

EAST INDIA (BUDGET)

Return to an Address of the Honourable the
House of Commons, dated 11th July, 1933; for,

“RETURN OF THE BUDGET OF THE GOVERNOR
GENERAL OF INDIA IN COUNCIL
FOR 1933-34”

India Office,
11th July, 1933

L. J. KERSHAW,

Assistant Under Secretary of State for India

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GOVERNMENT OF INDIA,
FINANCE DEPARTMENT,

BUDGET FOR 1933-34.

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PART I.

Railway Budget.

Speech of the Railway Member

introducing the

Railway Budget for 1933-34.

The first Railway Budget which it has fallen to my lot to present to this House unfortunately covers a period of economic depression, unexampled within recent times in the severity and extent of its incidence. That the Railway estimates should reflect that depression is of course inevitable. But there are legitimate grounds for hope that we have at last touched rock bottom and that though recovery may yet be delayed, we have in all probability experienced the worst. On that assumption, we have built our estimates.

2. It is usual to preface the statement on the estimates of the year by a mention of any important changes that may have been made in the form of the Demands placed in the hands of Honourable Members. Two such have been made in the structure of our Demands for Grants on the advice of the Public Accounts Committee, and with the approval of the Standing Finance Committee for Railways. The first is the amalgamation of the Demands for strategic lines and commercial lines. The present system of having separate demands has not been found conducive to efficient control of expenditure. Strategic lines are administered as an integral part of the North Western Railway system, the expenditure on the whole of which is initially booked in one set of accounts. Only a small portion of this expenditure can be directly allocated to strategic lines; the major part being distributed between strategic railways and the commercial railways forming part of the total system proportionately according to certain formulæ. The Public Accounts Committee recommended that separate Demands for Grants for strategic lines should be done away with, but that information about the results of the working of strategic lines should be given in a separate appendix to the Book of Demands. We have adopted both these recommendations. The other change of importance is, that we are showing in one Demand the total expenditure on open line works, whether the expenditure is technically met from the Depreciation Fund or charged to Capital. The past practice was originally adopted in order to emphasise the different sources from which funds were obtained. In so far as it was adopted for the purpose of controlling expenditure, the practice has, however, proved entirely ineffective, because the expenditure from the Depreciation Fund being a fixed amount, *viz.*, the original cost of the asset replaced, cannot be controlled separately. The system of having separate Grants has resulted on many railways in necessary adjustments between Capital and Depreciation Fund being postponed for fear of exceeding the Grant. Here too the Public Accounts Committee and the Standing Finance Committee for Railways were unanimous in recommending the change. The information available to the House in respect of these works will not, however, be reduced in any way; as in the combined demand the expenditure charged to capital will be shown separately from the expenditure met from the Depreciation Fund. Demand No. 10 will henceforth be utilised only to record temporary withdrawals from the Depreciation Fund, and I trust the occasion on which we shall have to use it will be rare. A third change of less importance is the addition of a new Demand for interest charges. Hitherto, interest charges

have not found a place in the Demands for Grants, because the total expenditure was non-voted. From 1933-34 it has been decided that railway revenues should bear a share of the total cost of the management of specific railway debt proportionate to the railway debentures or loans appropriated for specific railway purposes. Hitherto this had been merged in the total expenditure on management of debt in England and met from general revenues in full. Similar charges in respect of debt not specifically incurred on behalf of railways are already being met from railway revenues as the rate of interest charged takes these charges into account. This amount is votable and a Demand will consequently be placed before you for the small amount of just under 3 lakhs involved in this change. We have also made minor changes in the appendices to the memorandum on the railway budget which I shall leave Honourable Members to discover for themselves; I need only say that they have been made in order to increase the information available to this House.

Honourable Members will no doubt notice, and, I hope approve, the change in the size of the pamphlets placed before them. The Pink Books, which used formerly to be of foolscap size, have now become octavo. The change combines economy with convenience.

3. May I venture, though probably it has by now become unnecessary to do so, to remind Hon'ble Members that when notices of motions for reductions in Demands are given it would be convenient if, following the usual practice, they would indicate briefly the questions which they intend to raise? It lightens the task of Government Members, who have to reply to these points and at the same time enables them to give fuller information to the House than would otherwise be possible.

Financial Results of 1931-32.

4. Before I proceed to deal with the anticipated results of this year and the next, which primarily concern us at present, it will probably help to a better understanding of the general financial position, if I first deal briefly with last year's results. These did not differ materially from the revised estimate framed this time last year, but whatever difference there was was fortunately on the right side. The loss in the working of commercial lines turned out to be $7\frac{1}{2}$ crores, or a quarter of a crore less than anticipated, and that on strategic lines just under 2 crores. The total loss of $9\frac{1}{2}$ crores was met to the extent of just under 5 crores by the withdrawal of the uninvested balance of our reserve fund and the remainder $4\frac{1}{2}$ crores, was taken as a temporary loan from the Depreciation Fund.

Revised Estimate for 1932-33.

5. In dealing with the estimates for 1932-33 and 1933-34, I propose to follow the recommendations of the Public Accounts Committee and deal with commercial and strategic lines together. The results of the latter are more or less constant, being a loss of very near 2 crores a year and do not therefore affect comparisons to any considerable extent. Though the budget for 1932-33 was not framed on any optimistic basis and anticipated a total deficit of $7\frac{1}{2}$ crores, of which $5\frac{1}{2}$ crores was on commercial lines, our present anticipations are that the results will be $1\frac{1}{2}$ crores worse. The deterioration is entirely due to a further fall in earnings. The assumption that the volume of traffic obtained last year would not diminish has unhappily been falsified. A temporary recovery which continued through many weeks raised hopes that our budget estimate might be reached, or even exceeded, but later events proved that our hopes were premature. The position grew

rapidly worse, and our present estimate of traffic receipts is $2\frac{1}{2}$ crores below our budget figures. Allowing for the difference of classification of credits from materials returned from works not charged to revenue, we expect to fall about a crore and a third below last year's figures.

Our working expenses, on the other hand, are not expected to vary greatly from our budget estimate. Though our estimate of the savings from the emergency deductions from pay has been found to have been too high by very nearly half a crore, most of the consequent increase in our expenditure is likely to be met by reductions under other heads, particularly in the cost of fuel. Our interest charges, moreover, are less by about three quarters of a crore owing to the fall in the rates of interest, and our total loss on all lines including 2 crores on account of strategic lines, is now expected to be $9\frac{1}{2}$ crores, a figure only slightly above the loss of last year. This sum we have to withdraw from the Depreciation Fund. The balance at the credit of that Fund, which was nearly 15 crores at the beginning of the year and which will be increased by about 8 crores owing to the net accretion due to the surplus of our payments into the Fund over withdrawals from it to meet current replacements and renewals, will in consequence be reduced to $13\frac{3}{4}$ crores.

Budget Estimate for 1933-34.

6. For the year 1933-34 we estimate that our total traffic receipts will be $88\frac{1}{2}$ crores and our total working expenses, including depreciation, just over 63 crores. Net traffic receipts will thus amount to nearly $25\frac{1}{2}$ crores. Our other receipts are diminishing as a result of the gradual reduction of our balances in the Depreciation Fund and will be practically counterbalanced by our miscellaneous charges. Taking all these into account, we calculate that our net revenue will be insufficient to meet our interest charges by about $7\frac{3}{4}$ crores. This deficit (of which $5\frac{1}{2}$ crores is in respect of commercial lines) has again to be found by a temporary loan from the Depreciation Fund, which will stand at the end of 1933-34 at $13\frac{3}{4}$ crores.

In the hope that we have plumbed the lowest depths of the present period of economic depression and we may anticipate a slight recovery, we are placing our estimate of traffic earnings about $1\frac{1}{4}$ crores or barely 2 per cent. above the current year's figures. This is practically what was actually received in 1931-32, and in view of the fact that during 1933-34 our rates of freight and fares will be at an appreciably higher level than they were during the greater part of 1931-32, I do not think that these estimates can be considered as unduly optimistic.

We estimate our working expenses next year at 25 lakhs higher than in the current year. The reduction by a half of the emergency cut in pay, after allowing for the fact that we shall no longer have to pay to the Income-tax Department the compensation we paid this year in respect of the exemption of railway staff from payment of the additional taxation imposed in November 1931, is responsible for a difference of 67 lakhs. Our estimates allow, however, for a reduction of other expenditure amounting to 42 lakhs, of which more than half is in our fuel bill. We have had to provide for a certain amount of additional expenditure on repairs and maintenance in order to maintain our existing assets in good repair, but we hope that our other operating expenses classified under the heads Administration and Operation will show a substantial decrease. Both during the current and in the past year the gratuities payable have been abnormally high owing to the large number of discharges that we had to effect. The result of these discharges on the cost of staff will be fully reflected in the expenditure for the next year, and we

have assumed that the decrease due to this cause will be at least sufficient to counterbalance the normal increase in expenditure caused by the annual increments earned by the staff. This reduction in expenditure during 1933-34 can, however, only be secured by the exercise of the most rigid control, and railway administrations will have to see that no relaxation of the economy campaign is permitted.

7. In laying these estimates before the House, I would only say that if they produce at first a depressing reaction, a more careful and detailed appreciation of the figures which are available to Honourable Members will, I am sure, result in the more comforting conclusion that, considering the conditions under which our railways are now operating, their financial position, as disclosed by these figures, is one of considerable strength and undeniable soundness. While we remember that during the two years 1930-31 and 1931-32 the deficits of Indian Railways have amounted to over 14 crores and that the estimated deficits of the next two years bring up the total to over 31 crores, let us not forget at the same time that during the first six years of this decade they earned a total surplus of over 52 crores and that the net result of these ten years after the separation of railway finances from general finances will thus be a total surplus of 21 crores. Like other railways all the world over, Indian railways are for the moment passing through a period of almost unprecedented difficulty due largely to world causes. They have suffered considerably from causes which are common to all railways, but they are not the only sufferers nor indeed the worst sufferers. A careful analysis of our position will, I think, reveal the fact that there is nothing radically wrong in it. Our net traffic receipts at present amount to about 24 or 25 crores. This means that on their capital of about 800 crores Indian Railways are still earning more than 3 per cent., which is what few other railways in the world are today in a position to do. Nor must we forget the fact that this figure of net traffic receipts is arrived at after providing for the full calculated depreciation on our assets, and that the amount paid into the depreciation reserve fund is at the present moment about 8 crores higher than the amount required during the year to meet that portion of our expenditure on renewals and replacements which the fund is expected to meet. If, instead of taking the calculated amount of depreciation, we were to take only the actual amounts required to be drawn in cash from the fund during the current year, our net traffic receipts would have amounted to 32 crores. This would have given a return of 4 per cent. on the capital invested, and our total deficits during the two years, taking both commercial and strategic lines together, would have been reduced to barely a crore. Taking commercial lines alone, we should have had profits of over 2 crores. I doubt whether any railway in the world of a comparable character could at the moment show such results.

8. I turn next to a few matters of interest which I think are of sufficient importance to merit specific mention.

First, let me advert to the subject of our new Capital expenditure during the coming year. Our capital programme for 1933-34 is a very attenuated one. Apart from the completion of our existing commitments, it provides only for bare essentials. No new lines are to be undertaken, the amount of 32 lakhs provided for new construction being only for the purpose of completing lines already begun. The total amount we expect to require for all expenditure on works not charged to revenue is 9½ crores in cash after allowing for a reduction of about 1½ crores in stores balances. Apart from the strengthening of a few bridges which we have had to undertake, the only important expenditure of any magnitude is on the purchase of a number of wagons in replacement of those which have passed

their normal lives and are proving uneconomic to maintain. We are providing for the purchase of 2,500 wagons at a cost of about 90 lakhs. While this is expected to reduce our cost of maintenance of wagons, it will afford assistance to the Indian wagon building industry at a time when orders are badly needed. I should like here to refer in passing to the suggestions that have been made from many quarters that Government should take the opportunity presented by the present comparatively low rates of interest and low prices of material, to embark on a larger programme of railway construction and development. It is undoubtedly true that the fall in the rate of interest has made certain projects which we had to lay aside as unremunerative in recent years more attractive. At the same time, it must not be forgotten that the question of the remunerativeness of new constructions will now have to be examined afresh with reference to the rival claims and possibilities of road transport much more carefully than in the past. It is, for instance, a question for careful consideration whether the facilities sought to be provided by short branch line extensions of, or feeders to, existing lines, to which a good deal of attention has been paid in India in the past, cannot be more profitably supplied as part of a co-ordinated scheme of road development. An era of cheaper money would certainly necessitate our re-examining with care and attention many schemes which would have resulted in a reduction in maintenance or operating costs, but have had to be laid aside because they were not considered remunerative when higher rates of interest prevailed. All these investigations and examinations will take some time and cannot affect the next year's budget. They will, however, receive our careful consideration, and the House may rest assured that when we come to the conclusion that it is wise and in the interests of railways and the country at large to undertake capital outlay of any sort on railway construction and development, we shall not hesitate to take the earliest opportunity of laying such proposals before you or the Standing Finance Committee for Railways.

9. There have not been wanting critics of our Depreciation Fund procedure who have suggested that one of the ways in which we could secure relief for the railway budget at this juncture is by reducing our contributions to the Depreciation Fund and that our present contributions are not only unnecessarily high but are unduly embarrassing in our present financial circumstances. These criticisms cannot be lightly brushed aside. In the ten years since the inception of the fund, *i.e.*, during the decade 1924-25 to 1933-34, the amounts paid into the fund aggregate 122 crores, while the amounts required to be withdrawn from the fund under its rules as representing the original cost of unit assets renewed or replaced total 87 crores. Had circumstances not compelled us to take temporary loans from the fund, the balance at the end of 1933-34 would amount to about 35 crores.

The railway depreciation fund is built up by annual contributions representing roughly the value of the various classes of wasting assets included in our railway property divided by their assumed lives, different lives being assigned on basis of the past experience to each class. Such contributions are continued throughout the whole period of the assumed life of each asset, irrespective of when it is actually retired or replaced. The original cost of the asset is withdrawn from the fund when it is actually retired or replaced. Ordinarily it is to be expected that, in an expanding concern like Indian Railways, the withdrawals from a fund of this nature under present circumstances will be considerably less than the contributions to it; for the latter depend on the assets existing at present whereas the former depend on the assets in existence a number of years ago which are due for renewal or

replacement at the present moment. For instance, the contribution in respect of wagons depends on the number and value of wagons in existence now, whereas the actual replacements are proportionate to the stock of wagons as it was some 40 years ago—this being their estimated normal life—and is based on the cost at that time. Again, we have been, of recent years, replacing assets bought when prices were comparatively low and paying contributions on assets bought at higher prices. Finally, Indian Railways are still comparatively young; many of our assets have still a long useful life and their turn to be renewed or replaced has not yet come. On the other hand, it has to be remembered that no provision was made at the inception of the fund for arrears of depreciation while money has been withdrawn to meet the cost of all renewals, and we had a comparatively ambitious programme of works in the years immediately following the institution of the fund. Premature renewals have also been effected to a certain extent. Taking all factors into consideration, however, the size of the fund gives cause for serious reflection. It is not surprising to find that the view is held in some quarters that the assumed lives of the assets on which the contribution is calculated are too low and that therefore the annual contribution is excessive. This was considered by the Railway Retrenchment Sub-Committee who thought that it was probably desirable to have a special enquiry into the assumed lives of assets on railways on the basis of past experience but were unable to recommend any arbitrary variation apart from such an enquiry which they suggested should be left to experts. They drew attention to the fact that the contributions do not take into account obsolescence and that they aimed at providing at the end of the assumed lives only the original value of the asset and not the actual cost of replacement. I am not sure that we have at present enough data at our disposal to arrive at an authoritative conclusion on this question, though comparative figures which I have seen in respect of one of the largest English railways do not appear *prima facie* to support the suggestion that the lives assumed for the various classes of assets of Indian railways are unduly low.

On the other hand, it is possible to argue that the Depreciation Fund is really a Reserve Fund under another name, that, whatever may be the amount required theoretically to be put by, such considerations can apply only to normal times, and that it is doubtful whether a commercial concern in similar circumstances would provide as a matter of course for the full calculated depreciation in times of abnormal financial strain like the present. As I have already pointed out, our deficits for the two years 1932-33 and 1933-34 amounting to 17 crores are counterbalanced by allotments to the depreciation reserve fund in addition to actual requirements, to the extent of 16 crores. If we take commercial lines alone, the position is that the additional allotments amount to 15½ crores against our deficits of slightly over 13 crores. This is obviously a question which calls for careful examination.

Apart altogether from these financial considerations, it has been pointed out that the present procedure in connection with the Depreciation Fund is far too complicated and can, with advantage, be replaced by a simpler method. The Auditor-General has recently drawn attention to this in his comments on the Appropriation Report of Railways where he says :—

“It has also been suggested to me that it is questionable whether the maintenance of elaborate accounts in the present form really serves any essential purpose and that it would be more economical and might be as effective to maintain a general renewals fund built up by percentage contributions on the capital at charge.”

All these questions deserve careful and detailed examination, and it is our intention to have the whole of the arrangements connected with the Depreciation Fund investigated thoroughly during the coming year. In this connection, we have also to consider the point raised by the Public Accounts Committee this year, that it is desirable to have an early settlement of the permanent basis on which works expenditure should be charged to capital, to the Depreciation Fund, and to revenue. It is obviously desirable that the question of withdrawals from the Depreciation Fund should be considered along with the method of contributions to it. I have thought it desirable to refer to this matter at some length because of its intimate bearing on our financial position, but I cannot of course express any, even tentative, views in advance of the full examination that we propose to institute.

10. We have applied the decision arrived at in regard to cuts in the pay of the Administrative Services to the personnel of the Railways. During the coming year, therefore, Railway Staff will be subjected to half the cut imposed on them during the current year, but this will be accompanied by the withdrawal of income and super-tax privileges. The financial result will be a reduction in the savings in the coming year from about 176 lakhs net, after allowing for payments of compensation to the Income-tax Department, to 103 lakhs, while the combination of half the existing cut with the loss of the income-tax privileges will in effect secure, speaking generally, a graduated scale of salary deductions. It may be the subject of some criticism that we should have thought of giving any relief to Railway employees while our budget still showed a deficit judged according to present accounting methods and arrangements. The reply is that the maintenance of the existing deductions in the case of Railway servants while half the cut was remitted in the case of the General Administrative Services would have resulted in such markedly differential treatment as could hardly have been justified by the anticipated financial results for the coming year. Railway servants of the lowest grades, in consequence of their service in a commercial department, have hitherto been called upon to submit to deductions from which comparable categories in the general services were exempted. They must still unfortunately continue to bear a burden, though a lightened burden in view of economic conditions, but the arrangements proposed for the current year will shift to some extent the general incidence of that burden. This partial relief to Railway employees must not be construed as indicative of any slackening in our efforts after economy.

11. Honourable Members are already cognisant of the fact that Mr. Pope who has had special experience of this sort of work on the London, Midland and Scottish Railway is conducting an examination of the possibilities of securing further economies on our Railways. The subject of his special examination is the Great Indian Peninsula Railway, and with him are associated officers from other Railways, so that the methods adopted and the lines followed in this particular investigation may be applied to other Railways. His review will, it is hoped, be ready very shortly, and if, as a result, arrangements promising immediate economies and capable of immediate adoption are possible, no time will be allowed to elapse before we adopt them. In any case, we expect that the most fruitful lines of further enquiry will be indicated, and these will be pursued in the coming months. In this way we hope to achieve a twofold object, firstly, the discovery of further means of economy, and secondly, the preparation on uniform lines for all the railways of a body of accurate figures and information as to the costs of various services and as to the methods of working, which will not only enable us to check up and compare the economy

efforts made on the different systems throughout India, but will also provide the data on which the expert Committee, which we still hope to get out next winter, will be able to work.

12. We have unfortunately sustained serious losses in personnel during the year. It is with deep regret that I have to refer to the loss the Railway Rates Advisory Committee has sustained in the death of its Chairman, Sir Narasimha Sarma, and I would like to add a personal tribute of regard and respect to the memory of one who was once my official chief. The Railway Board has also recently lost, through retirement, its senior Member, Mr. Hayman, who will long be remembered for his untiring energy and extraordinary capacity for work. In conclusion, I would wish to acknowledge the loyalty and assistance I have received from all those connected with the administration of the railways with whom I have had to work. Nor must I in this acknowledgment forget those on whom rests the immediate responsibility for the day to day running of the great machine who have had a specially difficult burden to bear.

BUDGET, FOR 1933-34.

BUDGET

of the

Railway Revenue and Expenditure of the
Governor-General in Council,

AS LAID BEFORE THE

Indian Legislature, 1933.

RAILWAY DEPARTMENT;

New Delhi, the 9th February 1933.

P. R. RAU,

Financial Commissioner of Railways.

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BUDGET FOR 1933-34.

1.—Statement of the Revenue of the Central

HEADS OF REVENUE.	ACCOUNTS, 1931-32.				REVISED ESTIMATE,	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Es.	Rs.	Es.	Rs.
XI.—State Railways—						
(a) Commercial lines—						
Gross receipts—						
Passenger traffic earnings—						
Upper class	3,29,36,000	...	...	3,29,36,000	3,10,00,000	...
Third class	25,13,99,000	...	...	25,13,99,000	25,75,00,000	...
Other coaching traffic earnings.	5,12,29,429	...	...	5,12,33,429	4,75,25,000	...
Goods traffic earnings .	54,68,60,539	...	...	54,68,60,538	53,84,50,000	...
Sundry earnings	1,80,37,502	2,826	13	1,80,40,341	1,66,47,000	3,000
Credits for materials released from works chargeable to the Depreciation Fund.	...	...	...	...	1,31,50,000	...
TOTAL EARNINGS	90,14,71,469	2,826	13	90,14,74,308	90,33,72,000	3,000
Deduct— { Refunds of Revenue collected.	11,07,069	...	...	11,07,069	13,75,000	...
{ Earnings of worked lines.	5,07,00,839	...	...	5,07,00,839	5,00,00,000	...
Earnings of State Railways.	84,96,63,568	2,826	13	84,96,66,407	85,10,07,000	3,000
Suspense	34,49,428	...	...	34,49,428	...	...
Gross receipts of State Railways.	85,31,13,996	2,826	13	85,31,15,835	85,19,07,000	3,000
Deduct— Working expenses of State Railways.*	60,43,55,284	52,01,371	31,488	60,95,91,143	60,43,62,000	49,30,000
Surplus profits paid to Indian States and railway companies.	64,18,868	...	...	64,18,868	65,25,000	...
Net receipts	24,23,35,844	-51,99,545	-31,475	23,71,05,824	24,11,10,000	-49,27,000
(b) Strategic lines—						
Gross receipts	1,31,71,268	...	...	1,31,71,268	1,30,35,000	...
Deduct— Refunds of Revenue collected.	11,994	...	...	11,994	25,000	...
Working expenses	1,81,47,090	...	...	1,81,47,090	1,92,21,000	4,000
Net receipts	-49,87,818	...	...	-49,75,818	-62,21,000	-4,000
Total net receipts, Commercial and Strategic lines.	23,73,48,026	-51,58,545	-31,475	23,21,16,706	23,48,89,000	-49,31,000
XII.—Subsidized Companies—						
Government share of surplus profits, etc.	13,55,831	88,405	620	14,74,559	20,50,000	70,000
XIII.—Miscellaneous Railway Receipts—						
(a) Commercial lines—						
Interest on Depreciation and Reserve Fund balances.	66,77,253	...	...	66,77,253	69,60,000	...
Dividend on Investments in branch lines and other Miscellaneous Receipts.	12,40,043	...	...	12,40,043	8,50,000	...
(b) Strategic lines—						
Interest on Depreciation Fund balances.	1,6,39,922	...	...	6,39,922	7,33,000	...
TOTAL RECEIPTS	24,92,91,080	-51,10,140	-80,858	24,41,50,085	24,55,18,000	-49,61,000
XIII-B.—Transfers from Railway Reserve Fund.	4,95,08,000	...	...	4,95,08,000	...	...
XIII-C.—Withdrawal of sums deposited on account of the Railway Depreciation Fund.	4,21,09,633	...	...	4,21,09,633	9,24,15,000	...
TOTAL	34,13,96,763	-51,10,140	-30,855	33,61,55,763	23,87,34,000	-49,61,000

* For details, see statement 1(a).

BUDGET FOR 1933-34.

Government from Railways in India and England.

