores	1,16,34,350	1,17,14,000	1,00,64,000
3. Government Presses (mainly Calcutta, Simla and Delhi)	33,65,399	31,02,000	37,73,000
4. Other charges	15,771	17,000	13,000
5. <i>Deduct</i> —Value of supplies to Local Governments and Administrations and to Postal and Telegraph Department, etc.	—92,76,647	—90,02,000	—84,98,000
6. Delhi	18,248	11,000	18,000
7. Baluchistan	2,822	3,000	3,000
8. North-West Frontier Province	1,33,118	1,46,000	1,86,000
9. Expenditure of offices subordinate to the Central Government in major provinces	15,190	46,000	3,94,000
TOTAL INDIA	62,15,134	63,71,000	62,90,000
England { Stores	11,90,000	17,14,000	} 17,19,000
{ Other charges	1,07,369	2,47,000	
TOTAL	75,12,494	83,32,000	80,09,000

REVENUE.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
1. India General	6,34,910	6,78,000	6,48,000
2. Delhi	5,623	6,000	8,000
3. Baluchistan	2,311	1,000	1,000
4. North-West Frontier	19,380	18,000	18,000
5.	1,80,351	2,74,000	2,14,000
TOTAL	8,42,575	9,77,000	8,89,000

EXPENDITURE.

112. The expenditure in 1921-22, exclusive of the charges of the commercial departments, is estimated as R3·23 lakhs less than the Revised estimate for the current year. A saving under purchase of stationery in India and in England (R18·92 lakhs) will be partly set off by smaller recoveries from Local Governments for supplies to them and by an increase in the outlay on printing (R5·17 lakhs). The provisions of the revised contract for Government printing will result in an increased payment of R1·50 lakhs to the contractors and the outlay on Government presses will also be higher, by R3·67 lakhs owing to the revision of the pay of establishments and to the expenditure in the current year having been reduced in consequence of the strike during part of the year.

REVENUE.

113. The variations are unimportant.

XXXV AND 47.—MISCELLANEOUS.

EXPENDITURE.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-1922.
	₹	₹	₹
1. Special Commissions of enquiry	8,78,165	6,68,000*	4,60,000*
2. Charges arising out of the War adjusted in the Civil Department	5,54,451	2,82,000	1,31,000
3. Miscellaneous assignments and compensations	28,74,435	28,80,000	28,84,000
4. Charges connected with visit of Their Royal Highnesses the Duke of Connaught and the Prince of Wales.	...	41,52,000	17,89,000
5. Other charges :			
(a) in Delhi	3,20,546	3,63,000	4,64,000
(b) in the N.-W. Frontier Province	1,84,467	4,76,000	1,11,000
(c) elsewhere	6,77,038	9,66,000	21,31,000
TOTAL INDIA	64,39,102	97,87,000	79,70,000
ENGLAND	13,25,200	7,07,000	10,16,000
TOTAL	68,14,302	1,04,94,000	89,86,000

REVENUE.

	Accounts, 1919-1920.	Revised, 1920-1921.	Budget, 1921-22.
(a) Freight tax	98,70,204	1,05,47,000	6,66,80,000
(b) Other receipts—			
1. India General	29,70,372	11,07,000	7,53,000
2. Delhi	6,60,719	4,28,000	4,28,000
3. Baluchistan	5,090	7,000	4,000
4. North-West Frontier	1,49,697	1,48,000	1,38,000
5. Madras	33,818	67,000	43,000
6. Bombay	2,98,020	56,000	58,000
7. Bengal	41,764	10,000	5,000
8. United Provinces	8,296	45,000	10,000
9. Punjab	3,557	3,000	3,000
10. Burma	31,748	47,000	43,000
11. Bihar and Orissa	1,453	6,200	2,000
12. Central Provinces	11,929	4,000	5,000
13. Assam	4,942	4,000	7,000
TOTAL INDIA	1,40,97,609	1,24,79,000	6,81,77,000
England			
Wheat profits	...	87,60,000	35,00,000
Other items	9,71,920	9,54,000	2,10,000
TOTAL	1,50,69,529	2,21,93,000	7,18,87,000

* Distributed as follows :—

	Revised.	Budget.
	₹	₹
Jail Committee	2,12	...
University Commission (Calcutta)	2,00	...
Financial Relations Committee	1,05	...
Washington Labour Conference	20	...
Labour Conference at Geneva and deputation to Fiji	...	1,35
Deck Passengers' Committee	...	45
Railway Police Committee	17	80
Tariff Committee	...	2,00
Other Committees	1,14	...
	6,68	4,60

EXPENDITURE.

Budget, 1921-22.

114. The Budget estimate for 1921-22 provides for miscellaneous expenditure resulting from the war likely to be incurred in the ensuing year, mainly for the maintenance of aliens; for the necessary outlay on the commissions of enquiry already appointed (the Deck Passengers and the Railway Police Committees) and the Tariff Committee to be appointed in the coming year; for the charges connected with the Labour Conference at Geneva and the deputation to Fiji; for a payment of ₹7 lakhs to the Mysore Durbar on account of the surplus revenues of the Bangalore Civil and Military Station; and for normal expenditure on other items. A gross provision of ₹20 lakhs has been made for the expenses connected with the visit to India of His Royal Highness the Prince of Wales, and a general reserve of ₹10 lakhs at the disposal of the Finance Department for unforeseen expenditure on urgent objects which it may be necessary to incur during the next year before a supplementary vote can be obtained from the Legislative Assembly. The Revised estimate for the current year under the head "Other charges" includes special payments of a grant to the Victoria Memorial Trust in Calcutta (₹5 lakhs) and compensation for losses sustained by the Militias on the frontier owing to the evacuation of certain posts during the disturbances of May and June 1919.

REVENUE.

(a) *India.*Budget, 1921-22.

115. It is proposed with effect from the 1st April 1921 to enhance the rates of freight tax levied under the Freight (Railway and Inland Steam Vessel) Tax Act of 1917 to 6 pies per maund in the case of coal, coke, firewood, food-grains and fodder, to 2 annas per maund on certain valuable commodities such as piece-goods, pressed cotton, jute, iron-ware, timber and oils, and to 1 anna per maund in the case of other articles. The total proceeds of the tax in 1921-22 at the enhanced rates are estimated at ₹6,66.80 lakhs. The Budget provides for normal receipts under other items.

(b) *England.*Revised, 1920-21.Budget, 1921-22.

116. The Revised estimate for the current year and the Budget for next year include ₹87.60 lakhs and ₹35.00 lakhs respectively on account of profit on wheat purchased and sold on Government account for export abroad during the current year. The decrease under other items is due to the Revised estimate including a recovery of ₹7.20 lakhs on account of the contribution from the Lords Commissioners of His Majesty's Treasury towards the administrative expenses of the India Office. The provision in the Budget for next year is shown as a deduction from the expenditure under "General Administration".

XXXII and 46.—ARMY.