1932-33.		Increase (+) Decrease (-) as compared with Budget, 1932-33.	BUDGET ESTIMATE, 1933-34.				Increase (+) Decrease (-) as compared with Revised, 1932-33.
Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
...	3,10,00,000	-30,00,000	3,16,00,000	...	...	3,16,00,000	+6,00,000
...	25,75,00,000	+30,00,000	26,09,00,000	...	...	26,09,00,000	+34,00,000
...	4,75,25,000	-24,75,000	4,50,00,000	...	...	4,50,00,000	+4,75,000
...	63,84,50,000	-1,90,50,000	55,00,00,000	...	...	55,00,00,000	+1,15,50,000
...	1,06,50,000	-3,50,000	1,68,12,000	3,000	...	1,68,15,000	+1,65,000
...	1,22,50,000	+2,50,000	1,22,60,000	...	...	1,22,60,000	+10,000
...	90,33,75,000	-2,16,25,000	91,95,73,000	3,000	...	91,95,75,000	+1,62,00,000
...	13,75,000	+1,75,000	13,75,000	...	...	13,75,000	...
...	5,00,00,000	+27,00,000	4,90,00,000	...	...	4,90,00,000	-10,00,000
...	65,30,00,000	-2,45,00,000	66,91,97,000	3,000	...	66,92,00,000	+1,72,00,000
...
...	85,20,00,000	-2,45,00,000	86,91,97,000	3,000	...	86,92,00,000	+1,72,00,000
17,000	60,92,75,000	+1,75,00,000	60,88,99,000	48,01,000	...	61,17,00,000	+24,25,000
...	65,25,000	-14,75,000	54,00,000	...	...	54,00,000	-11,25,000
17,000	23,62,00,000	-2,42,00,000	25,68,98,000	-47,98,000	...	25,21,00,000	+1,59,00,000
...	1,30,25,000	-4,65,000	1,33,25,000	...	...	1,33,25,000	+3,00,000
...	25,000	+15,000	25,000	...	...	25,000	...
...	1,92,25,000	+3,25,000	1,93,00,000	...	...	1,93,00,000	+75,000
...	-82,25,000	-8,25,000	-60,00,000	...	...	-60,00,000	+2,25,000
17,000	22,99,75,000	-2,50,25,000	25,08,98,000	-47,98,000	...	24,61,00,000	+1,61,25,000
...	21,50,000	+3,50,000	20,65,000	98,000	...	21,58,000	+8,000
...	68,66,000	-10,99,000	64,51,000	...	...	64,51,000	-5,15,000
...	6,50,000	+2,00,000	6,50,000	...	...	6,50,000	-2,00,000
...	7,33,000	+1,83,000	8,74,000	...	...	8,74,000	+1,41,000
17,000	24,06,74,000	-2,52,91,000	26,09,38,000	-47,05,000	...	25,63,33,000	+1,55,59,000
...
...	9,34,16,000	+1,75,37,000	7,77,12,000	...	...	7,77,12,000	-1,57,04,000
17,000	33,40,90,000	-77,54,000	33,68,50,000	-47,05,000	...	33,39,45,000	-1,45,000

BUDGET FOR 1933-34.

1(a).—Statement of Working Expenses of

Heads of working expenses.	ACCOUNTS, 1931-32.				REVISED ESTIMATE.	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Administration	13,60,59,278	46,73,969	28,369	14,07,60,566	11,07,77,000	44,68,000
Repairs and maintenance	13,66,70,059	...	...	13,66,70,059	15,23,00,000	...
Operation	22,70,57,794	5,26,373	3,199	22,75,89,365	24,76,85,000	6,17,000
Depreciation	13,08,49,498	...	...	13,08,49,498	13,31,00,000	...
Suspense	5,62,742	...	...	5,62,742	...	...
Emergency deductions from tax . . . . .	...	...	...	...	-1,83,25,000	-1,76,000
Payment to Income-tax Department in respect of Railway staff exempted from surcharge . . . . .	...	...	...	...	19,35,000	...
Total	68,06,99,371	53,01,371	31,468	68,59,32,230	63,63,62,000	49,30,000
Less—Share of Worked Lines	2,63,41,087	...	...	2,63,41,087	2,40,00,000	...
Working Expenses	60,43,58,284	53,01,371	31,468	60,75,91,143	60,43,62,000	49,30,000

BUDGET FOR 1933-34.

State Railways - Commercial Lines.

1932-33.		Increase (+) Decrease (-) as compared with Budget, 1932-33.	BUDGET ESTIMATE, 1933-34.				Increase (+) Decrease (-) as compared with Revised, 1932-33.
Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
-15,000	12,13,50,000	-5,50,000	11,54,93,000	43,57,000	...	11,98,50,000	-14,00,000
...	15,22,00,000	-2,00,000	15,50,00,000	...	...	15,50,00,000	+28,00,000
-3,000	24,33,00,000	-39,00,000	23,79,23,000	5,28,000	...	23,84,50,000	-48,50,000
...	13,71,00,000	+8,00,000	13,31,00,000	...	...	13,31,00,000	...
...	...	...	-7,75,000	...	...	-7,75,000	-7,75,000
...	-1,85,00,000	+45,00,000	-91,91,000	-54,000	...	-92,75,000	+93,25,000
...	19,35,000	-2,75,000	...	...	...	...	-19,25,000
-17,000	63,32,75,000	+11,75,000	63,15,49,000	48,61,000	...	63,68,50,000	+30,75,000
...	2,40,00,000	...	2,48,50,000	...	...	2,48,50,000	+6,50,000
-17,000	60,92,75,000	+11,75,000	60,68,99,000	48,01,000	...	61,17,00,000	+24,25,000

2.—Statement of the expenditure on Railways charged to

HEADS OF EXPENDITURE.	ACCOUNTS, 1931-32.				REVISED ESTIMATE.	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
10. State Railways:—						
(a) Commercial lines—						
Interest—						
on Government capital at charge .	18,68,33,674	11,53,94,746	7,33,991	30,36,62,411	18,66,72,000	11,53,01,000
on capital contributed by Indian States and Companies.	4,13,374	1,28,36,041	64,411	1,31,13,756	3,80,000	1,50,36,000
Total interest commercial lines . . .	16,72,46,948	12,77,30,787	7,98,432	31,57,76,167	18,69,52,000	12,62,36,000
(b) Strategic lines—						
Interest on capital at charge . . .	1,48,87,430	...	...	1,48,87,430	1,46,86,000	...
TOTAL INTEREST	30,21,34,378	12,77,30,787	7,98,432	33,06,63,597	20,16,38,000	12,62,36,000
11. Subsidised Companies—						
Land and subsidy	9,17,096	...	...	9,17,096	6,90,000	...
12. Miscellaneous Railway expenditure—						
Commercial lines	28,43,980	13,22,396	7,113	41,70,489	27,11,000	13,38,000
Strategic lines	4,04,657	...	..	4,04,657	26,000	...
Payments to general revenues—						
Contribution . . . . .	...	...	...	...	...	...
12A—Surplus Railway Revenue transferred to Railway Reserve Fund.	...	...	...	...	...	...
TOTAL	30,62,97,041	12,90,53,183	8,06,545	33,61,55,768	20,49,66,000	12,96,74,000

BUDGET FOR 1933-34.

the revenue of the Central Government in India and in England.

1931-32.			BUDGET ESTIMATE, 1933-34.				
Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1932-33.	India.	England.	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Revised 1933-33.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
-3,99,000	30,13,74,000	-71,13,000	18,63,10,000	11,55,24,000	---	30,17,34,000	+3,60,000
-45,000	1,33,70,000	-4,51,000	3,60,000	1,26,31,000	---	1,29,91,000	-3,79,000
-4,44,000	31,47,44,000	-75,63,000	19,65,70,000	13,61,55,000	---	31,47,35,000	-19,000
---	1,46,56,000	-1,71,000	1,45,95,000	---	---	1,45,95,000	-91,000
-4,44,000	32,94,30,000	-77,34,000	20,11,65,000	12,61,55,000	---	32,93,30,000	-1,10,000
---	5,90,000	-1,10,000	7,50,000	---	---	7,50,000	+1,60,000
-5,000	40,44,000	+1,04,000	25,68,000	13,77,000	---	39,45,000	-1,69,000
---	26,000	-14,000	30,000	---	---	30,000	+4,000
---	---	---	---	---	---	---	---
---	---	---	---	---	---	---	---
-4,49,000	33,40,90,000	-77,54,000	20,45,13,000	12,94,32,000	---	33,39,45,000	-1,45,000

BUDGET FOR 1933-34.

2(a).—Contribution from Railway to General Revenues, 1932-33.

(Based on actuals, 1930-31.)

	Rs.	Rs.
1. 1 per cent. on capital of 7,35,94,89,337 at charge, commercial lines		7,35,94,899
2. (i) Receipts—Commercial lines—		
Gross traffic receipts	93,63,16,665	
Subsidised Companies' share of surplus profits	20,36,173	
Interest on Depreciation and Reserve Fund balances	1,26,86,183	
Dividend on investments in branch lines and other miscellaneous receipts	20,91,701	
(ii) Charges—Commercial lines—		95,30,30,722
Working expenses	65,26,83,857	
Indian States and Railway Companies' share of surplus profits	1,16,39,532	
Interest—		
On capital at charge	29,97,05,369	
On capital contributed by Indian States and Companies	1,37,58,731	
Land and subsidy	5,90,392	
Miscellaneous railway expenditure	61,99,043	
Contribution at 1 per cent. on capital at charge	7,35,94,899	1,05,71,66,848
(iii) Deficit		10,41,36,131
(iv) Contribution of one-fifth of surplus . . . . .		...
3. (i) Total contribution from railway revenues [1 plus 2 (iv)]		
	...	7,35,94,899
Deduct—Loss on strategic lines borne by railway revenues—		
(i) Interest on capital	1,48,91,014	
(ii) Loss in working	66,45,592	
		2,15,36,606
(ii) Net payment due from railway to general revenues in 1932-33	5,22,58,293

BUDGET FOR 1933-34.

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2(a).—Contribution from Railway to General Revenues, 1933-34.

(Based on actuals, 1931-33.)

	Rs.	Rs.
1. 1 per cent. on capital of 7,33,81,96,265 at charge, commercial lines		7,33,81,962
2. (i) Receipts—Commercial Lines—		
Gross traffic receipts	85,31,15,885	
Subsidised Companies' share of surplus profits	14,74,856	
Interest on Depreciation and Reserve Fund balances	86,77,263	
Dividend on investments in branch lines and other miscellaneous receipts	12,40,048	
(ii) Charges—Commercial Lines—		
Working expenses	60,95,91,143	86,45,07,992
Indian States and Railway Companies' share of surplus profits	64,18,868	
Interest—		
on capital at charge	30,26,63,411	
on capital contributed by Indian States and Companies	1,31,18,756	
Land and subsidy	9,17,096	
Miscellaneous railway expenditure	41,70,488	
Contribution at 1 per cent. on capital at charge	7,33,81,962	
		1,00,92,55,724
(iii) Deficit		14,47,47,732
(iv) Contribution of one-fifth of surplus . . . . .		...
3. (i) Total contribution from railway revenues [1 plus 2 (iv)]		
		7,33,81,962
Deduct—Loss on strategic lines borne by railway revenues—		
(i) Interest on capital	1,48,87,430	
(ii) Loss in working	47,53,483	
(iii) Interest on the amount of loss in working met from Depreciation Reserve Fund of commercial lines	5,54,828	
		2,01,94,741
(ii) Net payment due from railway to general revenues in 1933-34		5,31,87,221

BUDGET FOR 1933-34.

3.—Statement of receipts of the Central Government in India and England for State

HEADS OF ACCOUNT.	ACCOUNTS, 1931-32.				REVISED ESTIMATE,	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
XLI.—Capital contributed by Railway Companies and Indian States towards outlay on State Railways	1,03,40,000

BUDGET FOR 1933-34.

4.—Statement of the Capital Expenditure of the

HEADS OF EXPENDITURE.	ACCOUNTS, 1931-32.				REVISED ESTIMATE,	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Railway Capital not charged to Revenue:—						
53.—Construction of State Railways:—						
(a) Commercial Lines—						
Open Line Works—						
Rolling Stock				2,06,00,000		
Other Works				3,55,81,944		
New Construction				2,78,81,000		
Suspense				-1,96,31,000		
Emergency deductions from pay.				-2,10,000		
TOTAL .	4,07,94,619	2,62,12,722	2,14,603	6,73,21,944	26,38,000	1,10,00,000
(b) Strategic Lines—						
Open Line Works—						
Rolling Stock				1,85,000		
Other Works				4,11,307		
New Construction				61,000		
Suspense				-9,79,000		
Emergency deductions from pay.				...		
TOTAL .	-3,21,698			-3,21,698	-6,00,000	...
TOTAL COMMERCIAL AND STRATEGIC LINES .	4,04,72,926	2,62,12,722	2,14,603	6,69,00,251	20,38,000	1,10,00,000
53-C.—Discharge of Debentures .	6,63,212	—	—	6,63,212	—	44,47,000

BUDGET FOR 1933-34.

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Central Government in India and England on Railways.

1932-33.		Increase (+) Decrease (-) as compared with Budget, 1932-33.	BUDGET ESTIMATE, 1933-34.				Increase (+) Decrease (-) as compared with Revised, 1932-33.
Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	-23,00,000	-99,25,000				79,43,000	+1,02,43,000
	2,58,50,000	-1,35,50,000				2,43,07,000	+82,57,000
	66,00,000	-35,50,000				32,35,000	-33,75,000
	-1,51,00,000	-				-1,18,80,000	+31,20,000
	-5,50,000	-75,000	...	-	-	-2,95,000	+2,55,000
-38,000	1,46,00,000	-2,61,00,000	2,01,00,000	1,30,00,000	...	2,31,00,000	+1,65,00,000
	-11,25,000	-11,50,000				57,000	+11,62,000
	5,30,000	-2,80,000				5,93,000	+73,000
	15,000	+15,000				-	-15,000
	-	-				-7,45,000	-7,45,000
	-10,000	+15,000				-5,000	+5,000
...	-6,00,000	-14,00,000	-1,00,000	...	-	-1,00,000	+5,00,000
-35,000	1,40,00,000	-2,75,00,000	2,00,00,000	1,30,00,000	...	2,30,00,000	+1,90,00,000
-15,000	44,32,000	+44,32,000	-	...	-	-	-44,32,000

BUDGET FOR 1933-34.

A.—Railway Depreciation Reserve Fund.

	Accounts, 1931-32.	Budget Estimate, 1932-33.	Revised Estimate, 1932-33.	Budget Estimate, 1933-34.		Accounts, 1931-32.	Budget Estimate, 1932-33.	Revised Estimate, 1932-33.	Budget Estimate, 1933-34.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	13,91,73,858	14,57,71,858	14,66,54,937	13,67,38,937	Appropriation from Depreciation Reserve Fund.	12,52,12,861	13,18,79,000	14,94,16,000	13,72,12,000
Appropriation to Depreciation Reserve Fund.	12,46,93,840	13,70,00,000	13,75,00,000	13,75,00,000	Closing balance.	14,66,54,937	15,08,92,858	13,67,38,937	13,70,36,937
TOTAL	27,38,67,298	28,27,71,858	28,61,54,937	27,42,38,937	TOTAL	27,38,67,298	23,27,71,865	28,61,54,937	27,42,38,937

BUDGET FOR 1933-34.

B.—Railway Reserve Fund.

	Accounts, 1931-33.	Budget Estimate, 1932-33.	Revised Estimate, 1932-33.	Budget Estimate, 1933-34.		Accounts, 1931-33.	Budget Estimate, 1932-33.	Revised Estimate, 1932-33.	Budget Estimate, 1933-34.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	5,41,87,114	46,61,114	46,61,114	46,61,114	Appropriation from Re- serve Fund.	4,85,06,000	...	...	...
Appropri- ation to Reserve Fund.	...	...	...	...	Closing Balance.	46,61,114	46,61,114	46,61,114	46,61,114
Total	5,41,87,114	46,61,114	46,61,114	46,61,114	Total	5,41,87,114	46,61,114	46,61,114	46,61,114

Speech by the Hon'ble Sir Guthrie Russell, Chief Commissioner of Railways, in presenting the Railway Budget for 1933-34 in the Council of State.

Sir,

I have the honour to present a statement of the estimated revenue and expenditure of the Governor General in Council for the coming year in respect of Railways. In these times the presentation of such a statement is bound to be rather depressing, but I shall endeavour to show the Council that depressing as the figures which I shall give them may appear on the surface, a detailed examination of the position will show that the finances of Indian Railways, though they cannot be said to be flourishing, are at least sound, and that when better times return there is little doubt that the Railways will react to these and again show an appreciable profit to their shareholders, the taxpayers of India.

2. Following the precedent of previous years I shall give a short account of the results of the year 1931-32, and our estimates of the final results of the year 1932-33. These are based on the latest figures of traffic available, but it must be understood that they may very easily be upset by circumstances over which we have no control. They are merely an estimate based on the information available, and on the analogy of the movement of traffic in previous years. Finally I shall present to the Council our budget estimate for the year 1933-34. If, as I have explained, there are difficulties in forecasting the results of a year which has only 6 or 7 weeks to run, the Council will realise that these difficulties are considerably increased when we endeavour to forecast what is going to happen a year hence. I know I have the sympathy of the Council and that they realise the difficulties in making a forecast which is susceptible to a change in world conditions quite independent of local conditions in India. I shall also endeavour to show that though of necessity certain of our activities have had to be curtailed, these, with few exceptions, have not been abandoned altogether and that machinery is there to start up again as soon as times improve. Further, that despite shortage of money, essential works have not been neglected and the property has been maintained in good condition.

To summarise the results of the year 1931-32. These can be discussed in a few words as they are already well known to the Members. When I last addressed the Council, I anticipated that there would be a loss in commercial and strategic lines combined of 9.47 crores and that to meet this it would be necessary to absorb the full balance in the Reserve Fund of 4.95 crores and to borrow 4.52 crores from the Depreciation Fund. The actual result was we found we had over-estimated our loss by 27 lakhs so that we had to borrow only 4.25 crores from the Depreciation Fund. This left a balance in the Depreciation Fund of 14.87 crores, or nearly a crore more than at the end of the previous financial year.

3. I now turn to the current year. When I placed the Budget Estimate for the year before the Council I stated that though we had allowed for no increase in traffic we anticipated a small increase in earnings on account of certain increases in rates and fares which had been brought into force during the year. On this assumption we placed our gross traffic receipts at 87.45

crores. As regards our working expenses, we estimated these at 60.81 crores, including our contribution to the Depreciation Fund. How far have our anticipations been justified by results? Despite the increased rates and fares our gross revenue has fallen short of our anticipations by 2.45 crores, and we expect that our working expenses will exceed by 12 lakhs our estimate. This increase is entirely due to the fact that owing to the rather meagre data at our disposal we estimated the cut in pay would save us 230 lakhs, whereas in the result the saving was only 185 lakhs, or 45 lakhs less. It will thus be seen that apart from the cut in pay we have reduced our working expenses by 33 lakhs compared with our budget provision. Allowing for credits on returned material, interest on Depreciation Fund, etc., we arrive at the result of a total revenue of 86.20 crores against total charges of 93.52 crores, giving a deficit of 7.32 crores. To this has to be added the loss on strategic lines of 2.02 crores. This gives a total deficit on the year's working of 9.34 crores, which, as last year, we propose to meet by a temporary loan from the Depreciation Fund. Our contribution to the Depreciation Fund under the present system for this year will be 13.75 crores, against an expenditure of 5.60 crores which in normal circumstances should have increased our balance in the Fund to 8.15 crores, but as I have already explained it will be necessary to borrow 9.34 crores from the Fund to meet our charges, so in the result our accumulations in the Depreciation Fund will be reduced by 1.19 crores, leaving, however, still a substantial balance of 13.68 crores in the Fund.

4. Finally I come to the most difficult part of my task—estimating the results of the coming year 1933-34. This task is difficult at all times, but I am quite sure the Council will agree with me that it has seldom been more difficult than to-day. I do not want to be unduly optimistic, nor yet unduly pessimistic. During the past few weeks we have had on several occasions to entirely recast our estimates. There have been times when it appeared that there were faint signs of returning prosperity and that the pendulum was beginning to swing in our favour, unfortunately on each occasion our hopes have been unfulfilled.

5. Despite this, however, we have, after considerable hesitation, decided that there are reasonably safe grounds for assuming that we have tided over the worst of the present period of economic depression, and that there are prospects of a very slight improvement in our railway earnings next year. On this assumption we place our gross traffic receipts from commercial lines at 86.92 crores. Our other receipts will be slightly less owing to the reduction in our balance in the Depreciation Fund during the previous year and we finally place our total receipts at 87.84 crores. For our ordinary working expenses we have budgeted for a further reduction of 41 lakhs, but this is offset by the reduction by a half of the emergency cut in pay. The net increase in working expenses on account of this amounts to 65 lakhs, making the total increase 24 lakhs. We thus arrive at the following results:

	Crores.
Total receipts from commercial lines	87.84
Total expenditure, including interest charges	93.64

showing a loss on commercial lines of 5.80 crores. To this has to be added the estimated loss on strategic lines of 1.97 crores, giving a total deficit of 7.77 crores. Our contribution to the Depreciation Fund will be 13.75 crores, and the estimated expenditure therefrom 5.95 crores, so that the difference between the contribution and the expenditure will exceed the amount it is proposed to borrow by 3 lakhs, and the balance in the Fund at the end of the year should

be 13·71 crores. It is interesting to note that if we had not had to adopt the temporary expedient of borrowing from the Depreciation Fund to meet our obligations, the balance in the Fund at the end of the year 1933-34 would have been 35·07 crores.

6. I am afraid the quotation of this mass of figures must have proved rather wearisome to the Council, and the tale of deficits must have made rather dismal hearing, but as I said at the commencement of my speech I shall endeavour to show that the situation is not quite so bad as it looks. Our net traffic receipts, that is total earnings less ordinary working expenses including our contribution to the Depreciation Fund, have in the past two years amounted to between 23 and 24 crores, and if we were a Board of Directors, meeting to decide what dividend we should declare to our shareholders, we would be in the happy position of, in these depressing days of railways earnings, being able to declare a dividend of about 3 per cent on our capital of approximately 800 crores. This, after making a very generous contribution to the Depreciation Fund. Actually, during the years 1931-32 and 1932-33, the contribution to the Fund has exceeded the requirements for these years by about 13½ crores. This being the position, I feel quite certain that at least a proportion of this mythical Board of Directors would have advocated the increasing of our dividend and the reduction of our contribution to Depreciation. I know of few Railways in the world which are in this position today. I do not know if many of the Hon'ble Members of this Council make a habit of reading the reports of other railway concerns throughout the world. If not, I would urge them to do so, as it would certainly tend to make them take a more optimistic view of Indian railway finances. Even the Canadian Pacific Railway, which is looked upon by many as the premier railway of the world, shows a drop of earnings of 41 million dollars in 1931 over the previous year. The situation in the United States of America is even worse. A few days ago I saw a report by a firm of American brokers which states that the results of 1932 show that the United States of America Railways have as a whole earned only 75 per cent. of their fixed charges. The report goes on to state that unless there is an improvement in traffic a number of railways will have to face the possibility of Receiverships during the present year unless there is a large expansion of Government aid.

7. Encouraging though these figures may appear, I feel quite sure that many Hon'ble Members of this Council will desire an assurance, and rightly so, that, even though our house is in better order than the houses of some others, the Railway Administrations are not sitting back in their chairs and doing nothing to still further improve our position. How is this being done? There are only two methods by which our net earnings can be increased, either by an increase in our gross earnings, or by a reduction in our working expenses. Again, there are only two ways of increasing gross earnings, firstly by an increase in rates and fares. This, however, especially in these depressing times may prove to be a double-edged weapon, and if care is not taken the law of diminishing returns may begin to operate. The second way is to reduce rates to encourage traffic. I can assure the Council that possibilities in both these directions are being explored from day to day by the Railway Board and Railway Administrations throughout India.

8. Then as regards working expenses, I have shown that there has been a gradual reduction in these from year to year, but I must remind the Council that as the years go on these reductions must become less and less spectacular and though I do not say that even now every possible avenue of economy

has been explored in the direction of saving money, there is a very definite limit beyond which it is not safe to go.

9. I mentioned in my speech last year the work of the Railway Sub-Committee of the Retrenchment Advisory Committee, and their recommendation that a small Committee of financial and railway experts should be appointed to undertake a full and detailed enquiry into the working of the various departments of the railway administration. I informed the House that it had not been possible to obtain suitable personnel for this enquiry, and the difficulty of obtaining a full representative committee of experts still persists. We are, however, extremely grateful to Sir Josiah Stamp, President of the London, Midland and Scottish Railway, for placing at our disposal during the present cold weather his economy expert, Mr. F. A. Pope, who has for some years past been engaged in analysing the work of many of the departments of the L. M. and S. Railway and showing how economies could be effected. Mr. Pope is now engaged on his investigation of our methods with the assistance of four of our senior railway officers especially selected for their intimate knowledge of the railway branches to which they belong. I feel confident that the enquiry will be of the utmost value ; all the more so because Mr. Pope has associated with him four officers possessed of many years' experience of Indian Railways. Mr. Pope will give us the value of his expert knowledge, and the officers associated with him will, with their experience of Indian procedure, best be able to apply his system of analysis to the many branches of work done on our railways.

10. It must be realised as inevitable that any reduction in working expenses means a reduction in staff. During the year 1932-33 Government found it necessary to resume retrenchment of railway staff which had, with minor exceptions, been suspended since July 1931. In all it was found that about 9,000 men were surplus, but to minimise hardship as far as possible it was decided to offer more favourable terms to encourage voluntary retirement, and I am glad to say that between four and five thousand, or about 50 per cent. of the whole, have already availed themselves of these terms. I think, moreover, it is probable that a good proportion of the balance will also do so as the terms of voluntary retirement have in certain instances been extended beyond the original time limit fixed, which was October 31st, 1932.

11. Retrenchment of staff has been inevitable but I do not wish the House to think that nothing constructive as regards staff has been done during the year. Though restricted by financial considerations we have made certain progress in matters affecting staff welfare. For instance, the Hours of Work Rules introduced originally on the North Western and East Indian Railways were extended to the Great Indian Peninsula and Eastern Bengal Railways ; and other railway administrations, to which the regulations have not yet been statutorily enforced, have been instructed constantly to revise their hours of work where the latter are unreasonable, so as to bring them into conformity with the new rules, and the Railway Board are keeping closely in touch with this important question.

12. In my speech last year I also alluded to Staff Benefit Funds and Relief of Indebtedness among the lower paid staff and progress has been made in both directions. Staff Benefit Funds which were introduced on State-managed lines in 1931 have been, or will shortly be, introduced on all Company-managed lines, and a Lower Paid Staff Fund to relieve indebtedness among the lower ranks of the staff is now in existence on the East Indian

and the North Western Railways. Should the results of working show that it is a success, the extension of the principle will be recommended to other railways.

13. There is one factor which has undoubtedly had an effect on our railway earnings. I refer to motor competition. The House has doubtless seen allusions in the Press to an enquiry recently undertaken for the Government of India into the subject of co-ordination of the road and rail systems of transport of the country. As is well known, road development and motor transport have made considerable strides in India during the last few years and have been especially stimulated by the inauguration of the Central Road Development account which was the principal outcome of the Indian Road Development Committee. Much has been done to improve the standard of main trunk roads in India to make them suitable for motor traffic, and as many of these main trunk roads run side by side with railways, the public motor vehicles plying over them have to some extent been taking traffic from the railways, especially short distance passenger traffic. We have no reason to think that this process has developed very far in India, but in other countries competition between road and rail transport has grown to such an extent as to be wasteful and uneconomic, and it is important that we should learn by the experience of other countries and avoid their mistakes. This can probably best be done by adopting as early as possible a policy of co-ordinating the two systems of transport so that they become complementary and not competitive. With this end in view Government last year appointed a small touring committee who were instructed to visit all Provinces to consult Local Governments, Railway Administrations and public bodies on this important question. The Committee were asked to prepare a Report which has just been published and which will form the basis of discussion at a conference which Government intend to hold in April. Government propose to invite to this Conference not only the representatives of Local Governments and Railways, but also of unofficial bodies interested in the motor industry and road development. It is hoped that as a result of the deliberations of this Conference a well balanced policy will be formulated for correlating and developing the two forms of transport so as to give India the best and most economical transport system.

14. I must now once again enter the realm of figures while I give a short account of our activities on new works during the current year and place before the Council our capital and depreciation fund programme for the ensuing year. We have been pressed from many sides to undertake a large programme of new construction and rehabilitation with the object of stimulating trade and industry, and of being in a position to meet the trade revival when it comes. There is a certain amount of force in the arguments used, and we have not lost sight of these in framing our programme for the ensuing year. This has been designed to help trade and industry, to place the Railways in a position to meet any increase of traffic which can reasonably be expected, and to ensure more economical working. It may be considered that we have not gone as far as we might have done, but it must be remembered that though an increase in our works programme may give a temporary stimulus to trade and industry, unless there are very definite prospects that the works undertaken will be remunerative in the near future, the result will be the saddling of Railways with a load of debt which would require to be met with a further increase in rates and fares, a contingency which we are particularly desirous of avoiding as it must react on trade and industry and delay their revival. We believe our programme allows for all really essential works. For example, the construction of the Chambal and Sindh Bridges on the Great Indian Peninsula

Railway, which with the completion of the relaying beyond Jhansi, which it is hoped to undertake within the next two years, will enable heavy engines, with consequent heavier loads, to run between Bombay and Delhi. This will increase the capacity of the line and ensure more economical working. Then the replacement of 3,000 uneconomical wagons with 2,500 wagons of higher tare capacity will cheapen the cost of transport and maintenance. We hope that these 2,500 wagons are only a first instalment, and that we shall be able in succeeding years to continue this renewal policy, and if traffic justifies it, speed it up. I would also draw attention to the reconstruction of the Nerbudda Bridge on the Bombay, Baroda and Central India Railway. This will remove the last weak link on that Railway's main line to the north. The only other important works to which reference need be made are the remodelling of the Salt Cotaurs Yard on the Madras and Southern Mahratta Railway near Madras, and the remodelling of Hubli Station on the same Railway, both works overdue. As regards new construction, about $\frac{2}{3}$ crore is being spent during the current year and 32 lakhs had been allowed for the year 1933-34. These sums have been provided to complete works already started during the more prosperous years, and no new projects are being undertaken. We have, however, not lost sight of the fact that when prosperity returns there will be a demand for new Railways to develop the country. For example, we have just completed a fresh engineering survey of the Bombay-Sind connection, and we are now undertaking a fresh traffic survey so that we may be in a position to start work on this very important work when and if traffic justifies. In the result our programme necessitates the provision of $5\frac{1}{2}$ crores from the Depreciation Fund, and 3 crores of capital during 1932-33. This is to a certain extent offset by allowing for a reduction of $1\frac{1}{2}$ crores in stores balances, giving a total expenditure from capital and depreciation of 7 crores during the year. During 1933-34 our expenditure on open line works under capital and depreciation is expected to amount to $10\frac{1}{2}$ crores, of which 6 crores will be derived from the Depreciation Fund. Of this amount $1\frac{1}{2}$ crores is required for work in progress, about $4\frac{1}{2}$ crores for track renewals, and $2\frac{1}{2}$ crores for rolling stock. We anticipate a further reduction of about $1\frac{1}{2}$ crores in stores balances, so the net expenditure under capital and depreciation will amount to about 9 crores.

15. I would be failing in my duty if before I sat down I did not bring to the notice of the Council the valuable services which have been rendered to the country by the Agents, officers and staff of all Railways during the current year. This year, like its predecessor, has been a difficult one. In fact in many ways it has been more difficult than its predecessor in that whereas in that year the cut in pay only operated for 3 months, this year it has been in operation for the full 12 months. In addition various allowances have had to be reduced or withdrawn altogether. Despite this, generally everyone has shown the same devotion to duty and given the same loyalty as we have come to expect from our railway officers and staff. I must also make some reference to the changes which have occurred in the personnel of the Railway Board during the past year. We have lost the services of Sir Alan Parsons, Mr. Hannay, Mr. Brayshay, and Mr. Hayman, but I am glad to say the services of the first three are not lost to the country, and though Sir Alan Parsons may have gone to another Department of the Government of India he is at all times ready and willing to help the Railways in their problems. Mr. Hannay and Mr. Brayshay continue to render valuable services to the Railways of India, one as the Agent of a State-managed Railway, the other as the Agent of a Company-managed Railway. Mr. Hayman has, however, definitely severed his connection with Indian Railways. Mr. Hayman has

had a great career. Starting at the lowest rung of the ladder, he climbed to the top purely by merit. The vast knowledge which he accumulated in the various important posts which he has held and his outstanding ability were of immense value to the Railway Board and the Government of India, and his place will be difficult to fill. I am quite sure the Council would desire me to wish him success in his new sphere of activity. Also during this year we have lost the services of Sir B. N. Sarma, for close on 7 years President of the Rates Advisory Committee. During his tenure of office Sir B. N. Sarma has always had the confidence of the Commercial Community and the Railway administrations in the difficult tasks he has had to perform. His death is a great loss to India.

Details of voted and non-voted amounts included in the Demands for grants of the Central Government on Railways for the year 1933-34.

Number of Demand	Service to which demand relates.	Amount.		
		Voted.	Non-voted.	Total.
		Rs.	Rs.	Rs.
	Expenditure charged to Revenue.			
1	Railway Board	8,31,000	4,19,000	12,50,000
2	Inspection	82,000	2,28,000	3,10,000
3	Audit	12,30,000	4,25,000	16,55,000
4	Working Expenses Administration	10,30,00,000	1,05,50,000	11,35,50,000
5	Working Expenses : Repairs and maintenance and Operation	38,12,50,000	1,00,000	38,13,50,000
6	Companies' and Indian States' share of surplus profits and net earnings.	54,00,000	..	* 54,00,000
9	Appropriation to Depreciation Fund	13,75,00,000	..	13,75,00,000
11	Miscellaneous Expenditure	5,00,000	9,10,000	14,10,000
12	Appropriation to the Reserve Fund . . . . .	..	..	..
14	Interest charges	2,83,000	32,90,37,000	32,93,20,000
	Expenditure not Charged to Revenue.			
7	New Construction	31,25,000	75,000	32,00,000
8	Open Line Works	8,92,00,000	1,00,000	8,93,00,000
10	Appropriation from Depreciation Fund	7,77,12,000	..	7,77,12,000
13	Appropriation from the Reserve Fund . . . . .	..	..	..

BUDGET*

of the

Railway Revenue and Expenditure of the Governor-General in Council, February, 1933.

RAILWAY DEPARTMENT; P. R. RAU,
New Delhi, the 27th February 1933. *Financial Commissioner of Railways.*

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BUDGET FOR 1933-34.

1.—Statement of the Revenue of the Central

HEADS OF REVENUE.	ACCOUNTS, 1931-32.				REVISED ESTIMATE,	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
XI.—State Railways—						
(a) Commercial lines—						
Gross receipts—						
Passenger traffic earnings—						
Upper class	3,39,36,000	...	...	3,39,36,000	3,10,00,000	...
Third class	26,13,99,000	...	...	26,13,99,000	26,75,00,000	...
Other coaching traffic earnings.	5,12,38,439	...	...	5,12,38,439	4,75,25,000	...
Goods traffic earnings	54,66,60,539	...	...	54,66,60,539	53,84,50,000	...
Sundry earnings	1,80,37,503	2,826	13	1,80,40,341	1,66,47,000	3,000
Credits for materials released from works chargeable to the Depreciation Fund.	—	—	—	—	1,32,50,000	...
TOTAL EARNINGS	90,14,71,469	2,826	13	90,14,74,308	90,83,72,000	3,000
Deduct—						
Refunds of Revenue collected.	11,07,069	...	...	11,07,069	13,75,000	...
Earnings of worked lines.	5,07,00,839	...	...	5,07,00,839	5,00,00,000	...
Earnings of State Railways.	84,96,63,568	2,826	13	84,96,66,407	85,19,97,000	3,000
Suspense	34,49,428	...	...	34,49,428	...	...
Gross receipts of State Railways.	55,31,17,996	2,826	13	55,31,16,835	55,19,97,000	3,000
Deduct—Working expenses of State Railways.*	63,43,58,284	53,01,371	31,488	60,95,91,143	60,43,69,000	49,90,000
Surplus profits paid to Indian States and railway companies.	64,18,863	...	...	64,18,863	65,95,000	...
Net receipts	24,23,35,844	-51,98,545	-31,475	23,71,05,824	24,11,10,000	-43,27,000
(b) Strategic lines—						
Gross receipts	1,31,71,268	...	...	1,31,71,268	1,30,35,000	...
Deduct—Refunds of Revenue collected.	11,994	...	...	11,994	25,000	...
Working expenses	1,21,47,090	...	...	1,21,47,090	1,22,31,000	4,000
Net receipts	-43,87,819	...	...	-42,87,818	-62,21,000	-4,000
Total net receipts, Commercial and Strategic lines.	33,78,48,026	-51,98,545	-31,475	23,31,18,006	23,48,89,000	-49,31,000
XII.—Subsidized Companies—						
Government share of surplus profits, etc.	13,85,831	88,405	620	14,74,855	20,50,000	70,000
XII-A—Miscellaneous Railway Receipts—						
(a) Commercial lines—						
Interest on Depreciation and Reserve Fund balances.	66,77,253	...	...	66,77,253	69,00,000	...
Dividend on investments in branch lines and other Miscellaneous Receipts.	12,40,043	...	...	12,40,043	8,50,000	...
(b) Strategic lines—						
Interest on Depreciation Fund balances.	6,30,923	...	...	6,39,912	7,33,000	...
TOTAL RECEIPTS	24,97,91,080	-51,10,140	-30,855	24,41,50,085	24,55,18,000	-48,61,000
XII-B.—Transfers from Railway Reserve Fund.	4,95,06,000	...	...	4,95,06,000	...	...
XII-C.—Withdrawal of sums deposited on account of the Railway Depreciation Fund.	4,24,99,683	...	...	4,24,99,683	8,34,10,000	...
TOTAL	34,13,96,733	-51,10,140	-30,855	33,61,55,708	32,69,34,000	-48,61,000

* For detail see statement 1(a).

BUDGET FOR 1933-34.

Government from Railways in India and England.

1932-33.		BUDGET ESTIMATE, 1933-34.						Increase (+) Decrease (-) as compared with Revised, 1932-33.
Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1932-33.	India.	England.	Exchange.	TOTAL.		
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
...	3,10,00,000	-30,00,000	3,16,00,000	...	...	3,16,00,000	+6,00,000
...	25,75,00,000	+30,00,000	26,09,00,000	...	...	26,09,00,000	+34,00,000
...	4,75,25,000	-24,75,000	4,50,00,000	...	...	4,50,00,000	+4,75,000
...	53,54,50,000	-1,90,50,000	55,00,00,000	...	...	55,00,00,000	+1,15,50,000
...	1,66,50,000	-3,50,000	1,68,13,000	3,000	...	1,68,15,000	+1,65,000	
...	1,22,50,000	+2,50,000	1,22,60,000	...	...	1,22,60,000	+10,000
...	90,33,75,000	-2,16,25,000	91,95,72,000	3,000	...	91,95,75,000	+1,62,00,000	
...	13,75,000	+1,75,000	13,75,000	...	...	13,75,000	...
...	5,00,00,000	+27,00,000	4,90,00,000	...	...	4,90,00,000	-10,00,000
...	85,20,00,000	-2,45,00,000	86,91,97,000	3,000	...	86,92,00,000	+1,72,00,000	
...	
...	85,20,00,000	-2,45,00,000	86,91,97,000	3,000	...	86,92,00,000	+1,72,00,000	
-17,000	60,99,75,000	+11,75,00,000	60,68,99,000	48,01,000	...	61,17,00,000	+24,25,000	
...	65,25,000	-14,75,000	54,00,000	...	...	54,00,000	-11,25,000
17,000	23,63,00,000	-2,43,00,000	25,68,98,000	-47,98,000	...	25,21,00,000	+1,59,00,000	
...	1,30,25,000	-4,85,000	1,33,35,000	...	...	1,33,35,000	+3,00,000
...	26,000	+15,000	26,000	...	...	26,000	...
...	1,92,25,000	+3,25,000	1,93,00,000	...	...	1,93,00,000	+75,000
...	-62,25,000	-8,25,000	-60,00,000	...	...	-60,00,000	+2,25,000
17,000	22,99,75,000	-2,50,25,000	25,08,98,000	-47,98,000	...	24,61,00,000	+1,61,25,000	
...	21,50,000	+3,50,000	20,65,000	93,000	...	21,58,000	+8,000	
...	69,66,000	-10,98,000	64,51,000	...	...	64,51,000	-5,15,000
...	8,50,000	+2,00,000	6,50,000	...	...	6,50,000	-2,00,000
...	7,33,000	+1,33,000	8,74,000	...	...	8,74,000	+1,41,000
17,000	24,06,74,000	-2,52,91,000	26,08,38,000	-47,05,000	...	25,62,33,000	+1,55,59,000	
...	
...	9,34,18,000	+1,75,37,000	7,77,13,000	...	...	7,77,13,000	-1,57,04,000
17,000	33,40,90,000	-77,54,000	33,86,50,000	-47,05,000	...	33,39,45,000	-1,45,000	

BUDGET FOR 1933-34.

I(a).—Statement of Working Expenses of

Heads of working expenses.	ACCOUNTS, 1931-32.				REVISED ESTIMATE.	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Administration	13,60,59,378	46,72,999	28,369	14,07,60,598	11,67,77,000	44,88,000
Repairs and maintenance	18,66,70,059	...	...	18,66,70,059	18,33,00,000	...
Operation	22,70,57,794	5,28,373	3,199	22,75,89,366	24,36,85,000	6,17,000
Depreciation	13,03,49,498	...	...	13,03,49,498	13,31,00,000	...
Suspense	5,62,743	...	...	5,62,743	...	...
Emergency deductions from pay . . . . .	...	...	...	...	-1,68,35,000	-1,75,000
Payment to Income-tax Department in respect of Railway staff exempted from surcharge . . . . .	...	...	...	...	19,35,000	...
TOTAL	63,06,99,371	52,01,371	31,488	63,59,32,230	62,68,62,000	49,30,000
Deduct—Share of Worked Lines	2,63,41,087	...	...	2,63,41,087	2,40,00,000	...
Working Expenses	60,43,58,284	52,01,371	31,488	60,05,91,143	60,28,62,000	49,30,000

BUDGET FOR 1933-34.

State Railways—Commercial Lines.

1932-33.			BUDGET ESTIMATE, 1933-34.				Increase (+) Decrease (-) as compared with Revised, 1932-33.
Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1932-33.	India.	England.	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Revised, 1932-33.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
-15,000	12,12,50,000	-5,50,000	11,54,93,000	48,57,000	—	11,98,50,000	-14,00,000
—	15,22,00,000	-2,00,000	15,50,00,000	—	—	15,50,00,000	+28,00,000
-3,000	24,33,00,000	-20,00,000	23,79,22,000	6,28,000	—	23,64,50,000	-43,50,000
—	43,91,00,000	+8,00,000	43,91,00,000	—	—	43,91,00,000	—
—	—	—	-7,75,000	—	—	-7,75,000	-7,75,000
—	-1,55,00,000	+45,00,000	-91,91,000	-84,000	—	-92,75,000	+92,75,000
—	19,35,000	-2,75,000	—	—	—	—	-19,35,000
-17,000	63,32,75,000	+11,75,000	63,15,48,000	48,01,000	—	63,63,50,000	+30,75,000
—	2,40,00,000	—	2,40,00,000	—	—	2,40,00,000	+2,40,00,000
-17,000	60,92,75,000	+11,75,000	60,68,98,000	48,01,000	—	61,17,00,000	+24,25,000

BUDGET FOR 1933-34.

2.—Statement of the Expenditure on Railways charged to

HEADS OF EXPENDITURE.	ACCOUNTS, 1931-32.				REVISED ESTIMATE.	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
10. State Railways—						
(a) Commercial lines—						
Interest—						
on Government capital at charge	18,68,33,674	11,50,94,746	7,33,991	30,36,62,411	18,65,72,000	11,53,01,000
on capital contributed by Indian States and Companies	4,13,374	1,26,36,041	61,441	1,31,13,756	3,80,000	1,30,35,000
Total interest commercial lines	15,72,46,948	12,77,30,787	7,98,432	31,57,76,167	18,69,52,000	12,83,36,000
(b) Strategic lines—						
Interest on capital at charge	1,48,67,430	...	...	1,48,67,430	1,46,86,000	...
TOTAL INTEREST	20,31,34,378	12,77,30,787	7,98,432	33,06,63,597	20,16,38,000	12,83,36,000
11. Subsidized Companies—						
Land and subsidy	9,17,096	...	...	9,17,096	5,90,000	...
12. Miscellaneous Railway expenditure—						
Commercial lines	28,40,960	13,32,395	7,113	41,70,468	27,11,000	13,36,000
Strategic lines	4,04,587	...	..	4,04,587	26,000	..
Payments to general revenues—						
Contribution . . . . .	...	...	...	...	...	...
13A—Surplus Railway Revenue transferred to Railway Reserve Fund.	...	...	...	...	...	..
TOTAL	20,62,97,041	12,90,53,183	8,05,545	33,61,55,768	20,49,65,000	12,95,74,000

BUDGET FOR 1933-34.

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

1931-32.			BUDGET ESTIMATE, 1933-34.				
Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1932-33.	India.	England.	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Revised, 1932-33.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
-3,98,000	30,13,74,000	-71,12,000	18,62,10,000	11,55,24,000	...	30,17,34,000	+3,60,000
-45,000	1,33,70,000	-4,51,000	8,80,000	1,26,31,000	...	1,29,81,000	-3,79,000
-4,44,000	31,47,44,000	-75,63,000	18,65,70,000	12,81,55,000	...	31,47,35,000	-19,000
...	1,46,66,000	-1,71,000	1,45,95,000	...	...	1,45,95,000	-81,000
-4,44,000	32,94,20,000	-77,34,000	20,11,65,000	12,81,55,000	...	32,93,30,000	-1,10,000
...	5,90,000	-1,10,000	7,50,000	...	...	7,50,000	+1,60,000
-5,000	40,44,000	+1,04,000	25,68,000	12,77,000	...	38,45,000	-1,99,000
...	26,000	-14,000	30,000	...	...	30,000	+4,000
...
...
-4,49,000	33,40,90,000	-77,54,000	20,45,13,000	12,94,32,000	...	33,30,45,000	-1,45,000

BUDGET FOR 1933-34.

2(a).—Contribution from Railway to General Revenues, 1932-33.

(Based on actuals, 1930-31.)

	Rs.	Rs.
1. 4 per cent. on capital of 7,35,94,897 at charge, commercial lines		7,35,94,899
2. (i) Receipts—Commercial lines—		
Gross traffic receipts	98,63,16,665	
Subsidised Companies' share of surplus profits	20,36,173	
Interest on Depreciation and Reserve Fund balances	1,26,86,163	
Dividend on investments in branch lines and other miscellaneous receipts	20,91,701	
(ii) Charges—Commercial lines—		
Working expenses	65,28,53,867	98,30,30,722
Indian States and Railway Companies' share of surplus profits	1,16,29,632	
Interest—		
on capital at charge	29,87,05,389	
on capital contributed by Indian States and Companies	1,37,58,731	
Land and subsidy	5,80,392	
Miscellaneous railway expenditure	61,99,048	
Contribution at 1 per cent. on capital at charge	7,35,94,899	1,06,71,66,948
(iii) Deficit		
		10,41,36,121
(iv) Contribution of one-fifth of surplus		
		...
3. (i) Total contribution from railway revenues [i plus 2 (iv)]		
	...	7,35,94,599
Deduct—Loss on strategic lines borne by railway revenues—		
(i) Interest on capital	1,46,91,014	
(ii) Loss in working	66,45,592	
		2,13,36,606
(ii) Net payment due from railway to general revenues in 1932-33		
	...	5,22,58,393

BUDGET FOR 1933-34.

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2(a).—Contribution from Railway to General Revenues, 1933-34.

(Based on actuals, 1931-33.)

	Rs.	Rs.
1. 1 per cent. on capital of 7,23,81,96,265 at charge, commercial lines		7,23,81,962
2. (i) Receipts—Commercial Lines—		
Gross traffic receipts	85,31,16,835	
Subsidised Companies' share of surplus profits	14,74,856	
Interest on Depreciation and Reserve Fund balances	86,77,253	
Dividend on investments in branch lines and other miscellaneous receipts	12,40,049	
(ii) Charges—Commercial Lines—		
Working expenses	60,95,91,148	86,45,07,992
Indian States and Railway Companies' share of surplus profits	64,18,968	
Interest.—		
on capital at charge	30,26,61,411	
on capital contributed by Indian States and Companies	1,31,12,756	
Land and subsidy	9,17,096	
Miscellaneous railway expenditure	41,70,488	
Contribution at 1 per cent. on capital at charge	7,23,81,962	
		1,00,92,55,724
(iii) Deficit		14,47,47,732
(iv) Contribution of one-fifth of surplus		—
3. (i) Total contribution from railway revenues [1 plus 2 (iv)]		
		7,23,81,962
Deduct—Loss on strategic lines borne by railway revenues—		
(i) Interest on capital	1,48,67,430	
(ii) Loss in working	47,53,463	
(iii) Interest on the amount of loss in working met from Depreciation Reserve Fund of commercial lines	5,54,828	
		2,01,74,741
(ii) Net payment due from railway to general revenues in 1933-34	—	5,31,67,321

BUDGET FOR 1933-34.