EXPENDITURE.	Accounts, 1917-1918.	Accounts, 1918-1919.	Accounts, 1919-1920.	1920-1921.		1921-1922, Budget.
				Budget.	Revised.	
INDIA—						
<i>Effective Services—</i>	R	R	R	R	R	R
Administration	67,29,355	79,83,835	77,80,891	1,57,00,000	1,63,39,000	50,61,87,000
Military Accounts	28,81,257	29,69,660	36,19,070	60,00,000	63,69,000	
Regimental Pay, etc.	8,00,99,334	8,34,93,500	20,69,29,148	18,60,67,000	18,73,66,000	
Royal Air Force in India . . . . .	...	...	...	...	...
Supply and Transport	3,50,30,972	4,14,43,236	7,18,94,016	10,07,03,000	10,69,08,000	
Veterinary	1,98,304	2,25,563	5,59,670	12,00,000	11,81,000	
Clothing	26,77,025	41,77,201	93,03,832	2,37,00,000	2,34,15,000	
Remounts	55,35,529	46,75,103	76,55,368	87,00,000	85,86,000	
Medical Services	32,32,100	39,91,210	1,15,83,528	1,90,00,000	1,90,91,000	
Medical Stores	22,32,843	19,66,563	19,31,759	15,00,000	19,56,000	
Ordnance	1,59,59,793	1,87,59,242	3,55,01,794	1,05,00,000	3,49,15,000	
Ecclesiastical	4,86,924	4,30,923	4,23,281	5,00,000	4,90,000	
Education	6,74,813	9,04,895	17,99,540	30,00,000	28,24,000	
Compensation for Food, etc.	7,99,000	12,66,000	53,43,000	30,00,000	33,47,000	
Miscellaneous Services	14,08,82,246	34,14,09,724	32,21,23,458	16,98,000	9,86,13,000	
Indian Munitions Board	28,55,621	63,45,932	38,69,685	...	12,02,000	
Hutting	2,65,487	2,83,455	—1,297	...	...
Conveyance by Road, River, and Sea	8,13,580	17,34,852	14,10,550	10,00,000	23,92,000	
Conveyance by Rail	1,48,21,052	2,54,79,270	2,17,42,183	1,00,00,000	1,27,08,000	
Cantonments	18,41,728	23,59,016	15,60,352	20,00,000	20,05,000	
Unadjusted Expenditure	—16,27,288	25,23,633	—15,76,279	...	...
TOTAL	R 31,62,89,725	55,24,22,813	71,34,47,549	39,42,68,000	52,96,10,000	
<i>Non-effective Services—</i>	R					
	1,46,21,875	1,59,18,060	1,81,77,280	2,91,95,000	2,38,63,000	
TOTAL INDIA	R 33,09,11,600	56,83,40,873	73,16,24,829	42,33,73,000	55,34,73,000	50,61,87,000
ENGLAND—	£	£	£	£	£	£
<i>Effective Services—</i>						
Payments to War Office for British Forces	930,700	872,200	911,700	2,200,000	2,250,000	2,036,000
Furlough Allowances, and Pay during voyage of British Forces	15,219	12,864	301,366	150,000	210,000	160,000
Consolidated Clothing Allowances of British Soldiers . . . . .	...	...	...	...	16,000	32,000
Furlough Allowances, Indian Service	191,037	193,280	568,397	450,000	300,000	850,000
Indian Troop Service	308,818	275,706	338,203	610,000	901,000	900,000
Other Heads	33,993	153,881	74,242	77,000	178,300	126,000
Clothing Stores	110,000	110,000	110,000	110,000	110,000	585,000
Ordnance and Miscellaneous Stores	1,946,096	468,066	751,577	1,662,000	1,662,100	715,000
Medical Stores	117,303	114,952	...	231,800	300,000	200,000
Remount Stores	2,945	1,875	3,200	2,800	5,000	3,800
Supply and Transport Stores	83,000	83,000	83,000	86,000	45,000	86,000
Mechanical Transport Stores	150,272	98,895	195,851	200,000	600,100	370,000
Military Farms Stores	23,379	26,069	36,471	28,800	53,400	27,000
Aviation Stores	63	1,776	1,761	...	...	300,000
North-West Frontier, 1916 . . . . .	...	...	...	...	...	...
North-West Frontier, 1919 . . . . .	...	...	187,446	400,000	800,000	...
Stores taken to India with Troops . . . . .	...	1,554	...	...	27,000	58,000
TOTAL	£ 3,908,325	£ 4,414,118	£ 3,563,204	£ 6,208,400	£ 7,957,900	£ 6,448,300
<i>Non-effective Services—</i>						
Payments to War Office for British Forces	672,373	1,076,373	1,441,073	1,546,100	1,016,100	1,011,100
Pensions, Indian Service	1,175,236	1,247,183	1,402,629	1,411,000	2,039,000	2,038,500
Other Heads	277,196	280,228	139,458	140,000	190,000	200,000
TOTAL	£ 2,124,805	£ 2,503,784	£ 2,983,160	£ 3,097,100	£ 3,245,100	£ 3,249,600
TOTAL ENGLAND	£ 6,033,130	£ 4,917,902	£ 6,546,364	£ 9,305,500	£ 11,203,000	£ 9,698,400
	R 6,03,31,300	R 4,91,79,020	R 6,54,63,640	R 9,30,55,000	R 11,20,30,000	R 9,69,84,000
TOTAL EXPENDITURE	R 39,12,42,900	R 61,75,19,893	R 79,70,88,469	R 51,64,28,000	R 66,55,03,000	R 60,31,71,000
RECEIPTS.						
India	R 1,53,52,150	R 2,36,37,915	R 3,04,08,631	R 1,43,27,000	R 2,51,25,000	R 3,48,00,000
England	£ 280,453	£ 266,581	£ 294,886	£ 278,000	£ 404,500	£ 336,700
	R 28,04,530	R 26,65,810	R 29,49,860	R 27,80,000	R 40,45,000	R 33,67,000
TOTAL RECEIPTS	R 1,81,56,680	R 2,63,03,725	R 3,33,52,491	R 1,76,07,000	R 2,91,70,000	R 3,81,67,000
TOTAL NET EXPENDITURE	R 37,30,86,220	R 59,12,16,168	R 76,37,35,978	R 49,88,21,000	R 63,63,33,000	R 56,50,04,000

Revised, 1920-21.

117. The net Army expenditure in 1920-21, is now estimated at R63,63.33 lakhs against a Budget provision of R49,88.21 lakhs. Of the excess of R13,75.12 lakhs, R11,98.02 lakhs occurs in India and R1,77.10 lakhs (£1,771,000) at Home.

India.

118. The whole of the increase in India, viz., R11,98.09 lakhs is accounted for by the following abnormal items, for which no provision was made in the Budget :—

	(Lakhs of R)
(1) Occupation of Central Waziristan and other tracts in the North-West Frontier, operations in South Waziristan, and the consequent necessity for maintaining strengths of troops and other personnel in excess of those assumed in the Budget	8,76
(2) Arrears of expenditure connected with frontier operations in 1919-20	50
(3) Moiety of cost of Aden operations	30
(4) Adjustment of outstanding claims on account of stores obtained from England in previous years	2,44
	12,00

The ordinary expenditure under some of the heads of effective services is likely to exceed the Budget allotment, but the aggregate increase will be counter-balanced by savings under pensionary charges.

Home.

119. The principal items contributing to the rise of £1,771,000 in the expenditure at Home are :—

	£
(1) Increase in outlay on stores, chiefly in connection with the frontier operations in 1919-20 and in the current year	854,200
(2) Higher payment of furlough allowances and voyage pay, due to increase in rates of pay and furlough pay	410,000
(3) Larger payment to the War Office on account of the Indian troop service, owing to rise in freights	291,000
(4) Increase in pensionary charges of officers of the Indian service, etc., due to revision of scale of pension and the retirement of a large number of officers	678,000
(5) Non-payment to War Office of Indian service share of pensions of British troops employed in the war, pending a settlement of India's liabilities in the matter	—530,200
	1,703,000

Budget, 1921-22.

120. It is proposed to allot a sum of R62.20 crores in the Budget for 1921-22 to meet the net expenditure under Military Services. Of this sum, R56,50.04 lakhs will be available for expenditure under the "Army" head.

XXXIII AND 46-A.—MARINE.

		Accounts, 1917-1918.	Accounts, 1918-1919.	Accounts, 1919-1920.	1920-1921.		1921-1922, Budget.
					Budget.	Revised.	
EXPENDITURE.							
India	R	67,45,164	81,72,523	72,40,320	74,28,000	62,61,000	69,97,000
England	{	£ 358,146	582,811	889,655	493,900	573,100	294,200
	{	R 85,81,460	58,28,110	88,96,550	49,39,000	57,31,000	29,42,000
Total	R	1,03,26,624	1,40,00,633	1,61,36,870	1,23,67,000	1,19,92,000	99,39,000
RECEIPTS.							
India	R	48,32,333	60,86,575	40,72,325	24,15,000	30,00,000	14,13,000
NET EXPENDITURE	R	54,94,291	79,14,058	1,20,64,545	99,52,000	89,92,000	85,26,000

121. The reduction of R9.60 lakhs in the net expenditure in 1920-21 as compared with the Budget estimate, is mainly due to the abolition of the Kidderpore Dockyard and the re-adjustment of certain items of war expenditure which were provisionally compiled under the Marine head in the accounts for 1919-20. *Revised, 1920-21.*

122. A sum of R85.26 lakhs has been entered under this head in the Budget for 1921-22 out of the total grant of R62.20 crores proposed for net expenditure on Military Services. *Budget, 1921-22.*

XXXIV and 47—MILITARY WORKS.

	Accounts, 1917-1918.	Accounts, 1918-1919.	Accounts, 1919-1920.	1920-1921.		1921-1922, Budget.
				Budget.	Revised.	
ORDINARY EXPENDITURE.						
India R	1,83,75,030	2,65,70,906	3,66,89,697	2,43,89,800	2,44,93,000	4,95,00,000
*England	£ 23,020	17,747	31,079	85,000	124,300	50,000
	R 2,80,200	1,77,470	3,10,790	8,50,000	12,43,000	5,00,000
TOTAL R	1,86,55,230	2,67,48,376	3,70,00,487	2,52,39,800	2,57,36,000	5,00,00,000
RECEIPTS.						
India R	14,16,355	15,26,377	16,27,429	13,80,000	15,32,000	15,30,000
Net expenditure, Ordinary R	1,72,38,875	2,52,21,999	3,53,73,058	2,38,59,800	2,42,04,000	4,84,70,000
SPECIAL DEMANDS EXPENDITURE.						
India R	87,71,003	1,61,16,817	2,14,41,217	1,88,85,200	3,44,23,000	...
England	£ 23,354	31,676	86,530	30,000	30,000	...
	R 2,33,540	3,16,760	8,65,300	3,00,000	3,00,000	...
TOTAL, SPECIAL DEMANDS R	90,04,543	1,64,33,577	2,23,06,517	1,91,85,200	3,47,23,000	...
TOTAL NET EXPENDITURE R	2,62,43,418	4,16,55,576	5,76,79,575	4,30,45,000	5,89,27,000	4,84,70,000

123. The bulk of the increase of R158.82 lakhs in the net expenditure as compared with the Budget provision in 1920-21, occurs under "Special Demands" and represents expenditure connected with the occupation of Central Waziristan and measures for the defence of the North-West Frontier. *Revised, 1920-21.*

124. It is proposed to allot R484.70 lakhs under this head out of the total grant of R62.20 crores proposed in the Budget for 1921-22 for net expenditure on Military Services. *Budget, 1921-22.*

47A.—SPECIAL DEFENCES.

EXPENDITURE.		Accounts, 1917-1918.	Accounts, 1918-1919.	Accounts, 1919-1920.	1920-1921.		1921-1922. Budget.
					Budget.	Revised.	
India	₹	1,32,213	...	...	...	...	...
England	£	—8,001	...	...	...	...	...
	₹	—80,010	...	...	...	...	...
Total	₹	52,203	...	...	...	...	...

125. This head has been closed with effect from 1st April 1918.

MILITARY SERVICES : SUMMARY.

	Accounts, 1917-1918.	Accounts, 1918-1919.	Accounts, 1919-1920.	1920-1921.		Budget, 1921-1922.
				Budget.	Revised.	
EXPENDITURE—						
India . . .	R 36,49,85,010	61,92,01,119	79,69,96,063	47,40,76,000	61,86,50,000	56,26,84,000
England . . .	£ 6,434,649	5,550,136	7,553,628	9,914,400	11,930,400	10,042,600
	R 6,43,46,490	5,55,01,360	7,55,36,280	9,91,44,000	11,93,04,000	10,04,26,000
Total Expenditure	R 42,92,81,500	67,47,02,479	87,25,32,343	57,32,20,000	73,79,54,000	66,31,10,000
RECEIPTS—						
India . . .	R 2,16,00,838	3,12,50,867	3,61,03,385	1,86,22,000	2,96,57,000	3,77,43,000
England . . .	£ 280,453	266,581	294,386	278,000	404,500	336,700
	R 28,04,530	26,65,810	29,43,860	27,80,000	40,45,000	33,67,000
Total Receipts .	R 2,44,05,368	3,39,16,677	3,90,52,245	2,14,02,000	3,37,02,000	4,11,10,000
NET EXPENDITURE	R 40,48,76,132	64,07,85,802	83,34,80,098	55,18,18,000	70,42,52,000	62,20,00,000

126. The net expenditure on Military Services in 1920-21 is likely to exceed the Budget provision of R55,18.18 lakhs by R15,24.34 lakhs. Of this excess, about R12 crores represents abnormal expenditure connected with operations on the North-West Frontier and in Aden, and R2.44 lakhs is explained by adjustment of outstanding claims on account of stores obtained from England in previous years. The balance of the increase is mainly due to a rise in furlough, non-effective and other payments in England. *Revised, 1920-21.*

127. It is proposed to allot R62.20 crores for net expenditure on Military Services in 1921-22. *Budget, 1921-22.*

**XXXIX AND XL—CONTRIBUTIONS AND ASSIGNMENTS TO THE
CENTRAL GOVERNMENT BY PROVINCIAL GOVERNMENTS.**

	Accounts, 1919-20.	Revised, 1920-21.	Budget, 1921-22.
	R	R	R
Contributions—			
Madras	3,43,00,000	3,48,00,000	3,48,00,000
Bombay	56,00,000	56,00,000	56,00,000
Bengal	63,00,000	63,00,000	63,00,000
United Provinces	2,40,00,000	2,40,00,000	2,40,00,000
Punjab	1,75,00,000	1,75,00,000	1,75,00,000
Burma	64,00,000	64,00,000	64,00,000
Bihar and Orissa . . . . .	...	...	...
Central Provinces	22,00,000	22,00,000	22,00,000
Assam	15,00,000	15,00,000	15,00,000
TOTAL	9,83,00,000	9,83,00,000	9,83,00,000
Assignments—			
Madras . . . . .	...	...	36,29,000
Bombay . . . . .	...	...	94,93,000
Bengal . . . . .	...	...	91,71,000
United Provinces . . . . .	...	...	18,76,000
Punjab . . . . .	...	...	22,90,000
Burma . . . . .	...	...	23,40,000
Bihar and Orissa . . . . .	...	...	10,43,000
Central Provinces . . . . .	...	...	9,37,000
Assam . . . . .	...	...	4,09,000
TOTAL . . . . .	...	...	3,11,88,000
Total contributions and assignments	9,83,00,000	9,83,00,000	12,94,88,000

128. Provision has been made in the Budget estimates for 1921-22 for contributions aggregating R9,83 lakhs to be made by the provinces to the Central Government under rule 17 of the Devolution Rules, and for assignments from the provinces aggregating R3,11.88 lakhs under rule 15 (2) in consideration of the allocation to them of a share in the income-tax collected under the Income-Tax Act, 1918.

**XL AND 52.—MISCELLANEOUS ADJUSTMENTS BETWEEN THE
CENTRAL AND PROVINCIAL GOVERNMENTS.**

		Accounts, 1919-20.	Revised, 1920-21.	Budget, 1921-22.
REVENUE.		R	R	R
Madras . . . . .		...	...	5,000
Bombay . . . . .		...	...	9,000
Bengal . . . . .		...	...	...
United Provinces . . . . .		...	...	...
Punjab . . . . .		...	...	...
Burma . . . . .		...	...	...
Bihar and Orissa . . . . .		...	...	4,000
Central Provinces . . . . .		...	...	...
Assam . . . . .		...	...	...
Total		...	...	18,000
EXPENDITURE.				
Madras . . . . .		...	...	2,85,000
Bombay . . . . .		...	...	17,000
Bengal . . . . .		...	...	...
United Provinces . . . . .		...	...	...
Punjab		3,50,000	3,50,000	...
Burma		45,74,000	45,74,000	45,74,000
Bihar and Orissa . . . . .		...	...	8,000
Central Provinces . . . . .		...	...	...
Assam		14,00,000	14,00,000	14,00,000
Total		63,24,000	63,24,000	62,84,000

129. The entries on the expenditure side against Burma (R45.74 lakhs) and Assam (R14 lakhs) relate to the Central Government's contribution towards the cost of the military police in those provinces; the entry against Madras includes an assignment of R2.30 lakhs in connection with the provincialisation of the Lawrence Memorial School at Ootacamund. The other items in the above table are unimportant and do not call for remark.