3.—Statement of Receipts of the Central Government in India and England for State

HEADS OF ACCOUNT.	ACCOUNTS, 1931-32.				REVISED ESTIMATE,	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
XLI.—Capital contributed by Railway Companies and Indian States towards outlay on State Railways	—	—	—	—	—	1,03,40,000

		

BUDGET FOR 1933-34.

4.—Statement of the Capital Expenditure of the

HEADS OF EXPENDITURE.	ACCOUNTS, 1931-32.				REVISED ESTIMATE.	
	India.	England.	Exchange.	TOTAL.	India.	England.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Railway Capital not charged to Revenue:—						
53.—Construction of State Railways:—						
(a) Commercial Lines—						
Open Line Works—						
Rolling Stock				3,08,00,000		
Other Works				3,85,81,944		
New Construction				2,78,81,000		
Suspense				-1,06,31,000		
Emergency deductions from pay.				-2,10,000		
TOTAL	4,07,94,619	2,62,12,722	2,14,603	6,72,21,944	86,38,000	1,10,00,000
(b) Strategic Lines—						
Open Line Works—						
Rolling Stock				1,85,000		
Other Works				4,11,307		
New Construction				61,000		
Suspense				-2,78,000		
Emergency deductions from pay.				...		
TOTAL	-3,21,638			-3,21,638	-6,00,000	...
TOTAL COMMERCIAL AND STRATEGIC LINES	4,04,72,926	2,62,12,722	2,14,603	6,69,00,251	80,38,000	1,10,00,000
53-C.—Discharge of Debentures	6,63,212	...	...	6,63,212	...	44,47,000

BUDGET FOR 1933-34.

A.—Railway Depreciation Reserve Fund.

	Accounts, 1931-32.	Budget Estimate, 1932-33.	Revised Estimate, 1932-33.	Budget Estimate, 1933-34.		Accounts, 1931-32.	Budget Estimate, 1932-33.	Revised Estimate, 1932-33.	Budget Estimate, 1933-34.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	13,91,73,356	14,57,71,356	14,66,54,937	13,67,38,937	Appropriation from Depreciation Reserve Fund.	12,52,12,361	13,18,79,000	14,94,16,000	13,72,12,000
Appropriation to Depreciation Reserve Fund.	13,46,08,040	13,70,00,000	13,75,00,000	13,75,00,000	Closing balance.	14,56,54,937	15,08,22,356	13,67,38,937	13,70,36,937
TOTAL	27,38,07,296	28,27,71,356	28,61,54,937	27,42,38,937	TOTAL	27,38,07,296	28,27,71,356	28,61,54,937	27,42,38,937

BUDGET FOR 1933-34.

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B.—Railway Reserve Fund.

	Accounts, 1931-32.	Budget Estimate, 1932-33.	Revised Estimate, 1932-33.	Budget Estimate, 1933-34.		Accounts, 1931-32.	Budget Estimate, 1932-33.	Revised Estimate, 1932-33.	Budget Estimate, 1933-34.
	Rs.	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.
Opening balance.	5,41,67,114	46,61,114	46,61,114	46,61,114	Appropriation from Re- serve Fund.	4,95,06,000	...	...	...
Appropriation to Reserve Fund.	...	...	...	...	Closing Balance.	46,61,114	46,61,114	46,61,114	46,61,114
TOTAL	5,41,87,114	46,61,114	46,61,114	46,61,114	TOTAL	5,41,87,114	46,61,114	46,61,114	46,61,114

Explanatory Memorandum of the Railway Budget for 1933-34.

Commercial and Strategic Railways together. 1931-32.

The actual results of 1931-32 did not differ to any appreciable extent from what we anticipated when presenting the budget estimates for 1932-33. We anticipated that our total loss on working would be 9.47 crores, of which 7.44 crores would be on commercial lines and 2.03 crores on strategic lines. The free balance left of our Reserve Fund being only 4.95 crores, we proposed to meet the rest of the deficit by a temporary loan of 4.52 crores from the Depreciation Fund. In actual result, we found our total loss was 27 lakhs less and the amount that we required to borrow from the Depreciation Fund was only 4½ crores.

The expenditure from the Depreciation Fund was similarly very near anticipations. The balance at the credit of the Fund at the end of the year which, but for the temporary loan of 4½ crores to cover the deficit, would have been 19.12 crores, was still nearly a crore more than the closing balance of the previous year, and amounted to 14.87 crores.

Review of results from 1924-25 to 1933-34.

2. Before we pass on to the detailed estimates for 1932-33 and 1933-34, it would probably be useful if we give the main outlines of the results of these years as compared with past years. The statement below gives a conspectus of such results from the year in which railway revenues were separated and illustrates incidentally the serious effect of the economic depression on Indian railways.

All lines.

(Figures in lakhs of rupees.)

	Mileage open.	Gross traffic receipts.	Ordinary working expenses.	Appropriation to Depreciation Fund.	Net traffic receipts.	Net miscellaneous charges (including surplus profits payable to Companies) after deducting miscellaneous receipts.	Net revenue.	Interest charges.	Surplus.	Paid as contribution to general revenues.	Transferred to Railway Reserve.	Borrowed from Depreciation Fund.
1924-25	27,324	1,00,13	51,65	10,35	38,13	1,07	37,06	23,90	13,16	6,78	6,38	
1925-26	27,430	95,94	52,99	10,67	35,28	1,19	34,09	24,51	9,28	5,49	3,79	
1926-27	28,004	98,42	53,89	10,89	34,64	1,27	33,37	25,87	7,50	6,01	1,49	
1927-28	28,426	1,03,43	53,06	11,38	38,09	87	38,13	27,37	10,55	6,35	4,57	
1928-29	29,451	1,03,72	54,21	12,00	37,51	37	37,14	29,33	7,81	5,23	2,58	
1929-30	31,318	1,02,70	55,59	12,59	34,52	2	34,50	30,46	4,04	6,12	-2,08	
1930-31	31,459	95,10	54,39	13,07	27,64	11	27,53	32,72	-5,19	5,74	-10,93	
1931-32	31,709	66,63	49,31	13,48	23,56	-1	23,57	33,07	-9,20	...	-4,95	-425
1932-33 (Revised estimate)	31,819	66,50	49,10	13,75	23,65	5	23,60	32,94	-9,34	...	...	-934
1933-34 (Budget estimate)	31,824	68,25	49,35	13,75	25,15	-1	25,16	32,93	-7,77	...	...	-777

3. If our estimates for 1932-33 and 1933-34 are correct, Indian railways taking commercial and strategic lines together will, in the ten years after the separation, have earned a total surplus of about 21 crores.

In the first six years (1924-25 to 1929-30) they earned a surplus of 52½ crores after meeting all interest charges and providing fully for depreciation. In the following two years, 1930-31 and 1931-32 there were deficits amounting to 14½ crores. In the next two, viz., the current and the next years, present anticipations are that the deficits will amount to about 17 crores.

In the first six prosperous years when surpluses were being earned and in the seventh year, the first of the years of deficit, railways were able to pay an average of 6 crores a year as contribution to general revenues. In all they have paid nearly 42 crores out of the total net surpluses of 47½ crores earned in those seven years.

The ordinary reserve which, under the convention, railways were expected to build up during years of surplus after paying the fixed contribution to general revenues, and which amounted at its highest to 18½ crores in 1928-29, was all but exhausted in 1931-32, a small balance of less than half a crore, which was invested in securities in 1925-26 being still retained. At the same time railways have built up another reserve by setting apart from revenues during all these years, including the years of adversity as well as those of prosperity, an amount calculated to represent the depreciation on wasting assets during the year. These appropriations to the Depreciation Fund amount, in the decade we are now considering, to 122 crores; on the other hand the sums required to be withdrawn from the Fund for that part of the cost of renewals and replacements carried out during the period which, under the rules of the Fund, is debitable to it amount to 87 crores. The balance of 35 crores has enabled railways to meet their deficits without outside borrowing. The amount thus temporarily borrowed from the Fund is over 21 crores, or three-fifths of the nominal balance.

1932-33.

A.—Commercial Lines.

4. When we framed our estimates for 1932-33 about a year ago, we did not anticipate any increase in the volume of traffic, but at the same time we hoped that there would be no further deterioration. But these expectations, modest as they were, have not been realised, and in spite of alterations in rates and fares designed to bring increased revenue, there has been a further fall in our traffic earnings. Our present anticipations are that our gross traffic receipts will be a crore and a third lower than last year, and 2½ crores less than what we provided for in the budget. On the other hand, the reductions in working expenses that we anticipated have, we are glad to say, been practically realised; indeed, apart from the cuts in pay, which are now expected to produce only 185 lakhs or nearly half a crore less than we had anticipated, the revised estimate of ordinary working expenses for the current year is 36 lakhs lower than our budget estimates. Moreover, we have had the advantage of a fall in the cost of Government borrowing during the year and our total interest charges are about ¼ of a crore less than we budgeted for and our total loss is just under 7½ crores, or nearly 1½ crores more than the budget estimate.

5. It must not be overlooked, however, that this heavy loss is arrived at after putting by nearly 8 crores to a depreciation reserve. The amount that we have to provide from revenue for the depreciation of our property during the year is 13.31 crores; but we shall require only 5.40 crores out of this to meet ordinary withdrawals for expenditure on renewals and replacements. If we had not to carry 7.91 crores to a reserve, or in other words, if we had provided from revenue only the cost of renewals and replacements carried out during the year which, under the present rules of allocation, is not charged to capital there would have been a gain, instead of a loss.

6. The statement below gives in broad outline an analysis of the expected results of the commercial lines in the years 1932-33 and, to anticipate a little, 1933-34 compared with the results for 1931-32. (For purposes of comparison, credits from works not charged to revenue which are being taken as additions to receipts in the two latter years have been shown similarly in 1931-32 as well).

Commercial Lines.

(Figures in lakhs of rupees.)

	1931-32, Accounts.	1932-33, Revised.	1933-34, Budget.
Gross traffic receipts (deducting refunds)	85,31	83,98	85,69
Credits for material returned from works not charged to revenue	1,69	1,22	1,23
Total receipts	87,00	85,20	86,92
Ordinary working expenses	49,62	47,62	47,86
Depreciation { Actual expenditure on renewals and replacements debitable to the Fund	7,98	5,40	5,81
{ Additional allotment to depreciation reserve	5,05	7,91	7,50
Total working expenses	62,65	60,93	61,17
Net traffic receipts	24,35	24,27	25,75
Miscellaneous Expenditure (net)	1	12	8
Net Revenue	24,34	24,15	25,67
Interest charges	31,58	31,47	31,47
Loss	7,24	7,32	5,80

In both the years, if these estimates are correct, the net loss is less than the additional allotment to a depreciation reserve, and, but for this the result would be a gain of 59 and 170 lakhs in 1932-33 and 1933-34 respectively.

BUDGET FOR 1933-34.

7. The principal figures of the revised estimate for 1932-33 are compared as usual in the statement below with the budget estimates and the actual expenditure during 1931-32 :—

Commercial Lines.

(Figures in lakhs of rupees.)

Particulars.	Accounts, 1931-32.	1932-33.	
		Budget.	Revised.
Gross traffic receipts	85.49	86.57	84.12
Refunds of revenue	—11	—12	—14
Credits for materials returned from works not charged to revenue	..	1.20	1.22
Total	85.31	87.65	85.20
Government share of profit from subsidised companies, guarantees from local Governments, etc.	15	18	22
Interest on Depreciation and Reserve Fund balances	87	81	70
Dividends on investment in branch lines and other miscellaneous receipts.	12	6	8
Total Receipts	86.45	88.70	86.20
Working expenses (including depreciation)	62.65	60.81	60.93
Credits for material returned from works not charged to revenue	—1.69	..	..
Surplus profits payable to Indian States and Railway Companies	64	80	65
Interest charges	31.58	32.23	31.47
Miscellaneous charges	51	46	47
Total Charges	93.69	94.30	93.52
Loss	7.24	5.60	7.32

8. Notwithstanding the various increases of rates and fares given effect to during the last two years with the object of improving our revenues, our receipts in 1932-33 are expected to establish a new record as the lowest reached since 1921-22. Passenger earnings are expected to be slightly higher, than during the previous year but all other earnings, and especially goods earnings, are distinctly worse. The details of our estimates are as follows :—

Commercial Lines.

(Figures in lakhs of rupees.)

Particulars.	Actuals, 1931-32.	1932-33.	
		Budget.	Revised.
Passenger earnings	28.53	28.85	28.85
Other coaching traffic earnings	5.12	5.00	4.75
Goods earnings	54.69	55.75	53.85
Other earnings	1.80	1.70	1.67
Credits for material returned from works not charged to revenue	..	1.20	1.22
Suspense	35	..	..
Total	90.49	92.50	90.34
Refunds of revenue	—11	—12	—14
Share of Worked lines	—5.07	—4.73	—5.00
Net	85.31	87.65	85.20

9. Our present anticipations are that the passenger earnings that we budgeted for will be realised and that they will be 32 lakhs, or about 1% higher than last year, mainly as a result of enhancements in fares in 1931-32. The number of passengers carried in the first 7 months shows a very slight increase from 292 million to 293½ million,—the percentage being less than 2/3rd %. The total number of passenger-miles has however fallen from 10,135 million to 9,974 million, a decrease of 1½%, and the average lead per passenger has fallen from 34.71 miles to 33.95 miles. The fall in other coaching traffic earnings more than counterbalances the slight improvement in passenger earnings,

10. The fall in our goods earnings is at present expected to be 84 lakhs or 1½%. The tonnage carried during the first 7 months shows a decrease of 3½%, having fallen from 49½ million to 47½ million. In ton-miles the decrease is still greater; it is over 7%, the ton-miles being 8,930 million as compared with 9,605 million last year. The average lead has decreased from 194.4 to 187.2 miles. The traffic carried has on the whole, been lower this year than in the last year, though there have been periods in which it has been higher. The total number of wagons loaded in the first 9 months of the year showed a decrease of 72,000. We loaded 70,000 fewer wagons under coal and coke, a decrease of under 10%; 64,000 wagons less under grain and pulses, about 11%; and 20,600 wagons less under oil seeds, a decrease of 14%. On the other hand, our loadings of cotton were slightly better; there was an increase of 12,500, or 16%, as compared with the previous year. Similarly under 'miscellaneous smalls' we had a 7% increase.

11. The present estimates of working expenses are given in detail in the statement below and compared with the figures of the previous year and the figures assumed in our budget.

Commercial Lines.

(Figures in lakhs of rupees.)

	Actuals, 1931-32.	1932-33.	
		Budget.	Revised.
Administration	14,30	12,18	12,13
Repairs and Maintenance	15,44	15,24	15,22
Credits for material returned from works not charged to revenue	-1,69	..	..
Operation other than Fuel	15,81	17,23	17,38
Fuel	7,21	7,39	6,95
Depreciation	13,03	13,25	13,31
Suspense	-7	..	..
Emergency deductions from pay	-44	-2,30	-1,85
Payment to Income-tax Department in respect of railway staff exempted from surcharge	..	22	19
Total	63,59	63,21	63,33
Recoveries from Worked lines	-2,63	-2,40	-2,40
Net working expenses	60,96	60,81	60,93

12. Our total ordinary working expenses, exclusive of depreciation, will, it is now anticipated, be 6 lakhs higher than our budget. **Ordinary working expenses.** budget mainly as a result of the fact that owing to the insufficient data at our disposal, we had seriously over-estimated the amount likely to be realised from the emergency deductions from our pay. We put it originally at 230 lakhs in the whole year; our present estimate is 45 lakhs less. Apart from this, we now anticipate that our ordinary working expenses will be 39 lakhs lower than our budget estimate. A comparison with the figures for 1931-32 is somewhat complicated by the change of procedure during the year under which credits for materials returned from works charged to the Depreciation Fund are shown under earnings instead of as a reduction of expenditure. Excluding this, our ordinary working expenses as at present estimated are nearly 2 crores less than last year, but the major portion of the difference is due to the emergency deductions from pay.

13. Owing to the changes in accounting procedure introduced in 1932-33 as a result of which certain items of expenditure **Administration and Operation.** previously shown under 'administration' were transferred to 'operation other than fuel', it is necessary for purposes of comparison to take these two heads together. Our present estimate of the amount required is 29.51 crores, which, though ten lakhs more than our budget, is 60 lakhs lower than last year's expenditure. The increase as compared with the budget is entirely due to the fact that our estimate of the gratuities due to be paid during the year is likely to be exceeded by over 16 lakhs. Of the decrease of 60 lakhs as compared with last year, 17 lakhs is due to a reduction in gratuities, which were particularly heavy last year owing to the large number of discharges of staff. The balance of 43 lakhs represents the result of the energetic efforts made by railway administrations to reduce expenditure. The real reduction is much more than this figure, as we must allow for the annual increase in the expenditure under these heads as a result of increments under the time-scales of pay introduced in recent years, the cost of which has not yet reached its maximum.

14. The estimated expenditure on repairs and maintenance of works and rolling stock which is very near our budget **Repairs and Maintenance.** anticipations, allowing for a special accounts adjustment in our last year's accounts, is 13 lakhs below our expenditure in the last year. The decrease is entirely under rolling stock repairs as railways have gradually been reducing their workshop staff to meet the reduced quantity of work on hand.

15. There is also a large fall in the expenditure under fuel in spite of the increased surcharge. The decrease is due partly **Fuel.** to a reduction in the price of coal and partly to less fuel consumption both as a result of the further fall in traffic and organised economies. To a small extent, it is also due to the fact that in the previous year the cost of freight on coal consumed on the North Western Railway had not been correctly distributed between the commercial and strategic sections, and this incorrect adjustment has been rectified in the accounts of the current year.

16. The appropriation to the depreciation fund is 28 lakhs higher than last year. Of this about 10 lakhs is due to certain **Depreciation.** arrear adjustments made on the North Western Railway for contributions for past years on certain electric assets that had not been made previously owing to the absence of adequate information.

The balance represents the contribution on the additions to our assets during the year which is lower than usual as a result of the slower pace of our expenditure on works.

17. The decrease in the recoveries from worked lines is mainly due to certain arrear adjustments on the South Indian Railway where some lines recently constructed had previously been treated as worked lines instead of as integral parts of the undertaking.

18. The interest charges are 76 lakhs lower than we anticipated, as a result partly of a further decrease in our capital expenditure but mainly of a lower average rate of interest than we budgeted for, due to the reduction in the rate of Government borrowing during the year. This has reduced them below the level of last year.

B.—Strategic Lines.

19. The usual figures are given below :

(Figures in lakhs of rupees.)

Particulars.	Actuals, 1931-32.	1932-33.	
		Budget.	Revised.
Gross traffic receipts	1,32	1,30	1,27
Credits for material returned from works not charged to revenue		5	3
Interest on balance of Depreciation Fund	6	4	7
Total receipts	1,38	1,39	1,37
Ordinary working expenses	1,44	1,52	1,53
Credits for material returned from works not charged to revenue	—4		
Emergency deductions from pay	—2	—8	—5
Depreciation	43	45	44
Interest charges	1,49	1,48	1,47
Miscellaneous charges	4	1	
Total charges	3,34	3,38	3,39
Net loss in working	1,96	1,99	2,02

The excess in ordinary working expenses in 1932-33 as compared with the previous year is mainly due to the fact that, in 1931-32, the freight on fuel was booked incorrectly, and adjustments were made in the current year to correct this mistake.

C.—Summary of Results—(All lines).

20. Our final results of working may be summarised as follows. On commercial lines, our total receipts will be 86·20 crores or $\frac{1}{4}$ crore less than last year, while our total charges will be 93·52 crores, or 17 lakhs less than last year. Our deficit will then be 7·32 crores, as compared with 7·24 crores in 1931-32. Adding the loss in strategic lines of 2·02 crores, the total loss comes to 9·34 crores, which, as last year, we propose to meet by a temporary loan from the Depreciation Fund.

The expenditure from the Depreciation Fund is expected to be 5.60 crores against a contribution of 13.75 crores, leaving a balance of 8.15 crores; but as it is proposed to borrow 9.34 crores from the Fund to meet the deficit, the balance of the Fund will be further decreased by 1.19 crores and will amount only to 13.68 crores at the end of the year. But for these temporary loans the closing balance would have been 27.27 crores.

1933-34.

A.—Commercial Lines.

21. The main figures of our estimates for 1933-34 are given below side by side with our estimates for the current year.

(Figures in lakhs of rupees.)

Particulars.	Revised, 1932-33.	Budget, 1933-34.
Gross traffic receipts	84,12	85,83
Refunds of revenue	—14	—14
Credits for material returned from works not charged to revenue	1,22	1,23
Total	85,20	86,92
Government share of profits from subsidized companies and guarantees from Provincial Governments.	22	22
Interest on balances of Depreciation Fund	70	64
Dividends on investment in branch lines and other miscellaneous receipts.	8	6
Total Receipts	86,20	87,84
Working expenses (including depreciation)	60,93	61,17
Surplus profits payable to Indian States and Railway Companies	65	54
Interest charges	31,47	31,47
Miscellaneous charges	47	46
Total Charges	93,52	93,64
Loss from commercial lines	7,32	5,80

22. We estimate an increase in our traffic receipts of about 1 3/4 crores, or about 2 per cent., over our receipts during the current year in the hope that we have tided over the worst of the present period of economic depression, and that 1933-34 will see the beginning of a gradual recovery. The amount is not materially higher than we actually received in 1931-32, and, remembering that in certain periods of the current year we were actually better than in 1931-32, though on the whole we were slightly worse, and that in 1933-34 we shall be on a higher level of rates and fares than during the greater part of 1931-32, we do not think we are unduly optimistic.

Our other receipts show a slight diminution mainly as a result of the gradual reduction of the balances in the Depreciation Fund.

Our total working expenses, will, it is expected, be 24 lakhs higher than in the current year. This is entirely due to the reduction by half of the emergency deductions from pay. Allowing for the cessation of the payment to the Income-tax Department in respect of the exemption from surcharge of

railway staff, the difference due to the modification in the deduction is 65 lakhs. Consequently, our estimates allow for a further net reduction in expenditure of 41 lakhs, of which more than half is in our fuel bill.

Our total loss on commercial lines will, if these estimates prove correct, be just over 5½ crores, or a crore and a half below the current year's estimate.

23. Our working expenses include 13.31 crores for payment to the Depreciation Fund. The cost of current renewals and replacements debitabale to the Depreciation Fund is expected to be 5.81 crores. If we had only to provide for this and did not have to transfer an additional sum of 7½ crores to a reserve, we should have had a profit of nearly 1½ crores instead of this heavy loss.

24. A detailed comparison of the estimates of earnings will be found in the statement below.

Commercial Lines.

(Figures in lakhs of rupees.)

	Revised, 1932-33.	Budget, 1933-34.
Passenger earnings	28,85	29,25
Other coaching traffic earnings	4,75	4,80
Total	33,60	34,05
Goods earnings	53,85	55,00 ¹
Other earnings	1,67	1,68
Credits for material returned from works not charged to revenue	1,22	1,23
Total	90,34	91,96
Refunds of revenue	—14	—14
Share of worked lines	—5,00	—4,90
Net	85,20	86,92

25. The details of our estimates of working expenses are given below.

Commercial Lines.

(Figures in lakhs of rupees.)

	Revised, 1932-33.	Budget, 1933-34.
Administration	12,13	11,99
Repairs and Maintenance	15,22	15,50
Operation other than fuel	17,38	17,12
Fuel	6,95	6,73
Depreciation	13,31	13,31
Emergency deductions from pay	—1,85	—1,01
Payment to Income-tax Department in respect of railway staff exempted from surcharge	19	..
Total	63,33	63,64
Recoveries from Worked lines	—2,40	—2,47
Net working expenses	60,93	61,17

26. The decrease under 'Administration' and 'Operation' totalling 40 lakhs in all is, to the extent of 23 lakhs, under Administration and Operation. gratuities where owing to the unusual number of discharges and voluntary retirements during 1931-32 and 1932-33 we expect a considerable decrease in the amount payable; but we also trust that the measures of economy introduced will continue to give results, and that railway administrations will not relax their efforts to find new ways of reduction of expenditure. We expect, moreover, that the reduction of expenditure on pay and allowances of staff due to discharges of staff in the last two years will counteract the increase on account of increments.
27. Under 'Repairs and Maintenance' we have had to allow for a slightly higher expenditure in 1933-34 than in the current year. Some of the economies given effect to in Repairs and Maintenance. the past year or two were, as we pointed out last year, in the nature of postponement of expenditure, such as extension of time between repairs of rolling stock. This cannot be carried on indefinitely, and we have therefore had to provide a small additional sum for 1933-34.
28. The saving under 'Fuel' is partly due to a further reduction in prices of coal. Fuel.
29. The amount expected to be recovered from emergency deductions from pay is 84 lakhs less, as, during eleven months of 1933-34, the deduction is half that in the corresponding period of 1932-33. Emergency deductions from pay.
30. The small increase in the share of expenditure recovered from worked lines is mainly due to the fact that in 1932-33 there were certain arrear adjustments on the South Indian Railway which abnormally reduced the figure. On the other hand the Gaekwar's Mehsana Railway, which is now being worked by the Bombay, Baroda and Central India Railway, will be transferred to the Baroda Durbar from the 1st April 1933. Share of worked lines.
31. The amount to be put aside under rules for depreciation is the same as in the current year, which was abnormally increased by adjustments of arrear payments. Depreciation. The absence of these in 1933-34 has been counterbalanced by the usual increase due to the net addition made to assets during the year.
32. Our other charges are lower next year. Surplus profits are somewhat less; our interest charges are the same as in the current year, a fall in the average rate of interest having more than counterbalanced the small increase in the capital at charge. Other charges. The estimate includes a new charge of 3 lakhs on account of the charges for management of debt. It has been decided that from 1933-34 a share of the management charges in England in respect of railway debenture stock and on blocks of India stock raised for, or appropriated to, specific railway expenditure should be charged to railway revenues. Hitherto all charges on account of management of debt in England were debited to general revenues though railway revenues bore a proportionate share of the cost of management of debt in India, as the rate of interest charged on capital outlay made allowance for this factor.