CAPITAL ACCOUNT NOT CHARGED TO REVENUE.

RAILWAY CONSTRUCTION.

Revised, 1920-21.

130. In the Budget for 1920-21, a sum of R21·98 crores was allotted for capital expenditure on railways for which the Government of India undertake financial responsibility. The expenditure of the year is now estimated at R25·53 crores or R3·55 crores more than the Budget estimate. The increase is attributable solely to the fact that, against a gain by exchange of R3·68 crores to the capital account anticipated in the Budget estimate, it is now expected that there will be an addition to capital expenditure of a loss of R2·63 crores due to the fall in exchange. For 1921-22 a grant of R17·82 crores including a sum of R2·82 crores on account of loss by exchange, has been provided.

Budget, 1921-22.

131. The details of the total capital expenditure on State Railways worked by the State and Companies in each of the three years from 1919-20 to 1921-22 are as follows:—

	1919-1920. Accounts.	1920-1921.		1921-1922. Budget.
		Budget.	Revised.	
53.—Construction of State Railways.				
(a) England	£ 119,78,363	18,138,000	18,408,100	14,077,900
(b) India	R 2,27,61,016	7,51,43,000	4,49,39,000	92,21,000
Total	R 14,25,44,646	25,65,23,000	22,90,20,000	15,00,00,000
Exchange	—21,98,181	—3,67,59,000	+2,62,97,000	+2,81,56,000
Net R	14,03,46,465	21,97,64,000	25,53,17,000	17,81,56,000

132. The following table compares the allotments made for open lines and lines under construction in 1921-22 with figures for previous years:—

	1919-20.	Revised, 1920-21.	Budget, 1921-22.
	R	R	R
(1) Open lines including rolling stock	20,04,28,461	21,57,19,000	13,81,19,000
(2) Lines under construction—			
(a) Started in previous years	15,92,000	61,71,000	1,18,81,000
(b) Started in current year	4,16,000	71,30,000	...
Total	20,24,36,461	22,90,20,000	15,00,00,000
Adjustment for exchange	—6,20,89,996	+2,62,97,000	+2,81,56,000
Net	14,03,46,465	25,53,17,000	17,81,56,000

133. The details of the Budget grant for 1921-22 by Railways are shown below :—

[Thousands of rupees.]

	OPEN LINES.			CONSTRUCTION OF	
	Rolling Stock.	Other items.	Total.	Lines in progress.	New lines.
	R	R	R	R	R
STATE RAILWAYS WORKED BY STATE.—					
1. North-Western Railway :—					
(i) Main line	71,69	81,94	1,53,63	...	
(ii) Nushki Extension . . . . .	...	3,22	3,22	...	
2. Delhi (New Capital) Railway Works Scheme . . . . .	...	8,06	8,0	...	
3. Eastern Bengal — Main line	65,96	41,88	1,07,84	...	
4. Oudh and Rohilkhand :— Main line	25,98	16,43	42,46	...	
5. Aden Railway	2,88	2,12	5,00	...	
6. Jodhpur-Hyderabad (British Section) . . . . .	...	42	42	...	
7. Stores Transactions . . . . .	...	...	...	45,20	
8. Khyber Railway . . . . .	...	...	...
TOTAL	1,66,51	1,54,12	3,20,63	45,20	
STATE RAILWAYS WORKED BY COMPANIES.					
9. Assam-Bengal :—					
(i) Open line					
(ii) Bhairab Bazar-Tangi (Open Section)	21,96	8,04	30,00	...	
(iii) " " " " Re-alignment at Bhairab-Bazar)					
(iv) Chittagong Port					
10. Bengal-Nagpur :—					
(i) Main line	2,44,06	—28,54	2,15,52	...	3,24
(ii) Onlajori-Badampahar Branch . . . . .	...	...	...	...	25,00
(iii) Amda-Jamda . . . . .	...	...	...	...	3,00
(iv) Bokaro Rangarh Extension . . . . .	...	40	40	...	
11. Berwada Extension British Section . . . . .	...	...	...	...
12. Bombay, Baroda and Central India :—					
(i) Main line	52,40	64,29	1,16,69	...	5,00
(ii) Dholka-Dhandaka . . . . .	...	...	...	...
13. Burma—					
(i) Main Line	29,39	14,16	43,55	...	
(ii) Pegu Moulmein and Henzada Kyangin Extensions	5	1,25	1,30	...	
(iii) Southern Shan States Railway	1,99	30	2,29	...	
14. East Indian :—					
(i) Open line	3,31,68	—73,46	2,58,20	...	4,37
(ii) Kasra Branch . . . . .	...	...	...	...	3,00
(iii) Bokaro Rangarh Extension . . . . .	...	...	...	...
15. Great Indian Peninsula System :—					
(i) Main line	42,91	1,39,12	1,82,03	...	10,00
(ii) Itarsi-Nagpur . . . . .	...	...	...	...
(iii) Agra-Delhi Chord . . . . .	...	6,50	6,50	...	
(iv) Bhopal State . . . . .	...	1,00	1,00	...	
(v) Cawnpur-Banda . . . . .	...	2,00	2,00	...	
(vi) Baran Kotah . . . . .	...	50	50	...	10,00
(vii) Harbour Branch . . . . .	...	...	...	...	10,00
(viii) Majri-Bajur . . . . .	...	...	...	...
16. South Indian System—					
(i) Main line	25,00	35,85	60,85	...	
(ii) Coonoor-Ootacamund					
(iii) Tinnevely-Quilon—British Section					
(iv) Do. Indian State Section					
17. Tirhoot	9,20	1,03	10,23	...	
18. Lucknow-Barcilly	68	1,69	2,37	...	
19. Madras and Southern Mahratta :—					
(i) Open line	41,42	40,33	81,75	...	
(ii) Guntur Tenali . . . . .	...	20	20	...	
(iii) Dhone Kurnool . . . . .	...	5	5	...	
20. Reserve for Open Lines . . . . .	...	45,13	45,13	...	
TOTAL	8,00,72	2,59,84	10,60,56	73,61	
GRAND TOTAL	9,67,23	4,13,96	13,81,19	1,18,81	
Exchange . . . . .	...	...	+2,79,92	+1,64	
NET . . . . .	...	...	16,61,11	1,20,45	

The bulk of the programme grant for 1921-22 will be devoted to the improvement of open lines of railways.

134. The following table shows the capital outlay on all State lines up to the end of each year and the net return obtained after deducting working expenses and interest charges:—

(Capital and profit figures in thousands of Rupees.)

	1919-20.	Revised, 1920-21.	Budget, 1921-22.
	R	R	R
Capital at charge at end of each year	4,99,05,76	5,23,43,76	5,39,51,55
Working profit from railways excluding interest charges	30,89,73	25,92,21	26,92,17
Percentage of same to capital outlay	6.19	4.95	4.99
Final working profit after meeting interest charges . .	13,81,01	5,09,33	4,03,50
Percentage of same to capital outlay :	2.77	.97	.76

CONSTRUCTION OF IRRIGATION WORKS.

	Accounts, 1919-20.	Revised, 1920-21.	Budget, 1921-22.
	R	R	R
INDIA.			
North-West Frontier Province	1,78,152	4,53,000	1,38,000
Adjustment on account of exchange for outlay in England . .	...	...	21,000
Total India	1,78,152	4,53,000	2,09,000
England	2,01,000	...	1,05,000
TOTAL	3,79,152	4,53,000	3,14,000

135. The Revised estimate for the current year includes abnormal expenditure on the construction of weirs, training works and distributaries. The Budget for 1921-22 provides for normal expenditure.

INITIAL OUTLAY ON THE NEW CAPITAL AT DELHI.

136. The figures are :—

	Accounts, 19-9-20.	Budget, 1920-21.	Revised, 1920-21.	Budget, 1921-22.
Total in Rupees	50,35,427	1,10,36,000	1,24,21,000	1,06,89,000

137. The expenditure in the current year will amount to R124 lakhs or R14 lakhs more than the Budget. The distribution of the expenditure now anticipated is as follows :— *Revised, 1920-21.*

	(In lakhs of R)
(1) Works Expenditure	111.10
(2) Establishment and miscellaneous charges	10.00
(3) Adjustment for exchange on outlay in England	3.11
Total	124.21

Of the works expenditure about R9 lakhs are being spent on preliminary work ; R33 lakhs on the purchase of tools and plant and other stores ; about R13 lakhs on sanitation, etc. ; about R37 lakhs on work on the Government House and the Secretariat and the construction of certain residential and other buildings ; R6 lakhs on roads and other miscellaneous expenditure ; R5 lakhs on irrigation ; and about R8 lakhs on the maintenance of works during construction.

138. The provisional distribution of the Budget estimate of R1,07 lakhs in 1921-22 is given below— *Budget, 1921-22.*

	(In lakhs of R)
(1) Works expenditure	88.69
(2) Establishment and miscellaneous charges	11.31
(3) Adjustment for exchange on outlay in England	6.89
Total	106.89

Of the grant of R88.69 lakhs for works outlay, R6 lakhs will be devoted to preliminary work and the further purchase of tools and plant and other stores. A sum of R11 lakhs will be spent on sanitation ; R15 lakhs on electric light and power ; R14 lakhs on irrigation ; R4 lakhs on communications and other items of a miscellaneous nature ; R9 lakhs on the maintenance of works during construction, and R30 lakhs will be applied mainly to work on the Government House and the Secretariat and the construction of residential and other buildings.

WAYS AND MEANS.**HOME TREASURY.**

139. The bulk of the payments made in England on account of the Government of India consists normally 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, however, necessitates heavy borrowing and a large portion of the money required has, when practicable, been raised in England, either direct or through the agency of Companies. Operations connected with the Gold Standard and Paper Currency Reserves, 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 ordinarily the general Ways and Means programme.

140. The items mentioned in the preceding paragraph constitute the bulk of the transactions of the Home treasury in normal years. The conditions created by the war have, however, led to certain abnormal transactions which have affected the Ways and Means position to a considerable extent from 1915-16 onwards. Large sums are being received in England from the Imperial Government in repayment of expenditure incurred on their behalf in India. These indirect remittances from India have very largely increased the resources of the Home treasury and reduced the need for direct remittances by Councils to finance its requirements.

141. The following are the details of the transactions appearing in the Budget and Revised estimates of the Home treasury for 1920-21, and in the Budget estimate of 1921-22.

	Budget, 1920-21.	Revised, 1920-21.	Budget, 1921-22.
RECEIPTS.			
Capital contributed by Railway Companies—	£	£	£
*For discharge of debentures	4,571,900	...	3,993,400
Deposits and Advances—			
Gold Standard Reserve	48,126,300	118,011,600	100,346,400
*Paper Currency Reserve	175,988,400	105,867,300	8,350,000
*Consols Depreciation Fund	165,400	352,000	...
*War transactions: Recoveries from War Office	300,000	1,011,000	290,000
Other items	2,282,400	2,911,500	2,038,000
Remittance Account between England and India—			
War transactions: Recoveries from War Office	35,300,000	54,744,000	20,000,000
recoveries on account of South Persia Military Police	1,125,000	688,000	...
Transfer to Home Treasury from Gold Standard Reserve . . . . .	...	...	500,000
" " " Paper Currency Reserve . . . . .	...	36,502,800	8,350,000
Other transactions	3,087,400	6,612,500	7,196,300
Total Receipts, excluding Council Bills and Loans	270,946,800	326,700,700	151,064,10
DISBURSEMENTS.			
Excess of Expenditure over Revenue	25,566,300	28,569,400	27,145,800
Expenditure incurred on behalf of Provincial Governments . . . . .	...	...	8,298,500
Capital Expenditure not charged to Revenue—			
Outlay on State Railways, Irrigation Works and Delhi	18,299,900	18,643,600	14,433,100
*Payments to Railway Companies for discharge of debentures	4,571,900	492,000	3,993,400
Deposits and Advances—			
Gold Standard Reserve	48,126,300	118,011,600	100,346,400
*Paper Currency Reserve	175,988,400	105,867,300	8,350,000
*Consols Depreciation Fund	165,400	352,200	...
*War transactions—outlay recoverable from War Office	300,000	1,011,000	290,000
Other transactions	2,647,200	3,161,900	1,319,200
Remittance Account between England and India—			
War transactions—outlay recoverable from War Office	300,000	1,534,500	...
Purchase of gold	5,750,000	6,800,000	...
Sterling Transfers on London . . . . .	...	81,777,000	...
Other transactions	6,581,900	12,349,400	3,051,700
Total Disbursements	288,297,300	328,469,900	162,228,100
NET DISBURSEMENTS	17,350,500	1,769,200	11,164,000
Financed as follows—			
Council Bills	8,375,000	...	...
Permanent Debt incurred . . . . .	...	...	5,000,000
Reduction of cash balance	8,975,500	1,769,200	6,164,000
Total	17,350,500	1,769,200	11,164,000
Opening Balance	(a) 13,066,100	(b) 11,997,400	(b) 10,228,200
Closing Balance	(a) 4,090,600	(b) 10,228,200	(b) 4,064,200

* The heads marked with an asterisk appear on both the receipt and payment sides. As the receipt and corresponding disbursement in each case are generally equal, they do not affect the Ways and Means of the year to any material extent.

(a) Of these amounts £400 represents funds of the Gold Standard Reserve.
(b) Of these amounts £600 represents funds of the Gold Standard Reserve.

Revised, 1920-21.

142. The table in paragraph 141 shows that there will be a net disbursement of £1,769,200 from the Home treasury in 1920-21, which will be met by a reduction of the cash balance of the Home treasury from £11,997,400 at the beginning of the year to £10,228,200 at its end.

143. The transactions of the Home treasury in the current year are inflated by the following large special items:—

- (i) There will be a net recovery of £53,897,500 from His Majesty's Government on account of disbursements connected with war requirements made on their behalf in India against a Budget estimate of £36,125,000.
- (ii) Sterling drafts issued in India involve a disbursement of £31,777,000; and payments amounting to £6,800,000 will have to be made for gold purchased by the Secretary of State for remittance to India against £5,750,000 anticipated in the Budget.
- (iii) The above payments will, to the extent of £36,502,800, be met by the sale of sterling securities held in the Paper Currency Reserve in England.
- (iv) There will be no sales of Council Bills from which a receipt of £8,375,000 was anticipated in the Budget.

The foregoing items result in a net receipt of £51,823,300, and eliminating both from the Budget and Revised estimates for the current year the figures relating to the above special items, the net disbursements from the Home treasury in respect of transactions of a more normal character will stand at £53,592,500 in the Revised against £47,725,500 in the Budget. The deterioration of £5,867,000 is the net result of the following variations from Budget anticipations:—

	£
(i) Larger Railway capital outlay	270,100
(ii) Increase in net expenditure charged to revenue (mainly Military Services)	3,003,100
(iii) Deterioration in postal and money order transactions	3,549,000
(iv) Discharge of railway debentures not provided for in Budget	492,000
	<hr/>
Total increase in outgoings or decrease in receipts	7,314,200
(v) Improvement under miscellaneous deposit and other transactions, mainly due to a receipt of £2 million from the sale of rice from Burma	1,447,200
	<hr/>
Net deterioration	5,867,000

144. It is not expected that any Council bills will be drawn on India in 1920-21. The cash balance at the end of 1920-21 is now estimated at about £10 millions against a Budget forecast of £4 millions.