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B.—Strategic lines.

33. The position with regard to strategic lines is shown in the statement below. It does not differ materially from the current year.

(Figures in lakhs of rupees.)

	Revised, 1932-33.	Budget, 1933-34.
Gross traffic receipts	1,27	1,31
Credits for material returned from works not charged to revenue	3	2
Interest on balances of Depreciation Fund	7	9
Total receipts	1,37	1,42
Ordinary working expenses	1,53	1,51
Emergency deductions from pay	—5	—2
Depreciation	44	44
Interest charges	1,47	1,46
Miscellaneous charges		
Total charges	3,39	3,39
Net loss in working	2,02	1,97

C.—Summary of Results—(All Lines).

34. On these estimates, if they prove correct, the net results of 1933-34 will show some improvement over those of the current year. Our total receipts from commercial lines should be 87.84 crores, against 86.20 crores this year. Our total expenditure, including interest charges, should amount to 93.64 crores, as compared with 93.52 crores in 1932-33. The loss of 5.80 crores from commercial lines is 1.52 crores less than the loss (7.32 crores) during the current year. The loss of 1.97 crores on strategic lines brings the total loss to 7.77 crores, to meet which we have again to fall back on the expedient of a temporary loan from the Depreciation Fund.

For current renewals and replacements on all lines, including both Commercial and Strategic lines, we shall require only 5.95 crores out of 13.75 crores that we have, under the present rules of the Depreciation Fund, to put into it. This leaves a net balance of 7.80 crores. We need not therefore trench on our previously accumulated balances and the balance of the Fund will be increased from 13.68 crores at the beginning of the year to 13.71 crores at the end. But for our temporary exigencies compelling us to borrow 21.36 crores from the Fund, the closing balance at the end of 1933-34 should have been 35.07 crores.

Contribution to General Revenues.

35. Though no contribution is payable during these years it is necessary to refer to it in this memorandum, because of certain changes in the detail of the calculation of the contribution that it is proposed to make, with effect from the accounts of 1933-34. In converting sterling liabilities into Indian currency for the purpose of calculating the capital at charge on which the contribution was based, the practice has been hitherto to take the rate of exchange at 16*d.* a rupee, which was the rate at the time the contribution was fixed. It was considered that this procedure was open to objection as this rate is neither the present legal rate nor the rate at which the liabilities were taken over and after considerable discussion it has been decided to make the conversion at the rate of exchange in force at the time the liabilities came into being. Secondly, while under the convention, capital contributed by Companies and Indian States was to be excluded from the capital at charge for calculating the contribution, this expression was, in practice, held not to include the share capital of the Bombay, Baroda and Central India, and South Indian Railway Companies, and £1½ million of the share capital of the Madras and Southern Mahratta Railway Company, as these amounts were not contributed by the Companies in cash but formed part of the price paid to them at the time of purchase. It has now been decided that these amounts which are, to all intents and purposes, part of the share capital of these three Railway Companies which Government are liable to repay at the time of termination of their contracts, should be treated exactly as other capital raised by them and excluded from the capital at charge on which railways are expected to pay a contribution of 1 per cent. The result of these changes is that the capital at charge at the end of 1931-32, on which contribution for 1933-34 is calculated, will be reduced from 742 crores to 724 crores and the contribution reduced by 18 lakhs.

Capital Expenditure.

36. Our works programme for the current year was expected to cost 11½ crores, of which we expected a crore and a half to be found by a reduction of stores balances and 9½ crores to be required in cash. Of this 5½ crores was to be found from the Depreciation Fund and the balance of 4½ crores was to be capital expenditure, including a crore for new lines. Our present expectations are that our total net expenditure in cash, after allowing for a reduction of stores balances by 1½ crores, will not be more than 7 crores. Our capital expenditure will, it is estimated, be less than 1½ crores owing to scrapping assets without replacement, the result of which is that our capital at charge is reduced, the original value being transferred from the Depreciation Fund. Consequently, the amount we require from our Depreciation Fund is not expected to differ from our original estimates.

37. Our works expenditure for 1933-34 is somewhat more than what we expect to spend during the current year. We expect that we shall require 9½ crores after allowing for a further reduction of stores balances, by about 1½ crores which, if these estimates prove correct, will come down to 10½ crores at the end of 1933-34.

For new construction we are providing only 32 lakhs, which is what we require to complete lines now under construction. No new lines are proposed to be started during the year.

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Neglecting the reduction of stores balances, open line works are expected to cost 10½ crores in all, out of which nearly 6 crores will be found from the Depreciation Fund. Of this amount about 1½ crores is required for works in progress, about 4½ crores for track renewals and 2½ crores for rolling stock. The amount provided for new works is under 2 crores and, as usual in recent years, more than a crore of this is on small items costing not more than a lakh each for which a lump sum is placed at the disposal of Agents to be spent at their discretion on essential items of work. The only individual new items of works of any importance for which any large provision has been made in the budget are the reconstruction of the Sindh and Chambal bridges on the Great Indian Peninsula Railway and of the Nerbudda bridge on the Bombay, Baroda and Central India Railway, and the regirdering of the down track of the Jumna bridge near Delhi on the North Western Railway. We are also providing 11 lakhs for starting work on two important remodelings on the Madras and Southern Mahratta Railway which could not be postponed any longer. These are the Salt Cotours Loco. Yard and the Hubli Station Yard, which are estimated to cost about 22 lakhs each. Another item of interest is the provision of 90 lakhs in the rolling stock programme for buying 2,500 wagons in replacement of 3,000 wagons, which have been found uneconomical to maintain. We hope in succeeding years to continue, if funds permit and traffic justifies, this programme of renewing wagons which have passed their normal life and are proving costly to maintain.

38. Finally, we wish to express our gratitude to the members of the Standing Finance Committee for Railways for the help they have given us throughout the year.

T. G. RUSSELL,

Chief Commissioner of Railways.

NEW DELHI;

The 9th February 1933.

P. R. RAU,

Financial Commissioner of Railways.

BUDGET FOR 1933-34.

APPENDIX I.

CAPITAL EXPENDITURE.

The total expenditure charged to capital and to the depreciation fund on State-owned railways in the three years 1931-32 to 1933-34 is set out in the table below:—

	Accounts, 1931-32.	1932-33.		Budget, 1933-34.
		Budget.	Revised.	
England—				
Sterling pay- ments. £	1,965,993	1,125,000	825,000	975,000
Converted into rupees at 1s. 6d. to the rupee. Rs.	2,62,13,241	1,50,00,000	1,10,00,000	1,30,00,000
Exchange. Rs.	2,14,603	..	—38,000	..
Total England. Rs.	2,64,27,844	1,50,00,000	1,09,62,000	1,30,00,000
India—				
Payments in India Rs.	12,31,20,660	8,25,00,000	5,90,38,000	7,95,00,000
Total England and India. Rs.	14,95,48,504	9,75,00,000	7,00,00,000	9,25,00,000

The distribution of the above between capital and depreciation fund is as follows:—

Capital	6,69,00,251	4,15,00,000	1,40,00,000	3,30,00,000
Depreciation Fund .	8,26,48,253	5,60,00,000	5,60,00,000	5,95,00,000

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2. The statement below gives a comparison of the allotments made for open lines and lines under construction during the same period (viz., 1931-32 to 1933-34) under commercial and strategic lines separately :—

(Figures in thousands of rupees.)

		Accounts, 1931-32.	Revised Estimates, 1932-33.	Budget Estimates, 1933-34.
Commercial.				
Open line (including rolling stock)	Capital .	3,93,02	81,00	2,99,00
	Dep. Fund .	7,98,06	5,40,00	5,81,20
Total open lines (Commercial)	Capital .	3,93,02	81,00	2,99,00
	Dep. Fund .	7,98,06	5,40,00	5,81,20
Lines under construction	Capital .	2,79,20	65,00	32,00
	Dep. Fund .	..	..	..
Total Commercial	Capital .	6,72,22	1,46,00	3,31,00
	Dep. Fund .	7,98,06	5,40,00	5,81,20
Total		14,70,28	6,86,00	9,12,20
Strategic.				
Open line (including rolling stock)	Capital .	—3,83	—6,15	—1,00
	Dep. Fund .	28,42	20,00	13,80
Lines under construction—Capital		61	15	..
Total Strategic	Capital .	—3,22	—6,00	—1,00
	Dep. Fund .	28,42	20,00	13,80
Total Commercial and Strategic Lines	Capital .	6,69,00	1,40,00	3,30,00
	Dep. Fund .	8,26,48	5,60,00	5,95,00
Total		14,95,48	7,00,00	9,25,00

3. The distribution of the total budget provision of 9.25 crores for 1933-34 is as follows:—

(Figures in thousands of rupees.)

Railways.	Open Lines.			New Construction.		
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.	Total.
<i>State Railways managed by the State.</i>						
Burma Railways—						
<i>New Construction—</i>						
Minbu and Pakkoku District Railways.	..	..	..	2	..	2
Sagaing Bridge	..	..	..	18,48	..	18,48
<i>Open Line</i>	{ Capital	1,26	18,52	19,78	..	..
	{ Dep. Fund	23	28,99	29,22	..	..
Total	{ Capital	1,26	18,52	19,78	18,50	18,50
	{ Dep. Fund	23	28,99	29,22	..	..
Eastern Bengal Railway—						
<i>New Construction—</i>						
Kalukhali Kamarkhali Bhateapara.	..	..	..	35	..	35
Tangla Belsiri	..	..	..	50	..	50
<i>Open Line</i>	{ Capital	1,81	17,11	18,92	..	..
	{ Dep. Fund	2,73	28,06	30,79	..	..
Total	{ Capital	1,81	17,11	18,92	85	85
	{ Dep. Fund	2,73	28,06	30,79	..	..
East Indian Railway—						
<i>Open Line.</i>	{ Capital	25,84	51,43	77,27	..	..
	{ Dep. Fund	79,44	74,48	1,53,92
Total	{ Capital	25,84	51,43	77,27
	{ Dep. Fund	79,44	74,48	1,53,92

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Railways.	Open Lines.			New Construction.		
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.	Total.
Great Indian Peninsula Railway—						
Open Line .	{ Capital .	—3,40	9,19	5,79	..	..
	{ Dep. Fund .	16,77	36,63	53,40	..	..
Total .	{ Capital .	—3,40	9,19	5,79	..	..
	{ Dep. Fund .	16,77	36,63	53,40	..	..
North-Western Railway (Commercial lines)—						
<i>New Construction—</i>						
Chiniot Kushab . . .	..	..	..	15	..	15
Batala Beas . . .	..	..	..	1	..	1
Kaogra Valley . . .	..	..	..	44	..	44
Sind Left Bank Feeders .	..	..	..	35	..	35
Open Line .	{ Capital .	7,16	19,74	26,90	..	..
	{ Dep. Fund .	4,84	82,37	87,21	..	..
Total .	{ Capital .	7,16	19,74	26,90	95	95
	{ Dep. Fund .	4,84	82,37	87,21	..	..
North Western Railway (Strategic Lines)—						
Open Line .	{ Capital .	57	—1,57	—1,00	..	..
	{ Dep. Fund .	76	13,04	13,80	..	..
Total .	{ Capital .	57	—1,57	—1,00	..	..
	{ Dep. Fund .	76	13,04	13,80	..	..
State Railway Collieries . . .	..	..	..	..	..	..
Total State Lines managed by the State.	{ Capital .	33,24	1,14,42	1,47,66	20,30	20,30
	{ Dep. Fund .	1,04,77	2,63,57	3,68,34	..	..
TOTAL .		1,38,01	3,77,99	5,16,00	20,30	20,30

Railways.	Open Lines.			New Construction.		
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.	Total.
<i>State Railways managed by Companies or Indian States—</i>						
Assam Bengal Railway—						
<i>New Construction—</i>						
Chittagong Fatikchhari (Nazirhat)	..	..	..	25	..	25
Open Line	{ Capital	4,06	5,97	9,93	..	..
	{ Dep. Fund.	4,34	11,76	16,10	..	..
Total	{ Capital	4,06	5,87	9,93	25	25
	{ Dep. Fund.	4,34	11,76	16,10	..	..
Bengal Nagpur Railway—						
<i>New Construction—</i>						
Raipur Vizianagram	..	..	..	5,80	..	5,80
Open Line	{ Capital	75	23,71	24,46	..	..
	{ Dep. Fund.	65	35,46	36,11	..	..
Total	{ Capital	75	23,71	24,46	5,80	5,80
	{ Dep. Fund.	65	35,46	36,11
Bezwađa Railway—						
Open Line—Capital	..	6	6

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Railways.	Open Lines.			New Construction.		
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.	Total
Bengal and North-Western Railway (Tirhut Section)—						
<i>Open Line</i> .	{ Capital . .	1,53	4,13	5,66	..	..
	{ Dep. Fund .	1,98	4,73	6,71	..	..
Total .	{ Capital . .	1,53	4,13	5,66	..	..
	{ Dep. Fund .	1,98	4,73	6,71	..	..
Bombay, Baroda and Central India Railway—						
<i>Open Line</i> .	{ Capital . .	10,63	33,03	43,66	..	..
	{ Dep. Fund .	14,65	54,73	69,38	..	..
Total .	{ Capital . .	10,63	33,03	43,66	..	..
	{ Dep. Fund .	14,65	54,73	69,38	..	..
Dronachellam Kurnool Railway—						
<i>Open Line—Capital</i>	71	71
Jodhpur Railway—						
<i>Open Line</i> .	{ Capital	1,23	1,23
	{ Dep. Fund .	27	1,21	1,48

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Railways.	Open Lines.			New Construction.		
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.	Total.
Madras and Southern Maharashtra Railway—						
<i>Open Line</i> { Capital .	10,39	22,35	32,74	..	..	..
{ Dep. Fund .	13,80	37,34	51,14	..	..	..
..						
.. <i>Total</i> { Capital .	10,39	22,35	32,74	..	..	..
{ Dep. Fund .	13,80	37,34	51,14	..	..	..
Rohilkund and Kumaon Railway—						
<i>Open Line</i> { Capital .	61	-1,02	-41	..	..	..
{ Dep. Fund .	1,35	16	1,51	..	..	..
South Indian Railway—						
<i>New Construction—</i>						
Madura Bodinayakanur .	..	..	..	39	..	39
Vilupuram Trichinopoly .	..	..	..	1,03	..	1,03
Dindigul Pollachi .	..	..	..	89	..	89
Cuddalore Vriddhachalam	..	..	..	1,85	..	1,85

Railways.	Open Lines.			New Construction.		
	Rolling Stock.	Other Items.	Total.	Lines in progress.	New Lines.	Total.
South Indian Railway—concl'd.						
<i>New Construction—concl'd.</i>						
Trichinopoly Manamadura	..	..	..	26	..	26
Polachi Palghat	..	..	..	67	..	67
Salem Attur Vriddhachalam	..	..	..	81	..	81
<i>Open Lines</i>	Capital	18,79	13,21	32,00	..	..
	Dep. Fund	9,19	29,04	38,23	..	..
Total	Capital	18,79	13,21	32,00	5,90	5,90
	Dep. Fund	9,19	29,04	38,23	..	..
Total State Railways managed by Companies or Indian States						
Capital	46,76	1,03,33	1,50,09	11,95	..	11,95
	Dep. Fund	46,23	1,74,43	2,20,66	..	..
Total	92,99	2,77,76	3,70,75	32,25	..	32,25
Total all State Railways.	Capital	80,00	2,17,75	2,97,75	32,25	..
	Dep. Fund	1,51,00	4,38,00	5,89,00	..	..
For emergencies	Capital	..	3,00	3,00	..	..
	Dep. Fund	..	6,00	6,00	..	..
Emergency deductions from pay	..	-2,75	-2,75	-25	..	-25
Total	Capital	80,00	2,18,00	2,98,00	32,00	..
	Dep. Fund	1,51,00	4,44,00	5,95,00	..	..
Grand Total				9,25,00		

Contribution from the Depreciation Fund.

Open Line Works.

4. *Engineering, structural and other works.*—The following is the distribution of the proposed expenditure among the various classes of works comprised in this group :—

(Figures in lakhs of rupees.)			
	Capital.	Depreciation Fund.	Total.
(1) Track	87·10	331·78	418·88
(2) Bridges	62·09	47·01	109·10
(3) Traffic facilities	83·91	23·18	107·09
(4) Workshops and Loco. sheds	24·13	17·26	41·39
(5) Staff quarters	10·83	1·25	12·08
(6) Welfare Works	11·98	·92	12·90
(7) Electric installations	10·35	3·61	13·96
(8) Signalling and interlocking	11·79	5·64	17·43
(9) Electrification of track . . . . .	..	..	..
(10) Removal of infringements	·61	·57	1·18
(11) Ferries	·20	·01	·21
(12) Collieries	13·75	..	13·75
(13) Emergencies	3·00	6·00	9·00
(14) Other Works	28·26	6·77	35·03
(15) Suspense (Reduction of stores balances) —	127·25	..	—127·25
(16) Emergency deductions from pay	—2·75	..	—2·75
Total	218·00	444·00	662·00

(1) and (2) *Track and Bridges.*—In order to be able to run the new heavy standard locomotives without restriction, the previous policy of strengthening and improving track and bridges is being pursued, though owing to the general financial stringency the programme has again had to be somewhat curtailed.

The doubling of the Roopnarain Bridge has been completed, and provision has been made only for credits on account of plant and materials. Provision has also been made for further work which is necessary on the existing down line of this bridge, on which side four 100' spans have to be replaced by stronger girders, because they are weak for modern loads.

A sum of Rs. 20 lakhs has been provided for the expenditure anticipated during 1933-34 on the renewal of the Nerbudda Bridge at Broach on the Bombay, Baroda and Central India Railway. On the Great Indian Peninsula Railway the programme of bringing up to main line standard the north-east main line between Itarsi and Agra is being continued, and this involves the re-construction of the Sindh and the Chambal bridges for which a provision of Rs. 13½ lakhs has been made. On the East Indian Railway the work of renewing the down line girders of the Barakar Bridge is expected to be completed in 1933-34, and a small amount has been provided for the completion of the work. A small amount has also been provided for starting work on the preliminary arrangements for regirdering the Dufferin Bridge at Benares. On the North Western Railway it has been found necessary to start work on regirdering the down line of the Delhi-Jumna Bridge, as the girders are now so weak that the running of trains over them has had to be discontinued. Provision of about Rs. 16 lakhs has been made for the completion of this work in 1933-34. On the Eastern Bengal Railway it was originally proposed to rebuild the Gorai Bridge, and provision was made in the 1932-33 budget for starting work on this rebuilding, but it has since been decided to strengthen the bridge for the present, instead of rebuilding it, and a small amount has been provided accordingly for this work. As a result of considerable changes in recent years in the course of the Ganges in the neighbourhood of the Hardinge Bridge, it has become necessary to make certain additions to the protection works of the bridge. As the matter was urgent, the work has been taken in hand during the current year and provision has been made for completing it in 1933-34. On the Burma Railways the new bridge over the Irrawady at Sagaing is expected to be completed in 1933-34, and provision of the balance of the estimated cost has been made accordingly.

A further instalment of relaying with 115 lb. section rails in the Colliery area of the East Indian Railway, and of relaying with 90 lb. section rails on the Dinapore Division of that Railway has been provided for in the budget. Similarly, a further instalment of relaying on the Burma Railways main line with 75 lb. section rails is to be carried out in 1933-34, the released rails being utilised for relaying on the Mu Valley Branch. On the North Western Railway it is proposed to renew a further length of the Delhi-Ambala-Kalka section with 90 lb. rails. On the Madras and Southern Mahratta Railway provision has been made for relaying about 40 miles on the north-east main line with 90 lb. rails. On the Assam Bengal Railway 35 miles are to be relaid, of which 15 miles on the Hill Section are to be relaid with 80 lb. second-hand rails, and the remaining 20 miles with 60 lb. new rails.

(3) *Traffic facilities.*—The work of doubling the Tundla-Etawah section of the main line on the East Indian Railway will be continued and almost completed in 1933-34, and provision has been made in the budget accordingly, leaving a small balance for completion of the work in the following year. As regards remodelling schemes, work on Erode Junction Remodelling is expected to be completed in 1933-34, and Rs. 4½ lakhs has been provided for this purpose. Provision has also been made for starting two new schemes on the Madras and Southern Mahratta, namely Salt Cotaurs Yard and Hubli Remodelling, for which works Rs. 11 lakhs are being provided in 1933-34, out of an aggregate estimated cost of about Rs. 45 lakhs. On the Burma Railways provision has been made for remodelling certain station and loco. yards on the Mu Valley line up to Naba, in order to make it possible to use YD engines on this section up to their normal train loads after the Irrawady Bridge at Sagaing has been completed.

(4) *Workshops, station and other buildings.*—Work on the Dohad shops of the Bombay, Baroda and Central India Railway is expected to be completed in 1933-34 and a small amount has been provided for this purpose. As regards the Perambur shops on the Madras and Southern Mahratta Railway a sum of about Rs. 10 lakhs is being provided for work to be done next year, which will leave about Rs. 4 lakhs to be expended in the following year for completion of the work.

(5) *Staff quarters.*—The following table shows the distribution of the proposed expenditure for the provision of quarters for the staff :—

Railways.	Officers' Quarters.		Other Quarters.		Total.
	Provision to complete bungalows under construction.	Provision for new bungalows.	Provision to complete bungalows under construction.	Provision for new quarters.	
Assam Bengal	15	37	52
Bezwada	2	2
Dronachellan and Kurnool	24	23	47
Bombay, Baroda and Central India.	15	..	15
Burma	50	50
East Indian	96	2,93	3,89
Great Indian Peninsula.	9	57	66
Jodhpur	21	21
Madras and Southern Mahratta.	15	88	1,03
North Western (Commercial).	1,39	1,39
Rohilkund and Kumaon.	24	24
South Indian	3,00	3,00
Total	1,74	10,34	12,08

6. *Amenities for Passengers.*—The statement below shows against each Railway the expenditure proposed on the various categories under which these amenities are usually sub-divided :—

(Figures in thousands.)

Railways.	Water supply.	Waiting rooms and halls.	Indian refreshment rooms.	Booking facilities.	Latrines and sanitary arrangements.	Raised platforms.	Additions and betterments to lower class carriages.	Total.
1. Assam Bengal	5	10	10	5	5	..	37	62
2. Bombay, Baroda and Central India.	1	2	..	13	5	..	2,73	2,98
3. Burma	5	10	..	..	5	..	..	20
4. Eastern Bengal	5	10	..	..	5	5	..	25
5. East Indian	30	20	20	30	32	20	1,52	3,04
6. Madras and Southern Mahratta.	4	46	..	..	4	7	5,20	5,81
7. North-Western	68	80	15	10	25	40	6	1,04
8. Rohilkund & Kumaon	..	..	..	..	5	..	..	5
9. South Indian	1	7	..	9	9	53	12,20	12,99
TOTAL	1,19	1,35	45	68	95	1,25	23,03	27,98

7. *Rolling Stock.*—Of the total amounts provided for expenditure on rolling stock during 1933-34, 17½ lakhs (of which about 8 lakhs are from the Depreciation Fund) are for completion of works sanctioned in previous programmes. The expenditure on new items is shown in the statement below.