1920-21. Capital raised and deposited by Railway Companies.

145. The details of the transactions in respect of capital raised and deposited by Railway Companies are as follows:—

	Budget, 1920-21.	Revised, 1921-22.
	£	£
RECEIPTS.		
<i>Subscribed Capital—</i>		
To discharge Debentures:—		
Assam Bengal Railway	125,000	...
Bengal Nagpur Railway	2,463,900	...
Madras and Southern Mahratta Railway	1,543,000	...
South Indian Railway	500,000	...
TOTAL RECEIPTS	<hr/> 4,571,900	<hr/> ...
ISSUES.		
For discharge of Debentures	4,571,900	492,000
For net Capital outlay, i.e., Stores, Establishment charges etc., less transfer fees and miscellaneous refunds	14,032,400	14,408,400
TOTAL ISSUES	<hr/> 18,604,300	<hr/> 14,900,400

146. The Budget estimate provided for the renewal or replacement by fresh capital of £4,571,900 debentures of the Assam Bengal, Bengal Nagpur, Madras and Southern Mahratta and South Indian Railway Companies. Of these, debentures to the value of £492,000 have been discharged, and the remainder of the value of £4,079,900 have been renewed.

147. The Budget estimate for 1921-22 provides for a net disbursement of £20,014,000. It includes however a recovery of £20 million from His Majesty's Government on account of war disbursements in India on their behalf, the exclusion of which raises the net disbursement to £40,014,000.

Budget, 1921-22.

As already stated, the Revised estimate also includes various items of a special character, viz., a recovery of £53,897,500 from His Majesty's Government for disbursements in India, a withdrawal of £36,502,800 from the Paper Currency Reserve, and payments of £6,800,000 for gold purchases, and £31,777,000 for reverse drafts sold in India on London. If these special items are eliminated, the net disbursements in the Revised estimate amount to £53,592,500.

148. The decrease of £13,578,500 in the net disbursements of a normal character estimated for 1921-22 as compared with the Revised estimate for the current year is the result of the following variations:—

	£
(i) Decrease in net expenditure charged to revenue	1,423,600
(ii) Decrease in capital outlay	4,210,500
(iii) Provision for discharge of debentures in 1920-21 omitted for 1921-22	492,000
(iv) Improvement in postal and money order transactions, due to smaller drawings by India on the United Kingdom, and to the recovery of 4½ millions on account of money orders drawn by Iraq on India and the United Kingdom during 1919-20 and 1920-21	9,049,000
(v) Improvement in miscellaneous transactions, mainly deposits and remittances	1,701,900
(vi) Less—ret disbursements on account of Provincial Governments	—3,298,500
Net improvement	<u>13,578,500</u>

149. Of the net disbursement of £20,014,000 referred to in paragraph 147 it is proposed to meet £8,350,000 and £500,000 by withdrawal from the Paper Currency and the Gold Standard Reserves respectively, £5 million by raising a loan in England, and the balance of £6,164,000 by a reduction of the cash balances of the Home treasury, which are estimated to stand on the 31st March 1922 at £4,164,200.

150. The following are the details of the transactions of the Gold Standard Reserve in England:—

	1920-21.		1921-22.	<u>Gold Standard Reserve.</u>
	Budget.	Revised.	Budget.	
RECEIPTS.	£	£	£	
(a) Dividends on investments, discount on treasury bills, interest on loans at short notice, etc.	2,052,700	2,256,100	1,945,400	
(b) Exchequer Bonds, British treasury bills and Colonial Government securities, etc., paid off	46,073,600	115,755,500	98,401,000	
Total	<u>48,126,300</u>	<u>118,011,600</u>	<u>100,346,400</u>	
CHARGES.				
Investments made	48,126,300	118,011,600	99,846,400	
Transfer to Treasury Balances . . . . .	...	...	500,000	
Total	<u>48,126,300</u>	<u>118,011,600</u>	<u>100,346,400</u>	

151. The following statement shows the transactions and balances of the fund in the two years in England and India taken together :—

	Budget, 1920-21. £	Revised, 1920-21. £	Budget, 1921-22. £
OPENING BALANCE—			
(a) Invested (cost price)	37,493,000	37,117,300	39,373,400
(b) Uninvested—			
Cash in the Home treasury placed at short notice	400	600	600
	<u>37,493,400</u>	<u>37,117,900</u>	<u>39,374,000</u>
CLOSING BALANCE—			
(a) Invested (cost price)	39,545,700	39,373,400	40,818,800
(b) Uninvested—			
Cash in the Home treasury placed at short notice	400	600	600
	<u>39,546,100</u>	<u>39,374,000</u>	<u>40,819,400</u>
Difference between opening and closing balances representing Interest, etc., on investments in England less transfer to Treasury balances (<i>vide</i> paragraph 150)	<u>2,052,700</u>	<u>2,256,100</u>	<u>1,445,400</u>

INDIA.

152. The following is a summary of the estimates of Ways and Means in India during 1920-21 and 1921-22 :—

	Budget Estimate, 1920-1921.	Revised Estimate, 1920-1921.	Budget Estimate, 1921-1922.
RECEIPTS.			
	R	R	R
1. Excess of Revenue over Expenditure charged to Revenue	42,12,17,000	17,42,61,000	27,98,84,000
2. Capital contributed by Railway Companies towards outlay on State Railways . . . . .	...	-7,03,000	...
3. Unfunded Debt incurred—			
(a) Post Office Cash Certificates (net)	-1,00,00,000	-97,75,000	-60,00,000
(b) Savings Bank deposits (net)	4,18,83,000	4,18,15,000	4,74,66,000
4. Appropriation for Reduction or Avoidance of Debt	93,08,000	60,67,000	...
5. Other Deposits and Remittances (net)—			
(a) War Stores—Suspense	10,50,00,000	14,10,00,000	8,20,00,000
(b) Exchange on Remittance Accounts	12,00,00,000	-23,49,47,000	5,03,11,000
(c) Adjustment of exchange on revaluation of gold and sterling securities in Paper Currency Reserve . . . . .	...	-17,47,35,000	...
(d) Other transactions	6,70,49,000	-4,94,14,000	4,93,82,000
6. Remittance account between England and India—			
(a) Purchase of Gold	8,62,50,000	7,01,59,000	...
(b) Sterling Transfers on London . . . . .	...	80,68,80,000	...
TOTAL RECEIPTS EXCLUDING LOANS	84,07,07,000	27,86,08,000	45,30,43,000
DISBURSEMENTS.			
7. Capital Expenditure not charged to Revenue—			
(a) State Railways	-5,23,07,000	7,12,36,000	3,73,77,000
(b) Irrigation Works	82,68,000	63,37,000	2,09,000
(c) Initial expenditure on new Capital at Delhi	89,71,000	1,02,46,000	72,42,000
(d) Bombay Development Scheme . . . . .	...	57,18,000	...
(e) Outlay of Branch Line Companies (net)	3,48,000	2,95,000	1,53,000
8. Permanent Debt discharged (net)	1,23,24,000	1,75,05,000	2,12,07,000
9. Temporary Debt discharged (net)	37,18,02,000	-13,07,33,000	20,17,29,000
*10. Balances of Provincial Governments	8,16,65,000	-1,37,82,000	3,02,99,000
11. Loans by and between Central and Provincial Governments (net)	-30,46,000	5,22,53,000	1,01,33,000
12. Remittance account between England and India—			
(a) Transfers through Currency . . . . .	...	86,50,28,000	8,35,00,000
(b) Transfers through Gold Standard Reserve . . . . .	...	...	50,00,000
(c) War Office transactions (net)	52,50,00,000	50,48,05,000	21,00,00,000
(d) Other transactions (net)	-3,96,19,000	-4,16,53,000	4,23,000
13. Council Bills	12,56,25,000	...	...
TOTAL DISBURSEMENTS	1,01,90,31,000	79,72,55,000	60,72,71,000
NET DISBURSEMENTS	17,83,24,000	52,36,47,000	15,42,28,000
FINANCED AS FOLLOWS:			
Permanent Debt incurred	15,00,00,000	39,20,04,000	15,00,00,000
Reduction of (+) or addition to (-) Treasury Balances	2,83,24,000	13,16,43,000	42,28,000
TOTAL	17,83,24,000	52,36,47,000	15,42,28,000
Opening Balance	21,40,11,000	26,47,60,000	13,31,17,000
Closing Balance	18,56,87,000	13,31,17,000	12,88,89,000

* Head (10) represents expenditure defrayed by reduction of Provincial balances.

1920-21.
Main features of
Budget estimates.

153. In the Budget estimate for 1920-21, the cash balance in the Indian treasuries on the 1st April 1920 was taken at ₹21,40 lakhs. It was estimated that (1) the net Imperial revenue in India would amount to ₹42,12 lakhs, (2) there would be a net receipt of ₹4,19 lakhs under savings banks deposits, (3) a sum of ₹93 lakhs would be available from the Famine Insurance grant for the avoidance of debt, (4) a credit of ₹10,50 lakhs would be realised by the issue or disposal of stores charged in previous years to the war stores suspense account and a further credit of ₹12 crores out of gains by exchange to be applied to meet the deficiency due to revaluation of gold and sterling securities in the Paper Currency Reserve, (5) the capital transactions of railway companies would result in a net credit of ₹5,20 lakhs, and (6) a net receipt of ₹10,67 lakhs would accrue on account of miscellaneous deposit and remittance transactions and ₹30 lakhs in connection with loans by the Central and Provincial Governments.

On the other hand, provision was made for: (1) a recoverable outlay of ₹52,50 lakhs in connection with the war on behalf of the War Office, (2) the discharge of post office cash certificates to the extent of ₹1 crore, (3) capital expenditure of ₹83 lakhs on canals and of ₹90 lakhs on the construction of the new capital at Delhi, (4) the discharge of ₹1,23 lakhs of permanent debt, ₹18 crores of treasury bills and ₹19,18 lakhs of war bonds maturing in 1920, (5) a payment of ₹12,56 lakhs on account of Council bills, and (6) the drawing of ₹6,17 lakhs by Provincial Governments from the balances at their credit with the Central Government.

The total payments mentioned above aggregate ₹1,12,37 lakhs against a total receipt of ₹55,91 lakhs; the net disbursement of ₹26,46 lakhs was to be met to the extent of ₹15 crores from the proceeds of the loan to be floated in India in 1920-21, and ₹8,63 lakhs from remittances of gold by the Secretary of State, the balance of ₹2,83 lakhs being found by a reduction of the Indian cash balance which would stand at the end of 1920-21 at ₹18,57 lakhs.

Credit was taken in the Budget for an aggregate gain by exchange of ₹30,55 lakhs, of which ₹12,85 lakhs was to be credited to the railway, irrigation and Delhi capital accounts, ₹12 crores was to be set aside to be eventually applied to meet the deficiency in the Paper Currency Reserve due to revaluation, and the balance of ₹6 crores was to be credited to revenue. Owing, however, to the adoption of a basic rate of exchange of 2s. the rupee in the accounts and estimates instead of 1s. 4d. on which the Budget was based and to the fact that the average rate of exchange during the current year is expected to be appreciably below 2s. the rupee, there will be an aggregate loss by exchange of ₹30,37 lakhs, of which ₹6,88 lakhs will be charged to capital and revenue accounts, the balance of ₹23,49 lakhs remaining at debit of the suspense head. A charge of ₹17,47 lakhs has also arisen in connection with the revaluation of the gold and sterling securities in the Paper Currency Reserve and ₹26,50 lakhs have been transferred through the Paper Currency Reserve in aid of the balances of the Home treasury.

On the other hand, there has been a receipt of ₹30,99 lakhs on account of sterling transfers issued on the Secretary of State. The credits from the issues of war stores charged to the suspense account are now estimated at ₹14,10 lakhs against ₹10½ crores in the Budget. There will be a net issue of treasury bills to the extent of ₹15,98 lakhs against a net discharge of ₹18 crores which the Budget assumed. The net disbursements on account of outlay recoverable from the War Office are now estimated at ₹50,48 lakhs against the Budget forecast of ₹52,50 lakhs. There will be no payment of Council bills though it was assumed in the Budget that ₹12,56 lakhs would be paid on that account. The proceeds of the new loan which were taken in the Budget at ₹15 crores have amounted to ₹29,75 lakhs while, out of ₹19,18 lakhs of war bonds due for discharge in August last, only ₹18,49 lakhs will be liquidated in the current year either by cash payments or by conversion into the new loan, the balance being left over for discharge in subsequent years. ₹9,66 lakhs of other war bonds have also been converted into the current year's loan. The proceeds of the Bombay development loan have amounted to ₹9,39 lakhs, out of which ₹8,80 lakhs remain invested and ₹57 lakhs will be spent on the development scheme before the end of the year.

154. Apart from the special transactions enumerated above, it is expected that the net transactions in India in the current year will be worse than Budget anticipations by R13,99 lakhs. This deterioration is the net result of the following variations :—

	[In lakhs of rupees.]
(1) Deterioration in the combined revenue account of the Imperial and Provincial Governments, due mainly to an increase in ordinary military expenditure, partly set off by improvements under customs and income-tax revenue and by the profits from the Burma rice control scheme	7,01
(2) Payment to the Burma Government of profits from the rice control scheme during 1919-20 and of £2 million received in England on the same account during 1920-21	3,48
(3) Smaller credits from remittances of gold by the Secretary of State	1,61
(4) Deterioration under other transactions (mainly miscellaneous deposits) due to the refund of deposits received during 1919-20 from unsuccessful tenderers for Reverse Councils and gold sales	1,89
Total deterioration	13,99

155. The total receipts from the new rupee loan, subscriptions for which were received from the 5th July to the 14th August 1920, amounted to R29,75 lakhs, inclusive of R9½ lakhs from the post office section of the loan. War bonds of various issues of a total value of R17,88 lakhs and treasury bills of a discounted value of R17 lakhs were received in payment of subscriptions to the loan. The gross receipts from cash certificates amounted to R49 lakhs. Certificates of the value of R1,47 lakhs are expected to be encashed during the current year, the net payment thus amounting to R98 lakhs.

1920-21.
Rupee loans.

156. In 1921-22 the net Imperial revenue is estimated at R27,99 lakhs; a net receipt of R4,75 lakhs is anticipated from savings bank deposits; a net sum of R5,03 lakhs on account of exchange will be credited to the suspense head after the adjustment of losses by exchange chargeable to revenue and capital accounts and to Provincial Governments; a credit of R3,20 lakhs will be realised from the issue of stores charged to the suspense account for Indian requirements or those of the War Office; and miscellaneous deposit and remittance transactions will bring in a net receipt of R4,89 lakhs, the main item contributing to the net receipt under the last head being a *pro forma* credit of R4,07 lakhs in respect of the appropriation of the interest on Paper Currency Reserve investments towards the discharge of treasury bills held in the Reserve.

1921-22.
Main features of
Budget estimates.

On the other hand, provision has been made (1) for a recoverable outlay of R21 crores to be incurred on behalf of the War Office; (2) for payment of the annual instalment of R12 lakhs for the Gwalior loan of 1887 and the cancellation of R1,99 lakhs of paper of the 5 per cent. war loan 1929-47 and 5 per cent. income-tax free loan 1945-55 by purchases from the sinking fund; (3) for capital expenditure of R3,77 lakhs on railways and canals and of R73 lakhs on Imperial Delhi inclusive of R2,82 lakhs and R7 lakhs respectively for loss by exchange on Home outlay; (4) for discharge of treasury bills of the value of R4,07 lakhs held in the Paper Currency Reserve out of the interest on the investments on behalf of the Reserve, the value of the bills outstanding at the end of the next year being thus reduced to R57,19 lakhs in the Reserve and R37,69 lakhs with the public; (5) for a draft of R3,03 lakhs from Provincial balances; (6) for the payment of R15,42 lakhs of the 1921 war bonds maturing in September next and of R69 lakhs of the 1920 war bonds left undischarged in the current year; (7) for a net discharge of R60 lakhs of cash certificates; (8) for a net payment of R1,19 lakhs by way of loans to Provincial Governments and a net receipt of R18 lakhs in connection with loans to mofussil municipalities, cultivators, etc.; and (9) transfers of R8,35 lakhs and R50 lakhs through the Paper Currency and Gold Standard Reserves respectively in aid of the balances of the Home treasury.