	Broad Gauge.			Metre
	Additions.	Renewals.		Additions.
	Capital.	Capital.	Deprecia- tion Fund.	Capital.
I.—Locomotives—				
(a) Engines and Tenders . . . . .	..	—6,02	6,02	..
(b) Boilers . . . . .	..	1,56	18,50	..
(c) Miscellaneous expenditure	1,16	3,79	8,90	..
II.—Coaching Stock—				
(a) I and II Class . . . . .	..	98	2,22	..
(b) Inter and III Class . . . . .	..	1,39	2,45	5,61
(c) Composites . . . . .	..	17	1,33	4,33
(d) Other coaches	4,87	3,60	3,01	24
(e) Miscellaneous expenditure . . . . .	..	91	20	..
III.—Goods Stock—				
(a) General Service . . . . .	..	19,35	70,00	..
(b) Other types	38	19	19	4,80
(c) Miscellaneous expenditure . . . . .	..	1,64	34	99
Total	6,41	27,56	1,13,16	15,97

BUDGET FOR 1933-34.

77.

(Figures in thousands of rupees.)

Gauge.		Narrow Gauge.			Grand Total.		
Renewals.		Additions.	Renewals.		Additions.	Renewals.	
Capital.	Depre- ciation Fund.	Capital.	Capital.	Depre- ciation Fund.	Capital.	Capital.	Depre- ciation Fund.
2,30	2,06	..	..	..	..	—3,72	8,08
94	6,35	..	38	50	..	2,88	25,35
33	20	..	..	..	1,16	4,12	9,10
3,38	3,01	..	..	..	..	4,36	5,23
51	1,65	..	..	..	5,61	55	72
3,83	5,85	..	..	..	4,33	6,45	12,62
80	2,98	..	..	..	5,11	3,30	3,93
44	..	..	..	..	..	1,35	20
6,40	4,82	..	..	..	..	25,75	74,82
14	1,11	..	30	89	5,18	63	2,19
1,00	50	..	..	..	99	2,64	84
20,07	28,53	..	68	1,39	22,38	48,31	1,43,08

BUDGET FOR 1933-34.

The programme provides for the construction of new units of stock shown in the table below, all of which, however, will not necessarily be completed and be available for use before the 31st March 1934.

	Broad Gauge.			Metre Gauge.			Narrow Gauge.		
	Additions.	Renewals.	Total.	Additions.	Renewals.	Total.	Additions.	Renewals.	Total.
	No.	No.	No.	No.	No.	No.	No.	No.	No.
1. Locomotives . . . . .	..	..	..	..	21	21	..	..	..
2. Coaching vehicles (in terms of four-wheelers)—									
(a) I and II class . . . . .	..	10	10	..	32	32	..	..	..
(b) Inter and III class . . . . .	..	20	20	4	38	42	..	..	..
(c) Composites	26	6	32	3	49	52	..	..	..
(d) Other coaches	6	18	24	4	40	44	..	..	..
3. Goods wagons (in terms of four-wheelers)—									
(a) General Service . . . . .	..	2,500	2,500	..	423	423	..	..	..
(b) Other types	7	2	9	62	38	100	..	20	20

The programme also contains provision for scrapping 26 old locomotives on the Great Indian Peninsula Railway without renewals.

The following statement shows in terms of four-wheelers the details of the new units of coaching and goods stock which will be constructed as *additions* to the authorised stock of the railways:—

Railways.	Coaching Stock.						Goods Stock.			
	Broad Gauge.			Metre Gauge.			Broad Gauge.		Metre Gauge.	
	Inter and III.	Composites.	Other Coaches.	Inter and III.	Composites.	Other Coaches.	General Service.	Other Coaches.	General service.	Other Coaches.
Assam Bengal	4	..	..	..	54
Bombay, Baroda and Central India	4
Burma	4
Great Indian Peninsula	10	6	..	..	..	..	..	..	..
Madras and Southern Mahratta	7	..	..
South Indian	16	..	4	3	..	..	..	..	..
Total	26	6	4	3	4	..	7	..	62

New construction.

8. A complete list of new lines, whether under construction or likely to be commenced during the year 1933-34, for which the allotment of 32 lakhs proposed for new construction is intended, is given in the demands for grants for new construction of commercial and strategic lines. The total mileage of these new lines excluding that of the lines opened in 1931-32 aggregates 115 miles. The additions to the several main systems are indicated in the statement below :—

Railway system.	Mileage of lines in progress.	Mileage of lines, the construction of which has been sanctioned but not yet commenced.	Mileage of unsanctioned lines.	Total.
Burma	5	..	..	5
Eastern Bengal	53	..	..	53
East Indian	57	..	..	57
Total	115	..	..	115

9. It is expected that about 110 miles of railway will be opened in the current year, and about 5 miles in 1933-34. The details are as follows :—

Lines opened and to be opened in 1932-33.

	Mileage.
<i>East Indian Railway—</i>	
Lucknow-Sultanpur-Zafarabad Railway (last section)	57
<i>Eastern Bengal Railway—</i>	
Tangla-Belsiri Rangapara Railway	53
Total	110

Lines expected to be opened during 1933-34.

Burma Railways—

Irrawaddy Bridge at Sagaing and its approaches	5
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APPENDIX II.

Capital expenditure on State-owned Railways.

(Figures in thousands of rupees.)

RAILWAYS.	Accounts, 1931-32.	To end of 1931-32.	Revised Estimate, 1932-33.	Budget Estimate, 1933-34.	To end of 1933-34.
OPEN LINES.					
State Railways managed by State—					
Aden (Commercial)	—4.52	..	..	..	..
Burma	23.52	32,66.76	3.00	19.78	32,89.54
Eastern Bengal	15.07	48,99.54	20.50	18.92	49,39.96
East Indian	37.80	1,38,51.69	63.00	77.27	1,39,91.96
Great Indian Peninsula	56.63	1,17,17.74	—42.00	5.79	1,16,81.53
North Western	27.29	1,06,34.37	—67.00	26.90	1,05,94.27
Strategic Lines	—3.83	30,69.91	—6.05	—1.00	30,62.86
Miscellaneous	1.25	2,44.30	..	..	2,44.30
Abandoned projects . . . . .	..	32.26	..	..	32.26
State Railway Collieries	25	1,00.17	25	..	1,00.42
Total State Railways managed by State	1,53.46	4,78,16.74	—28.30	1,47.66	4,79,36.10
State Railways managed by Companies or Indian States—					
Assam Bengal	26.21	21,08.04	5.50	9.93	21,23.47
Bengal Nagpur	35.97	71,98.61	16.00	24.46	72,39.07
Bengal and North-Western (Tirhut)	12.68	9,68.44	2.50	5.66	9,76.60
Bezwada Extension	4	17.70	25	6	18.01
Bombay, Baroda and Central India	41.51	73,26.99	29.00	43.66	73,99.65
Dronachellam Kurnool Railway Extension	—4.97	11.80	50	71	13.01
Jodhpur	56	84.32	1.50	1.28	87.10
Madras and Southern Mahratta	67.64	50,74.19	20.00	32.74	51,26.93
Rohilkund and Kumaon (Lucknow Bareilly)	1.29	2,45.34	75	—41	2,45.68
South Indian	57.29	36,71.72	31.75	32.00	37,35.47
Total State Railways managed by Companies or Indian States	2,38.22	2,67,07.15	1,07.75	1,50.09	2,69,64.99
Total Open Lines	3,91.68	7,45,23.89	79.45	2,97.75	7,49,01.09

APPENDIX II—contd.

(Figures in thousands of rupees.)

RAILWAYS.	Accounts, 1931-32.	To end of 1931-32.	Revised Estimate, 1932-33.	Budget Estimate, 1933-34.	To end of 1933-34.
LINES UNDER CONSTRUCTION.					
State Railways managed by State—					
Burma Railways—					
Taungwingyi-Kyeukpa- daung	10	95,11	10		95,21
Sagaing Bridge	25,84	83,16	23,00	18,48	1,24,64
Myingyan Natogyi Paleh	9	66,26	6		66,31
Nyaunglebin Madauk	18	12,65	..	..	12,65
Taungwingyi-Minbu Pakokku—	—66	56,42	10	2	56,54
Total	25,55	3,13,60	23,25	18,50	3,55,35

APPENDIX II—*contd.*

(Figures in thousands of rupees.)

RAILWAYS.	Accounts, 1931-32.	To end of 1931-32.	Revised Estimate, 1932-33.	Budget Estimate, 1933-34.	To end of 1933-34.
LINES UNDER CONSTRUCTION					
<i>—contd.</i>					
State Railways managed by State— <i>contd.</i>					
Eastern Bengal Railway—					
Baruipur-Lakshmikantapur	51	39,74	30	..	40,04
Tangla Belsiri	18,06	26,23	12,70	50	39,43
Dacca Aricha	6	3,11	—20	..	2,91
Kalukhali-Kanarkhalj Bha- teapara	18,68	51,89	3,00	35	55,24
Nawabganj Abdulpur	16	83,61	50	..	84,11
Purnea Murliganj includ- ing Behariganj branch	5	30,61	20	..	30,81
Total	37,52	2,85,19	16,50	85	2,52,54
East Indian Railway—					
Central Indian Coal- fields	—95	3,98,22	3,40	..	4,01,62
Calcutta Chord	44,76	3,24,67	4,50	..	3,29,17
Lucknow Sultanpur Zafar- abad	28,51	93,34	4,25	..	97,59
Unao-Madhoganj	73	32,04	25	..	32,29
Chandpur-Bijnor Muazzam- pur Nerian branch	1,38	25,41	10	..	25,51
Total	74,43	8,73,68	12,50	..	8,86,18

APPENDIX II—*contd.*

(Figures in thousands of rupees.)

RAILWAYS.	Accounts, 1931-32.	To end of 1931-32.	Revised Estimate, 1932-33.	Budget Estimate, 1933-34.	To end of 1933-34.
LINES UNDER CONSTRUCTION—<i>contd.</i>					
State Railways managed by State— <i>contd.</i>					
Great Indian Peninsula Railway—					
Agra Bah	-1	28,77	..	..	28,77
Darwaha-Pushad	5,93	31,77	1	..	31,78
Kartal Kamasin	-2	2,41	-2	..	2,39
Nasik Belapur Sheo- gaon	-1	1,25	..	..	1,25
Khamgaon-Chikli	4	2,06	1	..	2,07
Hiwarkhed-Akot-Akola Bassim (late Khandwa Hingoli)	-3	3,04	-1,14	..	1,90
Amraoti Narkhed	1	1,08	-1	..	1,08
Total	5,91	70,86	-1,15	..	69,21

APPENDIX II—*contd.*

(Figures in thousands of rupees.)

RAILWAYS.	Accounts, 1931-32.	To end of 1931-32.	Revised Estimate, 1932-33.	Budget Estimate, 1933-34.	To end of 1933-34.
LINES UNDER CONSTRUCTION—<i>contd.</i>					
State Railways managed by State— <i>concl'd.</i>					
North Western Railway—					
Amritsar Narowal	—6	61,64	..	..	61,64
Kangra Valley	—4	2,94,44	15	44	2,95,03
Shahdara Narowal . . . . .	..	28,78	..	..	28,78
Jassar Shakargarh Chak Amru . . . . .	..	16,01	..	..	16,01
Rohtak Gohana Pani- pat . . . . .	..	24,54	..	..	24,54
Lyallpur Jaranwala . . . . .	..	15,40	..	..	15,40
Chak Jhumra Chiniot	—6	19,04	..	..	19,04
Khushab Chiniot	3,91	1,30,40	—1,85	15	1,28,70
Lyallpur Chananwala	71	11,33	5	..	11,38
Sind Left Bank Feed- ers	16,19	83,66	—60	35	83,41
Batala Beas	—5	14,73	5	1	14,79
Kalabagh Bridge	7,15	49,38	20	..	49,58
Strategic Lines	61	3,83,13	15	..	3,83,28
Suspense	3	4	..	..	4
Total	25,89	11,82,52	—1,85	95	11,81,62
Total State Railways managed by State	1,71,80	26,25,35	49,25	20,80	26,94,80

APPENDIX II—*contd.*

(Figures in thousands of rupees.)

RAILWAYS.	Accounts, 1931-32.	To end of 1931-32.	Revised Estimate, 1932-33.	Budget Estimate, 1933-34.	To end of 1933-34.
LINES UNDER CONSTRUCTION—<i>contd.</i>					
State Railways managed by Companies or Indian States—					
Assam Bengal Railway—					
Sibsagar Road Kha- wang . . . . .	..	31,78	..	..	31,78
Furkating Badulipara Jorhat	6	31,67	..	..	31,67
Karimganj Longai Valley	66	32,76	5	..	32,81
Netrakona Mohan- ganj	60	20,03	3	..	20,06
Habiganj Shaistaganj Balla	22	20,76	—2	..	20,74
Senchoa Mairabari	—1,23	21,04	28	..	21,32
Feni Belonia	15	13,60	4	..	13,64
Chittagong Nazirhat	40	20,71	50	25	21,46
Chittagong Dohazari	6,40	49,62	10	..	49,72
Megna bridge at Bhairab	1,23	1,24	2	..	1,26
Total	8,49	2,43,21	1,00	25	2,44,46
Bengal Nagpur Railway—					
Raipur Vizianagram	65,74	4,76,64	10,00	5,80	4,92,44
Guttitangar Branch	—5	2,00	..	..	2,00
Total	65,69	4,78,64	10,00	5,80	4,94,44
Bengal and North-Western Railway—					
Mashrak Thawe	3,61	22,89	40	..	23,29

BUDGET FOR 1933-34.

APPENDIX II—*contd.*

(Figures in thousands of rupees.)

RAILWAYS.	Accounts, 1931-32.	To end of 1931-32.	Revised Estimate, 1932-33.	Budget Estimate, 1933-34.	To end of 1933-34.
Lines Under Construction					
<i>—contd.</i>					
State Railways managed by Companies or Indian States					
<i>—contd.</i>					
Madras and Southern Mah-ratta Railway—					
Nidadavolu Narasapur .	—14	68,76	—26	..	68,50
Cocanada Kotepall .	18	42,01	46	..	42,47
Gudivada Bhimavaram .	4	40,70	1	..	40,71
Hotgi Sholapur . . .	..	7,88	—5	..	7,83
Kannivihalli Swamihalli	..	5,82	—5	..	5,77
Guntur Gurzala-Macheria	27	46,27	—61	..	45,66
Total .	35	2,11,44	—50	..	2,10,94
South Indian Railway—					
Villupuram Trichinopoly	3,51	2,01,90	1,50	1,03	2,04,43
Virudunagar Tenkasi .	—28	68,64	—5	..	68,59
Shoranur Nilambur . .	1,60	82,41	10	..	82,51
Dindigul Pollachi . . .	31	79,17	2,75	89	82,81
Trichinopoly Manama-dura	2,47	1,12,94	1,25	26	1,14,45
Mayavaram Tranquebar	12	21,40	—6,10	..	15,30
Madura Bodinayakanur	5	53,53	60	39	54,52
Vridhachalam Cudda-lore	72	27,06	30	1,85	29,21
Salem Attur Vridha-challam	11,17	84,85	—75	81	84,91
Pollachi Palghat . . .	9,87	46,29	6,25	67	53,21
Salem Mettur Dam . . .	—8	12,86	15	..	13,01
Total .	29,46	7,91,05	6,00	5,90	8,02,95

APPENDIX II—*concl'd.*

(Figures in thousands of rupees.)

RAILWAYS.	Accounts, 1931-32.	To end of 1931-32.	Revised Estimate, 1932-33.	Budget Estimate, 1933-34.	To end of 1933-34.
LINES UNDER CONSTRUCTION—<i>concl'd.</i>					
State Railways managed by Companies or Indian States— <i>concl'd.</i>					
Nizam's Guaranteed State Railways—					
Dhone (Dronachalam) Kurnool Extension .	2	14,90	..	..	14,90
Total State Rail- ways managed by Companies or Indian States .	1,07,62	17,62,13	16,90	11,95	17,90,98
Total Lines under Construction .	2,79,42	43,87,48	66,15	32,25	44,85,88
Total Open Lines and Constructions .	6,71,10	7,89,11,27	1,45,60	3,30,00	7,93,86,97
For emergencies .	..	..	..	3,00	3,00
Purchase of Branch Line shares, etc. .	..	54,76	..	..	54,76
Emergency deductions from pay .	-2,10	-2,10	-5,60	-3,00	-10,70
Total Capital Expenditure .	6,69,00	7,89,64,03	1,40,00	3,30,00	7,94,34,03

**Gross receipts, working expenses, and
Gross**

STATE RAILWAYS.	Ao		
	1924-25.	1925-26.	1926-27.
	M.	M.	M.
Open mileage at end of the year	27,324	27,430	28,094
	Rs.	Rs.	Rs.
State Railways managed by the State—			
Burma	4,29	4,93	4,61
Eastern Bengal	5,92	6,29	6,72
East Indian	20,61	19,72	19,66
Great Indian Peninsula	15,16	14,63	14,70
North-Western—Commercial Lines	15,13	13,70	14,04
Strategic Lines	1,60	1,64	1,53
State Railways managed by Companies or Indian States—			
Assam Bengal	1,44	1,64	1,76
Bengal Nagpur	8,38	8,38	8,20
Bombay, Baroda and Central India	12,33	12,14	11,26
Madras and Southern Mahratta	7,91	8,14	8,12
South Indian	5,15	5,44	5,49
Other Railways	2,21	2,29	2,33
Total	1,00,13	98,94	98,42

DIX III.

net receipts of State owned Railways.

Receipts.

(Figures in lakhs of rupees.)

COUNTS.					Revised Estimate, 1932-33.	Budget Estimate, 1933-34.
1927-28.	1928-29.	1929-30.	1930-31.	1931-32.		
M.	M.	M.	M.	M.	M.	M.
28,426	29,451	31,218	31,489	31,709	31,819	31,824
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
5,03	4,95	4,87	4,28	3,74	3,71	3,85
7,00	7,03	6,73	5,86	5,05	4,80	4,90
20,43	20,31	19,85	19,24	17,36	17,63	18,10
15,09	15,30	14,58	13,33	11,92	12,24	12,71
14,89	14,23	14,39	14,98	13,34	13,15	13,32
1,60	1,67	1,59	1,48	1,32	1,30	1,33
2,05	2,07	2,05	1,96	1,84	1,59	1,75
9,16	9,12	9,31	8,17	7,24	7,13	7,25
11,34	11,86	11,52	10,90	10,30	10,41	10,49
8,64	9,20	8,98	7,98	7,15	6,75	6,85
5,80	5,63	6,33	5,80	5,30	5,66	5,54
2,40	2,35	2,50	2,12	2,07	2,13	2,16
1,03,43	1,03,72	1,02,70	95,10	86,63	86,50	88,25

STATE RAILWAYS.	Ao		
	1924-25.	1925-26.	1926-27.
	Rs.	Rs.	Rs.
State Railways managed by the State—			
Burma	2,61	2,75	2,83
Eastern Bengal	4,19	4,59	4,40
East Indian	12,74	12,03	11,90
Great Indian Peninsula	9,41	10,51	10,33
North-Western—Commercial Lines	9,28	8,88	9,49
Strategic Lines	1,96	1,80	1,87
Expenditure on writing off difference between book and market value of stores	-27	-	-
State Railways managed by Companies or Indian States—			
Assam Bengal	1,06	1,07	1,13
Bengal Nagpur	5,76	5,91	5,58
Bombay, Baroda and Central India	7,01	7,34	7,21
Madras and Southern Mahratta	4,35	4,61	4,77
South Indian	3,12	3,16	3,05
Other Railways	91	1,01	1,22
Credit from Depreciation Fund being net result of correction of certain past erroneous adjustments	-	-	-
Expenditure on writing off difference between book and market value of stores	-11	-	-
Total	62,00	63,66	63,78

BUDGET FOR 1933-34.

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III—contd. Expenses.

(Figures in lakhs of rupees.)

COUNTS.						
1927-28.	1928-29.	1929-30.	1930-31.	1931-32.	Revised Estimate, 1932-33.	Budget Estimate, 1933-34.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
2,94	3,22	3,05	3,13	2,86	2,76	2,83
4,52	4,69	4,71	4,66	4,25	4,19	4,29
11,92	12,17	12,42	12,24	11,37	11,47	11,40
9,77	10,04	10,20	10,46	9,07	9,17	9,10
9,90	10,01	10,64	11,29	10,07	10,09	10,09
1,95	1,99	2,09	2,19	1,81	1,92	1,93
..
..
..
1,21	1,27	1,40	1,41	1,40	1,37	1,40
6,21	6,29	6,75	6,67	6,17	6,31	6,45
7,08	7,38	7,40	7,47	6,86	6,65	6,64
4,75	4,86	4,85	4,76	4,23	4,18	4,26
3,13	3,23	3,44	3,57	3,38	3,61	3,52
1,05	1,06	1,23	1,26	1,21	1,13	1,19
..	..	..	-1,66	..	..	..
..
..
64,43	66,21	65,18	67,45	62,77	62,85	63,10

STATE RAILWAYS.	Ao		
	1924-25.	1925-26.	1926-27.
	Rs.	Rs.	Rs.
State Railways managed by the State—			
Burma	1,68	2,18	1,78
Eastern Bengal	1,73	1,70	2,32
East Indian	7,87	7,69	7,76
Great Indian Peninsula	5,75	4,12	4,37
North Western—Commercial Lines	5,87	4,82	4,55
Strategic Lines	—36	—16	—34
Expenditure on writing off difference between book and market value stores	27	..	..
State Railways managed by Companies or Indian States—			
Assam Bengal	38	57	63
Bengal Nagpur	2,62	2,47	2,62
Bombay, Baroda and Central India	5,32	4,80	4,05
Madras and Southern Mahratta	3,56	3,53	3,35
South Indian	2,03	2,28	2,44
Other Railways	1,30	1,28	1,11
Credit from Depreciation Fund being net result of correction of certain past erroneous adjustments . . . . .	..	..	..
Expenditure on writing off difference between book and market value of stores	11	..	..
Total	38,13	35,28	34,64

DIX III—*concl.*

Receipts.

(Figures in lakhs of rupees.)

COUNTS.					Revised Estimate, 1932-33.	Budget Estimate, 1933-34.
1927-28.	1928-29.	1929-30.	1930-31.	1931-32.		
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
2,09	1,73	1,82	1,15	88	95	1,02
2,48	2,34	2,02	1,20	80	61	61
8,51	8,14	7,43	6,00	5,99	6,16	6,70
5,32	5,26	4,38	2,87	2,85	3,07	3,61
4,99	4,22	3,75	3,69	3,27	3,06	3,23
-35	-32	-50	-71	-49	-62	-60
..
84	80	65	55	44	22	36
2,95	2,83	2,56	1,50	1,07	82	80
4,26	4,48	4,12	3,43	3,44	3,76	3,85
3,89	4,34	4,13	3,22	2,92	2,57	2,59
2,67	2,40	2,89	2,23	1,92	2,05	2,02
1,35	1,29	1,27	86	86	1,00	97
..	..	..	1,66	-9	..	..
..
39,00	37,51	34,52	27,65	23,86	23,65	25,15

APPENDIX

All Rail

Statement of Receipts and Expenditure.

RECEIPTS.	Actuals.				
	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.
	M.	M.	M.	M.	M.
Open mileage at end of the year.	27,324	27,430	28,004	28,426	29,451
Passenger traffic earnings :-					
Upper class	Rs. 4,42	Rs. 4,48	Rs. 4,46	Rs. 4,55	Rs. 4,44
Third class	31,58	32,17	30,91	31,81	30,90
TOTAL PASSENGER EARNINGS	36,00	36,65	35,37	36,36	35,34
Other coaching traffic earnings.	5,91	6,07	6,23	6,32	6,17
Goods traffic earnings	63,64	61,58	62,27	66,15	67,77
Sundry earnings	1,64	1,76	1,73	2,01	2,11
Suspense	28	..	-6	-9	-25
Credits for materials released from works chargeable to Depreciation Fund.	..	..	..	..	..
TOTAL GROSS RECEIPTS	1,07,47	1,06,06	1,05,54	1,10,75	1,11,14
Deduct { Refunds of revenue collected.	..	..	*35	14	15
Earnings of worked lines.	7,34	7,12	6,77	7,18	7,27
TOTAL	1,00,13	98,94	98,42	1,03,43	1,03,72
Miscellaneous Receipts	51	89	1,09	1,25	1,57
TOTAL	1,00,64	99,83	99,51	1,04,68	1,05,29

*Includes remissions of earnings also.

IV.

ways.

(Commercial and Strategic Lines together.)

(Figures in lakhs of rupees.)