The net disbursements of the Central Government next year as detailed above aggregate Rs15,42 lakhs. It is proposed to meet this deficiency by issuing a rupee loan, the proceeds of which are estimated at Rs15 crores, and by drawing on the cash balance in India to the extent of Rs12 lakhs, thus reducing it on the 31st March 1922 to Rs12,89 lakhs.

157. The Provincial balances are expected to stand at the following amounts on the 31st March 1922:—

	(In lakhs of rupees.)
Madras	40-00
Bombay	2,10-00
Bengal	43-29
United Provinces	35-00
Punjab	85-55
Burma	5,35-74
Bihar and Orissa	73-04
Central Provinces	-29
Assam	36-07
Total	10,53-98

1920-21 and
1921-22.

158. The following table gives details of the transactions of Savings Banks and Provident Funds during a series of years, and the estimated transactions for 1920-21 and 1921-22:—

Post Office Savings
Banks, etc.

Year.	Securities of Railway Companies Provident Funds transferred to Government.	Net additions to deposits, cash.	Interest.	Total addition.
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	—8,35,53,000	78,82,000	—7,56,71,000
1915-16	57,38,000	70,96,000	1,28,34,000
1916-17	1,35,61,000	77,07,000	2,12,68,000
1917-18	4,04,00,000	41,80,000	94,65,000	5,40,45,000
1918-19	3,38,37,000	2,47,14,000	1,26,65,000	7,12,16,000
1919-20	1,96,68,000	1,40,93,000	3,37,61,000
1920-21 (Revised)	2,17,44,000	1,94,78,000	4,12,22,000
1921-22 (Budget)	2,71,87,000	1,95,44,000	4,67,31,000

The Budget estimate assumed that there will be a net deposit of Rs1,75 lakhs into postal savings banks in the current year; it is now expected that the net deposits will amount to Rs1,05 lakhs. The Budget estimate for 1921-22 provides for a net deposit of Rs1,50 lakhs into postal savings banks and for a growth of Rs1,22 lakhs in the deposits in the various provident funds for Government servants and in the similar funds of railway companies.

E. M. COOK.

The 1st March 1921.

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 Auditor 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 construction 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 "56—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 "53—State Railways." Item 1 of Part I
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 Auditor General, as a revenue charge, under a special minor head styled "Temporary Delhi" subordinate to the major head "41—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 "XXX—Civil Works." Item 2, *ibid.*
Item II, *ibid.*

Items 1 and I of Part II of *pro forma* account.

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.

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. It will be noted that any grants which may be specially 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 forma* account also, since they will appear as charges of the Delhi administration.

Items 3 (a) and III of Part I of *pro forma* 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 forma* 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 forma* account.

Item I of Part I.

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 on 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 "XXXV—Miscellaneous" and "XXX—Civil Works", and the *pro forma* 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 saving will, therefore, be found in an explanatory footnote. [See Part I, Note 5.]

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 forma* account.

PRO FORMA ACCOUNT OF EXPENDITURE ON DELHI AND THE DELHI PROVINCE.

PART I.—INITIAL OUTLAY.

[Figures in thousands of Rupees.]

EXPENDITURE.				RECEIPTS.			
	Actual to end of 1919-20.	Revised Estimate, 1920-21.	Budget Estimate, 1921-22.		Actual to end of 1919-20.	Revised Estimate, 1920-21.	Budget Estimate, 1921-22.
1. DELHI PROJECT: Capital outlay on permanent Delhi chargeable to Head "56" (for details see Statement I-A)	3,56,25	1,24,21	1,08,89	I.—Receipt which may be obtained on account of Imperial buildings vacated by the Government of India or attached offices in consequence of the move (for details see item 1—B)	...	...	...
2. Temporary Delhi *	54,33	...	...	II.—Non-recurring receipts on account of Temporary Works	2	...	...
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 †	68,98	6,47	17,51	IV.—Miscellaneous items	3,44	1,17	82
(b) Railways ‡	5,50	—14	3				
4. Non-recurring grant to the Punjab Government in compensation for expenditure incurred on new headquarters buildings for the Commissionariat transferred from Delhi §	1,36	...	...		
5. Cost of withdrawal to Delhi of Imperial offices previously located at Calcutta or elsewhere	2,03	...	...		
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	3,32	69	68				
7. Miscellaneous items	4,79	80	1,21				
TOTAL	4,96,56	1,32,03	1,26,32	TOTAL	3,46	1,17	82
Total Expenditure to end of 1921-22	7,54,91			Total receipts to end of 1921-22	5,45		
Net expenditure to end of 1921-22	7,49,46						

*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 1919-20.	Revised, 1920-21.	Budget, 1921-22.
Acquisition of land	13,10	...	...
Cost of buildings	49,45	5,92	15,66
Establishment charges	4,70	47	1,75
Tools and Plants	1,73	8	10
TOTAL	68,98	6,47	17,51

‡NOTE 3.—The figures relate to charges for the acquisition of land and outlay on railway facilities at Nangal Raya.

§NOTE 4.—The expenditure shown against item 7 represents mainly the proportionate cost of the Delhi Audit Office and the 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, from 1913-14 to 1919-20 the Government of Bengal, by moving their offices into the vacated Imperial buildings in Calcutta, saved Rs4,92,000 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, 1919-20.	Revised Estimate, 1920-21.	Budget Estimate, 1921-22.	Receipts.	Actuals, 1919-20.	Revised Estimate, 1920-21.	Budget Estimate, 1921-22.
1. Expenditure of Delhi Province *	40,08	92,64	61,43	I.—Revenue of Delhi Province*	34,15	39,49	39,33
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 .	13	13	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 .	15	17	20	III.—Saving under Calcutta house allowances‡	45	52	54
				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 .	40,36	92,94	61,76	V.—Miscellaneous items ¶	3	3	3
Net expenditure .	1,92	43,49	17,40	Total receipts .	39,04	44,45	44,36

* 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 forma account.

[Figures in thousands of Rupees.]

Items.	Actuals up to end of 1919-20.	Revised Estimate, 1920-21.	Budget Estimate, 1921-22.
<i>A.—Salaries and allowances</i>	40,63	...	13,51
<i>B.—Travelling allowances of Officers and Establishment</i>	3,51	...	1,03
<i>C.—Supplies, Services and Contingencies</i>	2,49	...	74
<i>Deduct—Credits due from other heads</i> . . . . .	...	...	3,97
Total A. B. and C.	46,63	...	11,31
<i>D.—Works Expenditure—</i>			
(i) Buildings	1,12,52	...	31,44
(ii) Communications	7,85	...	2,00
(iii) Miscellaneous Public Improvements	4,35	...	2,00
(iv) Electric Light and Power . . . . .	...	...	14,50
(v) Irrigation	1,26	...	14,18
(vi) Sanitation including water-supply, drainage and sewage	21,25	...	10,66
(vii) Purchase of tools and plant	35,13	...	1,00
(viii) Stock and Suspense	23,88	...	50
(ix) Miscellaneous items	53,97	...	4,41
(x) Maintenance during construction	17,48	...	9,00
(xi) Railway Division	7	...	50
<i>E.—Acquisition of land</i>	34,78	...	...
<i>F.—Other Miscellaneous expenditure</i>	6	...	...
Adjustment for exchange on outlay in England . . . . .	...	...	6,89
<i>Deduct—Receipts on Capital Account</i>	-8,98	...	-1,50
Total	3,56,25	1,24,21	1,06,89