EXPENDITURE.	Actuals.				
	1924-25.	1925-26.	1926-27.	1927-28.	1928-29.
Capital at charge at the end of the year	Ra. 6,54,98	Ra. 6,75,03	Ra. 7,02,25	Ra. 7,33,85	Ra. 7,39,12
Working Expenses—					
Administration	12,33	12,77	13,06	13,44	14,20
Repairs and maintenance	18,10	17,18	18,16	18,05	18,11
Operation—					
Other than Fuel	15,54	16,76	16,27	16,24	17,15
Fuel	9,76	10,27	8,79	8,81	8,71
Depreciation	10,35	10,67	10,89	11,38	12,00
Suspense	—38	—10	—6	3	—32
Emergency deductions from pay . . . . .	..	..	..	..	..
Payment to Income-tax Department in respect of Railway Staff exempted from surcharge. . . . .	..	..	..	..	..
TOTAL	65,70	67,55	67,11	67,95	69,85
Deduct—Share of worked lines	3,70	3,89	3,33	3,51	3,64
Net working expenses	62,00	63,66	63,78	64,44	66,21
Company's share of surplus profits, etc.	1,42	1,77	1,65	1,57	1,59
Interest—					
on Government capital at charge	21,23	23,14	24,30	25,75	27,63
on capital contributed by the Company	2,67	1,67	1,57	1,52	1,50
Total Interest	23,90	24,81	25,87	27,27	29,33
Miscellaneous charges	16	31	71	55	35
TOTAL	87,48	90,55	92,01	93,83	97,48
Balance net profit(+) or loss (—) for the year.	13,16	9,28	7,50	10,85	7,81
Contribution to General Revenues	6,78	5,49	6,01	6,28	5,23
Railway Reserve Fund	6,38	3,79	1,49	4,57	2,58
Railway Depreciation Fund . . . . .	..	..	..	..	..
Percentage of net profit on capital at charge.	2.0	1.4	1.1	1.5	1.1
Percentage of net profit (before deducting interest) on capital at charge.	5.6	5.1	4.8	5.2	5.0
Operating ratio (i.e., ratio of working expenses including depreciation to gross traffic receipts).	61.9	64.3	64.8	62.3	63.8
Capital Expenditure—					
Open Line Works	10,07	15,31	16,13	22,19	15,78
New Constructions	3,20	3,93	6,76	10,26	9,23
Depreciation Fund	7,29	7,99	8,05	10,95	9,60
Purchase of Railways and branch line shares, etc.	19	..	4,33	3	4,30

NOTE.—Figures of capital at charge of 1924-25 to 1927-28 include sterling liabilities involved in the purchase of Railways converted at 1s. 4d. to the rupee and those of 1928-29 include sterling liabilities converted at 1s. 6d. to the rupee.

APPENDIX

All Rail

Statement of Receipts and Expenditure.

RECEIPTS.	Actuals.			Revised Estimate, 1932-33.	Budget Estimate, 1933-34.
	1929-30.	1930-31.	1931-32.		
	M.	M.	M.	M.	M.
Open mileage at end of the year.	31,218	31,489	31,709	31,819	31,824
Passenger traffic earnings—	Rs.	Rs.	Rs.	Rs.	Rs.
Upper class	4,26	3,87	3,44	3,14	3,21
Third class	31,49	27,81	25,52	26,16	26,51
TOTAL PASSENGER EARNINGS	35,75	31,68	28,96	29,30	29,72
Other coaching traffic earnings.	5,81	5,40	5,27	4,89	4,94
Goods traffic earnings	65,25	60,69	55,41	54,52	55,68
Sundry earnings	2,21	1,97	1,82	1,68	1,70
Suspense	30	46	35	..	..
Credits for materials released from works chargeable to Depreciation Fund.	..	..	..	1,25	1,23
TOTAL GROSS RECEIPTS	1,09,32	1,00,20	91,81	91,64	93,29
Deduct—	15	11	11	14	14
	6,47	4,99	5,07	5,00	4,90
TOTAL	1,02,70	95,10	86,63	86,50	88,25
Miscellaneous Receipts	2,08	1,73	1,20	1,07	1,01
TOTAL	1,04,78	96,83	87,83	87,57	89,26

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IV—contd.

ways—contd.

(Commercial and Strategic Lines together)—contd.

(Figures in lakhs of rupees.)

EXPENDITURE.	Actuals.			Revised Estimate, 1932-33.	Budget Estimate, 1933-34.
	1929-30.	1930-31.	1931-32.		
	Rs.	Rs.	Rs.	Rs.	Rs.
Capital at charge at end of the year	7,69,98	7,83,18	7,89,64	7,91,04	7,94,34
Working Expenses—					
Administration	14,40	14,89	14,66	12,43	12,30
Repairs and maintenance	18,43	15,91	14,21	15,70	16,00
Operation—					
Other than Fuel	17,04	17,60	16,21	17,82	17,55
Fuel	9,01	8,62	7,39	7,25	7,00
Depreciation	12,59	13,07	13,46	13,75	13,75
Suspense . . . . .	..	3	6	..	—8
Emergency deductions from pay . . . . .	..	..	—58	—1,90	—95
Payment to Income-tax Department in respect of Railway Staff exempted from surcharge. . . . .	..	..	..	20	..
TOTAL	71,47	70,12	65,41	65,25	65,57
Deduct—Share of worked lines	3,29	2,66	2,64	2,40	2,47
Net working expenses	68,18	67,46	62,77	62,85	63,10
Company's share of surplus profits	1,52	1,16	64	65	54
Interest—					
on Government capital at charge	29,09	31,34	31,76	31,60	31,63
on capital contributed by the Company.	1,37	1,38	1,31	1,34	1,30
Total Interest	30,46	32,72	33,07	32,94	32,93
Miscellaneous charges	58	68	55	47	46
TOTAL	1,00,74	1,02,02	97,03	96,91	97,03
Balance net profit (+) or loss (—) for the year.	4,04	—5,19	—9,20	—9,34	—7,77
Contribution to General Revenues	6,12	5,74	..	..	..
Railway Reserve Fund	—2,08	—10,93	—4,95	..	..
Railway Depreciation Fund . . . . .	..	..	—4,25	—9,34	—7,77
Percentage of net profit on capital at charge.	5	—0.7	—1.2	—1.2	—1.0
Percentage of net profit before deducting interest on capital at charge.	4.5	3.5	3.0	3.0	3.2
Operating ratio (i.e., ratio of working expenses including depreciation to gross traffic receipts).	66.4	70.9	72.4	72.7	71.5
Capital Expenditure—					
Open Line Works	16,44	8,93	3,89	75	2,98
New Constructions	6,65	4,27	2,79	65	32
Depreciation Fund	11,76	11,39	8,26	5,60	5,95
Purchase of Railways and branch line shares, etc.	7,06	1	1	..	..

NOTE.—Figures of capital at charge include sterling liabilities converted at 1s. 6d. to the rupee.

BUDGET FOR 1933-34.

APPENDIX V.

Railway Depreciation Reserve Fund.

(Figures in lakhs of rupees.)

Year.	Opening balance.	Appropriation to Fund.	Withdrawals to meet cost of renewals and replacements.	Net accretion to Fund during year.	Temporary loans to meet deficit.	Closing balance.
1924-25	..	10,35	7,29	3,06	..	3,06
1925-26	3,06	10,67	7,99	2,68	..	5,74
1926-27	5,74	10,89	8,05	2,84	..	8,58
1927-28	8,58	11,38	10,95	43	..	9,01
1928-29	9,01	12,00	9,60	2,40	..	11,41
1929-30	11,41	12,59	11,76	83	..	12,24
1930-31	12,24	13,07	11,39	1,68	..	13,92
1931-32	13,92	13,46	8,26	5,20	4,25	14,87
1932-33, Revised Estimate.	14,87	13,75	5,60	8,15	9,34	13,68
1933-34, Budget Estimate.	13,68	13,75	5,95	7,80	7,77	13,71

PART II.
General Budget.

Speech by the Hon'ble Finance Member

on introducing the

Budget Proposals for 1933-34.

1. The story which I have to tell this year of the public finances of India is a simple and—viewed merely as a matter of public finance—a satisfactory one. The emergency plan which we introduced in September 1931 was designed to produce budgetary equilibrium for the two years 1931-32 and 1932-33, and now as we approach the end of the second of these two years and take stock of the position we can confidently say that our plan has worked.

2. *Summary of results for 1931-32 and 1932-33.*—Let me briefly summarise the position. The results for the year 1931-32 turned out to be nearly two crores better than I anticipated in my Budget speech last March, and the accounts for the year showed a deficit, after providing nearly 7 crores for Reduction of Debt, of 11½ crores.

For the current year (1932-33) our latest revised estimates indicate that our Budget forecast of a surplus of 215 lakhs will be almost exactly realised, and that the surplus—after providing again nearly 7 crores for Reduction of Debt—will be 217 lakhs.

The results for the two years combined thus show a total budgetary deficit of 9·58 crores against which may be set the total provision made for Reduction of Debt of 13·73 crores. We may therefore say that in the two years from April 1, 1931 to March 31, 1933, which I think may be fairly described as the two most difficult years for public finance that the world in times of peace has ever known, we shall not only have paid our way but have provided a net sum of 4 crores, 15 lakhs for the Reduction of Debt. I think that this result is one which is a legitimate cause for satisfaction, and which amply justifies the great improvement in the credit of the Government of India which the recent rise in our security prices has shown.

3. It is interesting to make a short comparison between these results and the forecasts which I gave when I introduced the emergency plan in September 1931. We then anticipated, after allowing for the normal provision for Reduction of Debt, a deficit of 10·17 crores for 1931-32 to be followed by a surplus of 5·23 crores for 1932-33, and that the net amount available for the Reduction of Debt in the two years, after allowing for the deficit on the combined results, would be 9·11 crores. As I have just shown, we now anticipate that the net figure available for the reduction of debt will be 4·15 crores, so that we are about 5 crores below our original estimate for the two years. As the combined amount involved in the two years is about 260 crores on each side of revenue and expenditure, I think we may claim that our forecast showing a variation of only 2 per cent. from the result was, considering the complete instability of the time, fairly near the mark.

BUDGET FOR 1933-34.

It is also interesting to examine where the main differences from our estimates occurred. Revenue for the two years is 10.42 crores less than was forecasted, but expenditure was also less than the estimates by 5.78 crores. The reduction in expenditure is accounted for largely by savings in interest charges owing to the improvement of Government credit and the cheaper money conditions which have supervened; but there has also been a realisation of administrative economies beyond what we felt safe in hoping for last year. I shall deal later in greater detail with the position as regards expenditure, but Honourable Members will, I feel sure, regard it as satisfactory that the figures for these two years should show such a substantial reduction as compared with our estimates.

Table summarising Budgetary forecasts and results for 1931-32 and 1932-33.

(In lakhs of rupees.)

	Revenue.	Expenditure (including provision for reduction or avoidance of debt.)	Surplus or Deficit.	Provision for reduction or avoidance of debt included in expenditure.	Surplus of receipts over expenditure other than Reduction of Debt.
Emergency budget—					
1931-32 . . .	1,26,13	1,36,30	—10,17	6,90	—3,27
1932-33 . . .	1,33,06	1,27,83	+5,23	7,15	+12,38
Combined result for both years . . .	2,59,19	2,64,13	—4,94	14,05	+9,11
Estimate at Budget Session, March 1932—					
1931-32 (Revised).	1,20,77	1,34,43	—13,66	6,89	—6,77
1932-33 (Budget) .	1,29,96	1,27,81	+2,15	6,82	+8,97
Combined result for both years . . .	2,50,73	2,62,24	—11,51	13,71	+2,20
Present estimates—					
1931-32 (Actuals) .	1,21,64	1,33,39	—11,75	6,89	—4,36
1932-33 (Revised) .	1,27,13	1,24,96	+2,17	6,84	+9,01
Combined result for both years . . .	2,48,77	2,58,35	—9,58	13,73	+4,15

4. *Expectations for next year (1933-34).*—With a surplus of 217 lakhs anticipated as the final result for the current year, the next question is whether we can expect a repetition of such a surplus next year. In order to explain the answer which I have to give to that question it is necessary to analyse the factors which have contributed to the current year's result, and to review the general economic position. In anticipation of this examination I may remind the House of one important feature in the position, namely, that our revenue during the past 18 months has been specially augmented by the process of abolishing the salt credit system, the effect of which has been to give us the equivalent of two years' duty on credit salt in the space of 18 months. As a result we have benefited during 1932-33 by a special non-recurring addition of about 150 lakhs to our revenue. That of course drops out next year.

5. *Economic position.*—The general features of the economic position are so well known, and so closely resemble those which I had to describe last year that I need not deal with them at length. Again, as last year, I can say that the monsoon was fairly normal for India as a whole, and that so far as climatic conditions are concerned India might have been enjoying a year of normal prosperity*. Again, as last year, I can say that world economic conditions have been the overriding factor, and that India's trade and purchasing power have been suffering from the terribly low levels to which prices and demand for commodities have declined. In the latter respect the current year has touched still lower depths. Last year it seemed reasonable to hope that a move would be made to settle the world troubles, and that with the detachment of sterling from gold we might see a substantial rise in prices for commodities at least in terms of sterling and of the currencies linked with sterling. Unfortunately neither of these hopes has been realised. A good start was made at the Lausanne Conference in June, and the provisional agreement then achieved, which would have resulted in the removal of the disturbing factor of Reparation payments, spread at the time a feeling of justifiable optimism. But unfortunately the possibility of executing this agreement depends on the balancing cancellation of war debts, and for this problem there is no solution yet in sight. Indeed, except among the nations of the British Commonwealth, for which within their own area the Ottawa Agreement holds out hopes of improvement, there has been no advance towards that international co-operation which is so badly needed; and for the world in general it is unfortunately true to say that there has been not only no quickening up of the normal flow of trade, but on the contrary the restrictions which so many countries have been forced to impose on trade and exchange in order to maintain their balance of payments have operated still further to check the international exchange of goods. As regards prices, the anticipated rise in rupee and sterling prices has not materialised. The position, broadly speaking, is that, after an initial rise, prices towards the end of the period under review showed again a falling tendency, with the result that although the average level of prices on the basis of which India's exports during 1932 were sold is slightly higher than during 1931, the general level of prices at the end of the year had fallen below

* The monsoon was normal for India as a whole except in Bihar, the East United Provinces and North Madras coast. Otherwise though lighter than usual, it was fairly well distributed and fortunately rainfall in September was above the average. The sowing conditions for monsoon crops were only moderately favourable: sowing conditions for cold weather crops were generally favourable. The winter rains have been below the average and the yield of the crops now on the ground will depend to a greater extent than usual on the weather during the next few weeks. Slight frost damage in January has been reported from a number of places.

BUDGET FOR 1933-34.

this average. The most that one can say is that countries with currencies linked to sterling have fared much better than those which are still on a gold basis.

If Honourable Members are interested in studying the position, I would commend to their attention the Review of the main items of India's foreign trade for 1932, which has been prepared by Dr. Meek, the Director-General of Commercial Intelligence and Statistics, and which I propose to circulate as usual with the budget papers. In my present speech I can only deal with the broad aspects of the position.

6. The results of the further deterioration in the general world position are revealed in India's export figures which for the 10 months from April to January showed a total value of 110½ crores as compared with 134½ crores for last year.

7. In the case of practically all the main items the decline is accounted for by a fall in the quantities rather than the price of the articles exported. This is true of the following decreases,—cotton exports 6½ crores, jute 1½ crores, grain, pulse and flour about 2 crores, seeds just over 2 crores. The only exception to this under the major heads of exports is the case of Tea where a slight increase in the quantity exported has been accompanied by a fall of 3 crores in value.

8. I may at this stage note that during 1932 there was a slight improvement from India's point of view in the correction of the disparity between the price levels for the main articles which she has to sell and those which she has to buy. According to Table XV of Dr. Meek's review it is shown that the average index figure for the main export articles, taking 1913-14 prices as 100, was 77 for 1931 and 79 for 1932. On the other hand, the index figure for the main articles of import averaged only 84 in 1932 as compared with 87 in 1931.

9. For appreciating the significance of the comparison which I have made between exports for the first 10 months of the current year and last year, it is necessary to compare the present figures with the general average levels for the post-war period. In the figures for the current year, the most striking feature has been the fall in the exports of Indian cotton which has been only offset to a very small extent by an increase of the consumption of cotton by Indian mills, for they have provided for their larger production mainly by greater purchases of imported cotton. Comparisons between results for the calendar year 1932 and the average for the 10 years from 1920 to 1930 bring out the same point.

		Quantities.			Values.		
		Average of 10 years ending 1930.	1932.	Percent-age.	Average of 10 years ending 1930.	1932.	Percent-age.
					Rs.	Rs.	
					(lakhs).	(lakhs).	
1. Cotton, raw	Ton (000)	615	286	46	63,09	16,03	23
2. Hides and Skins (Raw and Tanned)	Ton (000)	70	42	60	13,95	7,76	56
3. Jute, raw and manufactured	Ton (000)	1,499	1,176	78	72,84	31,49	43
4. Tea	lb. (millions)	346	368	106	27,06	16,89	62
5. Groundnuts*	Ton (000)	448	472	105	11,21	8,11	72
6. Rice (not in the husk)	Ton (000)	2,067	2,076	100	36,98	17,16	46

*The trade in groundnuts has been expanding rapidly during the period.

This table shows how terribly the value of India's exports has declined compared with what had come to be accepted as a normal level in the post-war period. But even so the figures as regards quantities exported—with the sole exception of cotton—have kept up in a manner which seems to justify the view that India has not even yet suffered quite so badly as most of the other countries producing primary agricultural products.

Raw cotton is by far the worst sufferer and during 1932 the exports had fallen in quantity by more than a half, a fall which as a result of the lower prices is increased to one of more than three-quarters in value as compared with the average for the past 10 years. For jute the fall in volume was about a quarter while the fall in value is more than a half. In the case of tea, although the volume of export was more than maintained, the value was reduced by more than a third. In the case of rice, the volume of export was maintained but the value fell by over 50 per cent. Groundnuts on the other hand show an increase in quantity but a decline in value.

10. While the value of India's exports has thus further declined this year as compared with last, the course as regards imports has been strikingly different. For these, at 112½ crores for the first 10 months of the current year, show a rise of about 7½ crores on the corresponding 10 months of last year. Here again an examination of the actual changes in the case of the main articles of import is interesting and suggestive. By far the largest item is the increase of just over 7 crores in cotton piece-goods and yarns. It may perhaps be said that in this case exceptional factors have come into play, because the preceding period with which it compares, influenced as it was by non-economic factors such as the boycott, can hardly be regarded as normal. The important fact to remember, however, is that this increase in imports of cotton piece-goods was accompanied by a striking growth in the production of Indian mills,—which according to Dr. Meek's figures increased by about 11 per cent. or 234 million yards in the first 11 months of 1932 as compared with 1931. It must also be noted that there has been a marked increase in the imports of other piece-goods, woollen, silk, artificial silk, and mixtures.

The increase in Indian production of cotton goods accounts for the next interesting item of increased imports on which I must comment, namely, of raw cotton, which at 6.36 crores are 79 lakhs up on last year. The steady growth during recent years in these imports is most remarkable. Taking the "cotton years" up to August 31 in each case, imports of foreign cotton expanded from just over 20,000 tons in 1928-29 to 97,000 tons in 1931-32.

11. Another interesting item is machinery, where the imports at 9½ crores are only a few lakhs less than last year. Here there would have been a much greater fall if it had not been for a striking increase in the imports of plant for sugar factories, the imports of which in the 9 months to the end of December amounted in value to 138 lakhs as compared with 30 lakhs last year and only 9 lakhs in 1929-30.

In the case of certain other machinery too there have been increases which are encouraging. Thus, taking the full calendar year 1932 as compared with 1931, cotton machinery increased from 180 to 203 lakhs, while tea, jute and wool machinery increased by 13, 3 and 1 lakh, respectively.

12. These are the chief items of expanding imports. As against this I must comment on the two most striking examples of declines. Imports of foreign sugar at 3.66 crores are down by 1½rd crores. This indicates the continuance of a steady process of decline in the value of sugar imports which

for 1930-31 was about 9 crores, and in 1929-30 about 14 crores. The decline may be partly due to decreased purchasing power as evidenced by decreased consumption of refined white sugar, but I think it is a fair appreciation of the position to say that it is mainly due to the increase of Indian production. I explained last year that we estimated the production of Indian sugar to be increasing at the rate of 60,000 tons per annum, and it looks now as if this rate were being considerably accelerated. I shall deal later with the effects of this on our revenue position.

13. Another striking example of decline is the case of vehicles—mainly of course motor-cars, buses and lorries, which at 30½ lakhs for the 10 months show a decline of 89 lakhs on last year and are less than ⅓rd of the value in 1929-30.

It is probable that I shall be told in the course of debate that the decrease is mainly due to the high level of our import duties. I think it more correct to regard it as mainly caused by loss of purchasing power, which on the one side restricts luxury expenditure, and on the other induces owners of cars and heavy vehicles which are not used for luxury purposes to avoid replacements which are not absolutely necessary.

14. It is not possible in a budget speech to go into all the interesting details in our trade returns, and I am concerned now only with broad conclusions, and more particularly with those that affect our revenue estimates. With some of these broad conclusions I wish now to deal. In the first place the results as regards imports combined with the figures of Indian production of such articles as salt and kerosine and cotton piece-goods seem to reinforce one of the points which I emphasised in my speech last year—namely, the extraordinary power of resistance, in spite of diminished purchasing power, which India shows in maintaining the consumption of certain standard necessities of the masses.

15. I have had a table prepared which will be printed with this speech analysing the results as regards certain main articles of consumption classified under three heads—luxury articles, requirements of industry, and necessities of the masses. The classification cannot be entirely accurate, and it is difficult to say exactly where such articles as sugar and artificial silk piece-goods should be placed; but if one takes such articles as cotton piece-goods, kerosine, and salt as necessities for the masses, machinery, lubricating oil, cement and chemicals as industrial requirements, and tobacco, liquors and motor-cars as luxuries, one can at least draw interesting conclusions.

In order to get at the figure of consumption I have taken imports plus local production for articles which are produced in India, and imports only for those articles which are not. This again may not be entirely accurate for a particular year, for some of the imports and home production may have gone into stock, particularly in the case of cotton piece-goods during 1932; but it affords a rough guide, and, for an average of years, must be fairly accurate. On this basis I have made a comparison between the consumption for the calendar year 1932 and the average annual consumption for the ten year period from 1920 to 1930, which may be regarded as a period of prosperity with high prices and high purchasing power. The table shows both quantities and values. Values have been calculated as follows. In the case of articles which are only imported the declared values have been taken and the various rates of import duties during the ten year period have been added. For articles which are both imported and

manufactured the value of the internal production has been estimated on the basis of the declared value of the corresponding imports together with the appropriate rate of duty for each year of the period.

The results shown in this table are, I think, extremely interesting. As regards the three articles which I have taken as necessities for the masses, the quantities of consumption are in all cases higher for 1932 than for the ten year average 1920-30. Piece-goods with a total of 5,827 million yards as compared with 4,923 million yards for the earlier period are 18 per cent. up. Kerosine oil with a total of 235 million gallons as compared with 232 million gallons for the earlier period is 1 per cent. up. Salt with a consumption of 2,106,000 tons as compared with 1,965,000 tons for the earlier period is 7 per cent. up.

Turning to values, there is of course a fall in these for 1932, owing to the lower prices prevailing in spite of the higher duties. The total value of all these three commodities consumed in 1932 was 162 crores representing 78 per cent. of the average for the ten year period, which was 207 crores.

In the case of the articles required by Industry, it is of course impossible to compare quantities for such miscellaneous heads as machinery and millwork, or chemicals. The Table shows a fall in value for machinery and millwork of about 40 per cent. which, allowing for the fall in prices, must indicate a very much smaller fall in quantities; a fall both in quantity and value of lubricating oil of between 30 and 40 per cent.; an increase in quantities of cement accompanied by a fall in values; and an increase of 26 per cent. in the value of chemicals. The total value of all these articles for 1932 is 70 per cent. of the value for the ten year period.

Turning to luxuries, there is a very heavy fall in motor-cars, with a figure of 5,300 cars for 1932 as compared with an annual average of 11,400 in the earlier period. Quantities represent 46 per cent. only, and values 43 per cent. only of the earlier period. I would note here that the value per car has fallen in spite of the increased duties. Tobacco consumption for 1932 represents 61 per cent. in quantity and 51 per cent. in value of the earlier period, and liquors 92 per cent. and 73 per cent. respectively. Altogether the total value of the three luxury articles consumed in 1932 represents 58 per cent. of the average value for the earlier period.

I think it is fair to say that these figures indicate that certain luxury and quasi-luxury articles show very heavy decreases in consumption; that industry has stood up fairly well, and that in certain fields—particularly the sugar industry and the textile industry—expansion in India is still progressing in spite of the world slump; and lastly that as regards the necessities of the masses the consumption figures are being maintained in a most remarkable way in spite of loss of purchasing power, while in spite of increased excise and import duties consumers have had a substantial benefit from the fall in prices.

I must add in conclusion one obvious but most important point, namely, that the really striking falling off in India's normal consumption has been in the case of precious metals. As is well known, India imported gold and silver of the average annual value of about 40 crores in the years from 1920-30. The power to cut out this enormous margin has been a tremendous factor—equal in importance almost to the actual sale of gold, to which I shall refer later—in enabling India to go through this period of depression without being forced to cut down her normal absorption of those commodities which are needed for daily consumption.

BUDGET FOR 1933-34.

16. The figures in the following table indicate imports except in the case of articles marked * where the quantities given include figures of production so far as available. In the case of salt, production figures relate to British India excluding Aden. The value figures of production have been estimated on the basis of the average declared value for imports.

		Quantities.			Values (cum duty).		
		Average of 10 years ending 1930.	1932.	Percentage.	Average of 10 years ending 1930.	1932.	Percentage.
					Rs. (lakhs).	Rs. (lakhs).	
(A) Luxury articles—							
1. Motor-cars . . .	No. (000)	11.4	5.3	46	3.50	1.51	33
2. Tobacco . . .	lb. (000)	8,396	5,104	61	4.03	2.06	51
3. Liquors . . .	Gal. (000)	5,915	5,429	92	5.93	4.30	73
Total of (A) . . . . .	..	..	..	..	13.46	7.87	58
(B) Requirements of Industry—							
4. Machinery and mill-work . . . . .	..	..	..	..	19.62	12.04	61
5. Lubricating oil . . .	Gal. (Million).	22.3	14.3	65	2.28	1.57	69
6. Cement *	Ton (000)	492	551	112	3.73	2.86	77
7. Chemicals . . . . .	..	..	..	..	2.64	3.34	126
Total of (B) . . . . .	..	..	..	..	29.27	19.81	70
(C) Necessities for the masses—							
8. (a) Cotton piece-goods (Mill-made) *	Yds. (Millions).	3,677	4,327	118	131.72	99.40	76
(b) Cotton piece-goods (hand-loom).	Do.	1,246	1,500	120	44.85	34.46	77
Total	Do.	4,923	5,827	118	176.57	133.86	76
9. Kerosine oil *	Gal. (Millions).	232	235	101	17.73	16.27	92
10. Salt *	Ton (000)	1,965	2,106	107	12.74	11.84	93
Total of (C) . . . . .	..	..	..	..	207.04	161.97	78
(D) Articles of doubtful classification—							
11. Artificial silk piece-goods.	Yds. (Million).	27.8	116.2	418	2.24	4.38	196
12. Sugar	Ton (000)	731	462	59	23.69	12.75	54

17. I must now turn to another broad aspect, the position as regards the balance of trade and of payments. With exports for the 10 months at 110½ crores and imports at 112½ crores, India has a slight adverse balance of trade in merchandise. As in the last months, however, the tendency has changed, and there has been a reduction in the adverse margin, one may not unreasonably anticipate that the year will end with an even balance. But owing to India's large "invisible imports"—mainly represented by external obligations—an even balance of trade in merchandise falls far short of giving us an even balance of payments, and therefore India could not support the present volume of imports without very embarrassing results unless the position were being helped by some other factor. That factor in the present case has been, as Honourable Members well know, the export of gold. I do not propose to give a mass of figures illustrating this aspect of the matter now, because I dealt with it very fully in a speech at the Ottawa Conference which I believe most Honourable Members have seen. The broad fact is that India could not with exports at their present level support the present volume of imports simultaneously with meeting her external obligations unless they were supplemented by gold exports. What is happening now may be put in two different ways, either that part of India's consumable imports are being paid for in gold, or that gold sales are providing the means to meet external obligations and, as I shall hereafter explain, to accumulate reserves in external currencies. The truth really is that what is happening is a combination of the two processes, for it must be remembered that so far as concerns the individuals who make up the mass of producers of goods for export and consumers of imported goods, they have to pay for the latter with customs duties added, and as customs duties on the 112 crores worth of goods imported for the 10 months of the current year amount to 38 crores, one may say that the exports to the value of 110 crores are being supplemented by gold sales in order to pay for goods at the imported value of 150 crores, so that 40 crores of the gold proceeds have been used to pay for consumable goods. To this extent therefore it may be said that India is helping herself to tide over a period of unexampled depression by drawing on her reserves of gold, and thereby avoiding reducing her consumption to the desperately low level which would otherwise be necessary. This, however, is by no means the whole story, and as there are many questions arising in connection with gold exports which have a vital bearing on the welfare of the nation, and as I know that Honourable Members take very great interest in it, I propose to deal with this subject again, as last year, at some length.

18. In the first place I know that there are many who regard what is happening as a dangerous process of living on capital. I think it fairer to regard it, as indeed I pointed out last year, as a process partly of exchanging one form of investment for another, and partly of tiding over a period of abnormal difficulty by drawing on reserves which had been accumulated in better times; reserves, moreover, which produce no revenue, so that their depletion does not bring about any decrease of income. To that extent we have regarded the process as a legitimate use of reserves, which has on the whole been beneficial to the people. How long such a process can, without damaging the country, continue is another matter, but I must point out that so far as Government is concerned nothing that it could do could prevent individual owners of gold selling their gold and using the proceeds for investment in other forms or for the purchase of consumable goods.

19. There is, however, another beneficial aspect of the process to which I think it important to direct attention. I have already commented on what

is the worst feature of the present world situation, namely, that practically every nation today in order to preserve its balance of international payments has been forced to put artificial restrictions on its imports, by way of high duties and exchange restrictions. This is checking the flow of international trade, so that its channels are gradually becoming completely dry, and is the main evil from which the world today is suffering. We ourselves by increasing our own import duties have done something to add to the evil, but if the flow of imports into India had not been helped by the exports of gold the case would have been very much worse. India in fact has been able to release into the world a commodity for which alone there is an undiminished market and the possession of which, if it is used as a basis for currency, does not diminish but rather increases the purchasing power of the countries which absorb it. By doing so India has been enabled to take more imports and thereby in this second way also to increase the purchasing power of her own potential customers. This last point indeed must always be borne in mind, for we cannot restrict our own imports without weakening the market for our exports of merchandise.

20. There is still a third point on the credit side of the account to which I must call attention. The proceeds of the gold which have been sold have only to a limited extent been balanced by the purchase of consumable commodities. A great portion has undoubtedly been invested. The increased demand for Government securities affords general evidence of this, and that the process has been widespread and not confined to the richer classes can be very clearly seen from the figures of Post Office cash certificates and Savings Bank deposits. The figures here are most striking. Making very conservative allowances for what we shall get in the last two months of the year, we estimate the net investment in Post Office cash certificates this year at 10 crores and the net addition to savings bank deposits at 4.35 crores. Both these figures greatly exceed any previous record, and I may point out that the figure of 10 crores for Post Office cash certificates compares with average net receipts of about 2½ crores annually for the period from 1917, when these certificates were first started, until March 31, 1931. Moreover the high figure for this year follows on the exceptionally high figure of 6.15 crores for net receipts last year. These figures therefore clearly show that proceeds of gold sales have been converted into investments by the poorer classes, and although the Indian habit of accumulating reserves of gold has stood the country in good stead in the present crisis, I feel forced to regard it as a beneficial advance that the exceptionally high price of gold in rupees should have started a process of exchanging barren gold reserves for interest-bearing Government securities as a form of investment. If only the process is kept in proper channels, and the people of India are not misled, as the people of the United States were in the post-war boom, to putting their savings into wildly speculative investments, the result must in the long run be of great benefit to India.

21. But I must now turn to another aspect of the matter. There may be some who would agree that there is some truth in what I have said up to this point, but who have an uncomfortable feeling that the country is being weakened by the process, and that Government if they had adopted a different policy could have prevented this weakening. Such people argue that, even if we could not prevent private individuals who wish to do so from selling their gold, Government ought to have acquired it for themselves and thus have prevented it leaving the country. I shall deal later with the criticism of Government policy. For the present I am only concerned with presenting an account of what has actually happened, and I think that Honourable Members will find the account interesting. I propose to take the period

of 15 months from the end of September 1931, just after England went off the gold standard, up to December 31, 1932, and shall endeavour to put the position in the simplest possible form.

22. In this period of fifteen months, India on balance exported 107·08 crores of gold. We may thus take it that private individuals during this period acquired out of the proceeds of gold exports balances in external currency, probably mainly in sterling, to the extent of £80½rd millions. During this same period exports of merchandise were 181·37 crores and imports 161·45 crores, giving a favourable balance of 19·92 crores equivalent to, say, £15 millions. This sum also may be taken as having been converted into external currency balances by private individuals. Adding this £15 millions acquired against merchandise to the total of £80½rd millions acquired against gold exports, the total external balances acquired by private individuals from October 1, 1931, to December 31, 1932, amounts to £95½rd millions. Out of this sum Government has acquired by its purchases in the market as currency authority no less than £69½rds millions.

The balance of £25½rds millions has been retained on private account. I will deal with this latter portion later and consider first what the Government has done with the sterling balances of £69½rds millions which it has itself acquired.

23. In the first place Government has used about £34 millions in meeting its ordinary recurrent commitments.

Secondly, it has used £15 millions in discharging the 5½ per cent. sterling loan which matured on January 1, 1932, thereby liquidating an obligation which cost it £825,000 equivalent to Rs. 110 lakhs per annum, and greatly strengthening its credit in London.

Thirdly, Government has added about £11 millions to its currency reserves, and lastly, the balance of £9½ millions was added to the Government's Treasury balances, and is really potentially available for further strengthening of its currency reserves.

Government therefore made good use of the abnormally high amount of sterling which it was able during these fifteen months to purchase as a result of the gold exports.

In order to complete the picture I may here add that a 5 per cent. sterling loan for £10 millions was floated during the same period, out of the proceeds of which £6 millions 6 per cent. bonds were repaid and the remaining £4 millions of which were used as a further addition to the Treasury balances.

Taking this last transaction into account, the combined result is that during the fifteen months the Government has reduced its sterling debt by a net amount of £11 millions sterling, has increased its currency reserves by £11 millions and its treasury balances by £13½ millions. The total of these amounts is £35½ millions, so that out of our £69½rds millions sterling we used about £34 millions for meeting our current requirements and £35½ millions sterling for strengthening our position. Incidentally we may thus be said to have advanced by £35½ millions towards the position required for setting up a sound Reserve Bank.

24. I must now turn to consider the sum of £25½rds millions which, as I have explained, must be regarded as having been retained by private individuals out of the total proceeds of gold exports and the balance of trade in merchandise. What has happened to this money? In the first place, as Honourable Members are well aware, a substantial proportion of the external

currency derived from the sale of Indian exports abroad is always retained on private account. The amount required is influenced by two factors, first normal current requirements, and secondly, movements of capital. The normal current requirements are for such things as sea freights, interest and dividends on investments in India held abroad, family remittances, money spent abroad by travellers from India, etc., etc. The movements of capital may be either transfer of funds for permanent investment by private individuals, or the movement of funds by banks for temporary investment in treasury bills, etc. These movements of capital may of course take place either towards or away from India, and therefore either reduce or swell the amount required to meet current requirements. The annual reports of the Controller of the Currency always give clear figures and explanations on this point and I would refer Honourable Members to them. I cannot within the limits of this speech attempt any full examination of this matter, but from the investigations of the Controller of the Currency it appears to be a fairly accurate estimate to say that in the 15 months with which I am dealing about Rs. 15 crores or £11½ millions was required for the repayment of money invested in Indian treasury bills by foreign banks, and that the balance of about £14 millions was required to meet normal current requirements. The repayment of the treasury bills, of course, represents a strengthening of the Indian position.

25. It is now possible to reconstruct the whole picture. For this purpose I think it is fair to take the surplus balance of trade in merchandise of £15 millions as earmarked for meeting, in the first place, the normal private current requirements of £14 millions. Thus, in round figures, the position as regards the proceeds of the gold sales would be as follows. Out of £80 millions which represent the proceeds of the exports of gold Government acquired £70 millions and £10 millions served to repay foreign funds temporarily invested in India. Government out of its £70 millions used £34½ millions to meet its own current requirements and £35½ millions to repay sterling loans and strengthen its reserves. Therefore out of the total £80 millions of gold proceeds only £34½ millions were used to meet current requirements, and the balance of £45½ millions went to reduce India's external obligations and strengthen her public reserves.

Looking at the matter from the side of the Indians who have sold the gold, they have acquired 107½ crores of rupees and of this, while a portion has been spent in meeting current requirements (i.e., paying customs duty on imported goods and other taxes), a very substantial portion also, as is clear from the figures which I have given, must have been retained in currency or invested in Government securities.

Therefore whether the position is viewed from the side of public finance or private investment, it is clear that to a very large extent the gold exported does not represent a drawing on reserves, but merely the conversion of one form of reserve into another. Apart from this, as there are some who, while not criticising what has happened so far, consider that the process of so-called drawing on reserves has now gone far enough, I wish to remind the House that even though the amounts exported have been very large, the figures are still small in relation to India's resources. The fact that the published figures are given in values tends to give an exaggerated idea, because, of course, gold now stands at a premium of about 30 per cent. If we look at the statistics of the weight of imports and exports the strength of India's position is extraordinarily striking. From September 1931 up to the end of December 1932 India had exported slightly over 14 million ounces of gold. As compared with this the imports between April 1926 and September 1931 exceeded 15.

million ounces ; so that, in spite of the enormous amounts hitherto exported, we are not yet back to where we were in April 1926. If we go further back the results are still more striking. The net imports from April 1922 to March 1926 exceeded 28 million ounces, and this means that India can go on exporting gold until the total quantities have risen to three times the amount of what has already been exported, and still have more gold in hand than she had eleven years ago.

So far, therefore, regarding the whole position of India as a single interest and considering the vast size of the accumulations of gold which exist, it cannot be said that there has as yet been any dangerous depletion.

26. I have been concerned in making this examination rather with presenting a picture of what has happened than of defending Government's policy, but it will help to complete my explanation if I now deal with some of the criticisms which have been made. The general argument is that if Government had prohibited the export of gold and been ready to purchase on its own account against rupees all the gold that has come forward for sale, then Government would have been able to reinforce its own currency reserves to that extent.

I have already shown that Government has actually acquired seven-eighths of the sterling proceeds of the gold exported up to December 31, 1932 ; but, as I wish to follow out the criticism, I will consider the simple question : " What would have happened if Government had prohibited the export of gold and thereby allowed to those who wanted to sell it no other opportunity except to sell it for rupees ? " In the first place it is highly improbable that the same amount of gold would have been sold—But I leave that out of account and will assume that Government would have bought it all. What then would have been Government's position ? In the first place it would have had to convert £45 millions of it into sterling to meet some of the purposes which I have already explained, namely, its current requirements and the net discharge of £11 millions sterling debt. As regards the £24½ millions which it has, as I have explained, actually used for strengthening its currency reserves and Treasury balances, it might have kept this sum in the form of gold. But I do not think this would have been good policy, for we already have our proper proportion of gold in our currency reserves, and we should have been well advised to convert this amount also into interest-bearing sterling investments.

27. I am left to explain what would have happened to the balance of £25½ millions retained on private account, or rather the £10 millions out of this sum which represents the proceeds of gold exports ; for it is this sum which our critics say we should have secured to ourselves if we had purchased the gold and which by our actual policy we have lost. But should we have been able to retain it ? Certainly not. This balance was needed for the purposes which I have explained, and if we had bought the gold for rupees, the private remitters would then have come to us, as the currency authority, and demanded that we, in accordance with our statutory obligation, should sell sterling to them. We could not under the existing law have refused to do so, and in that case we should have had to use the gold which we had acquired in order to buy sterling to meet our obligation, and thus would have found ourselves in precisely the same position as we are today. We could only have refused to sell the gold in two ways. Either we should have had to get a law passed to relieve us of our statutory obligation, in which case who would venture to prophesy what would

have happened to the sterling value of the rupee ! Or, as an alternative, we should have had to pass a law putting a rigid restriction on all exchange transactions, which would have been a gross and unnecessary interference with the liberty of private individuals to deal with their own property, and would necessarily have led to a very serious restriction of imports.

Either of these alternatives would have been very serious steps, which might have had far-reaching and dangerous effects on our position. Those who criticise our policy as regards gold must first be very sure in their own minds whether they would have welcomed them.

28. I have explained the position as fully and fairly as I can, and I hope that I have done so clearly. I have done this not as an advocate anxious to defeat his opponents, but as one who earnestly desires to clear his own mind as to what is right and to put the real issues before the public. We do not claim for ourselves either perfect wisdom or any monopoly of such imperfect wisdom as is attainable in this world, but I think what we can claim is that our policy has guided India through a period of quite unexampled difficulty without disaster, and that at the end of these two years we find ourselves with greatly improved public credit, with greatly strengthened resources, and with the freedom and security of private trade unimpaired. Nor can I believe that any single interest of the country has hitherto been sacrificed or damaged. The policy therefore has worked well so far, and more than this I do not claim. The times in which we live are so uncertain and abnormal that no one could venture to lay down that a particular policy must be for ever infallible. We must be guided by events. But till now and for the present we do claim that our policy has worked well, and that while that continues it would be unpardonable rashness to plunge into the unknown depths of wild experiments.

29. I am afraid that my argument as to Government's policy as regards gold exports has led me into something of a digression from the review of India's economic position which was my main purpose at this stage.

I may now sum up my own conclusions on that review. For my own part, the main impression gained by a study of what has been happening during these last two years of terribly difficult times is one of admiration and wonder at the way in which India and her people have adjusted themselves to the emergency. The more highly organised Western nations may well take lessons from her in this respect. While I have commented on the enormous decline in the demand for India's export products, it is a remarkable fact that this has not yet led here, as in other countries, to the piling up of unmanageable stocks which form both a source of weakness to the country that holds them and a menace to the rest of the world. The diversity of cropping in most parts of India has led to a comparatively quiet adjustment to changed conditions without elaborate schemes for restriction of production, or dangerous experiments for using public funds to finance surplus stocks. The striking restriction which was effected after the 1930-31 season in the jute area of Bengal is well known, but in the case of cotton also an adjustment has taken place aided partly by short crops and partly, though only to a regrettably small extent, by increased consumption by Indian mills of Indian cotton. To some extent, in certain cases such as sugar, Government policy has helped the agriculturalists to find profitable alternatives in money crops. Linseed is another important alternative crop for which possibilities of an increased outlet have been opened up by the Ottawa Agreement. In this case a fairly substantial increase in the area sown had been undertaken before the Ottawa Agreement was implemented, and the preference now secured in the British market may justify a further increase. Groundnuts, again, have provided

another alternative outlet, and this crop has become in Madras a moneycrop of first rate importance, and is becoming an alternative crop to cotton of growing importance in Bombay and Berar. Where export facilities have been lacking for a particular crop and alternative export crops have not been possible, there has been a spreading over into miscellaneous crops for local consumption. In the case of Bengal, where the main reduction in the jute area occurred before last year, it has been possible to examine conditions fairly closely, and there the alternative crops were mainly rice, maize, millets, smaller pulses, and to some extent sugarcane. It is difficult to trace exactly the complete economic effects of these adjustments, but one conclusion is probably justified, and that is that the poorer classes and particularly the wage-earning classes whose wages have not been reduced proportionately to the fall in values of local food produce, are at present being better fed than ever before. Thus some advantage at least is gained.

If one turns to the other side—the side of consumption—one gets the same impression of comparative stability, for here the power to draw on reserves has, as I have explained, resulted in a remarkably steady maintenance of consumption, in spite of increased duties, of the main necessities of the masses. In fact, by cutting off imports of precious metals and supplementing her purchasing power by drawing on her reserves of gold, India has been able to keep up her standard of living and her position as a customer for the goods supplied by the rest of the world to more nearly normal levels than most countries. In this way she has avoided an undue weakening of the position of her own potential customers, a result which has been further helped by the release of gold supplies to the world.

Simultaneously with all this the figures show a striking increase in investment by the poorer classes.

30. The result of this survey has seemed to us to justify the assumption for the purposes of our estimates that general conditions as regards consumption of dutiable articles may be expected, even without a striking world recovery, to remain fairly constant next year. But having stated this assumption it is necessary to add a note of warning. Neither the process of drawing on reserves, nor that of agricultural adjustments, can be continued indefinitely. As to the latter point, seeing that the contraction in export demand applies to practically all our export crops, the range of adjustment is comparatively narrow, and, if a further fall in purchasing power is to be avoided or minimised determined efforts are necessary both to make the most of every possible export outlet for our produce, and to supplant by local production imports of such articles as long staple cotton.

Further, in regard to both points, India remains as deeply interested as any other country in efforts to promote international co-operation and the recovery of world trade. If the present low levels as regards both prices and world demand for agricultural products were to become stabilised, very serious problems would have to be faced and it would be necessary for those responsible for governing India to take stock again of the whole position.

Effects of the general economic position on tax revenue.

31. I want now to show as briefly as possible how some of the broad phenomena which I have been describing appear when translated into revenue results.

32. As might have been expected from what I have said, revenue from salt, kerosine and cotton piece-goods has been very satisfactory for the current year.

We estimate salt revenue at 10.38 crores as compared with a budget estimate of 9.43 crores.

Kerosine import and excise duties are expected to produce 4.25 crore^s as compared with a budget estimate of 4.42 crores.

Cotton piece-goods import duties are put at 6.40 crores as compared with a budget estimate of 3.79 crores.

33. In the case of cotton piece-goods, however, we think it necessary to treat the imports for the current year as to some extent abnormal.

Quantities imported have shown a great advance, the yardage in the 9 months, April to December, 1932, being about 30 per cent. up on the same months in 1930 and about 70 per cent. up on 1931. That this is partly due to other reasons than the price factor is shown by the fact that the recovery has been shared by British goods, the average price of which has not fallen appreciably. To this extent, general causes—notably the waning of the boycott movement—must have operated; but it remains true that so far as Japanese goods are concerned, the very heavy fall in prices which followed on the depreciation of the yen has been the most important stimulus to the import trade. The result was a strong demand from the Indian mill industry for the exercise by Government of their powers of increasing the protective duty; and on August 30th, 1932 this was done, the duty on non-British goods being raised from 31½ per cent. to 50 per cent. *ad valorem*, with the minimum for plain grey goods raised from 4½ annas to 5½ annas a pound. By this time, the imports from Japan had been 257 million yards against 135 million in April to August 1931, with an average value of 2.3 annas a yard against 2.6 annas in 1931. But in this trade it is prospects and forward business that are most important; and that the action taken in August was timely is shown by the fact that the considerable imports which came forward in the following four months had an average value as low as 2.03 annas a yard or 78 per cent. of the 1931 average. The effect of the increase of duty, coupled with the fact that imports made or contracted for before it had been made must have left fairly large stocks in hand, has been a steady decrease in imports so that in January the duty taken on non-British piece-goods was only seven-tenths of that taken, at the same enhanced rates, in September.

34. In close connection with cotton piece-goods I must mention artificial silk goods and mixtures. In spite of the great enhancement of the duty (from 20 per cent. to 50 per cent. and 34½ths per cent. respectively) and in spite of a striking reduction in the value of Japanese goods, the total values of imports have increased.

We now estimate receipts from artificial silk goods at 130 lakhs for the whole year and mixtures at about 20 lakhs, as compared with earlier estimates of about Rs. 70 lakhs and Rs. 13 lakhs respectively.

35. Other special heads under which revenue receipts have been most satisfactory are the new duties on raw cotton and machinery. Our estimate of revenue from the duty on raw cotton is now 62 lakhs against our original budget estimate of 32 lakhs. Similarly, in regard to duties on machinery we now anticipate a revenue of 115 lakhs against our budget estimate of one crore.

36. As against these satisfactory results I must comment on the main heads where we have fallen far short of our estimates. Sugar is the most important item. In this case we now only expect an import of about 435,000 tons producing duties, including land customs receipts, of Rs. 7.80 crores against the budget estimate of 550,000 tons and about 10 crores respectively. The development of sugar manufacture in India, though

satisfactory in itself, is, as I have already noted, making a very serious hole in our revenue. The duty at present works out at something like 166 per cent. *ad valorem*, and it is therefore obvious that if purchasing power which was once put into sugar is diverted to some other commodity paying lower rates of duty, the revenue must be a heavy loser. If, for example, 1½ crores are spent on sugar machinery including the 10 per cent. duty, the revenue gets about 13½ lakhs. On the other hand if 1½ crores are spent on sugar including duty, the share of the revenue in the total purchase price is about 93 lakhs.

37. Silver, again, has failed to come up to our expectations, and it is clear now that we cannot rely on any appreciable imports of any precious metals as long as the present depression continues.

38. Motor cars and cycles have shown heavily reduced figures and we now estimate receipts at 60 lakhs only against 80.63 lakhs budgetted and actuals of 95.01, 72.31 and 63.20 lakhs in three previous years,—despite the increases of the rate from 20 per cent. in 1929-30, when the duty was 95 lakhs to 37½ per cent. in the current year. We have carefully considered representations that this is due to the operation of the so-called law of diminishing returns, but have not been able to satisfy ourselves that this is the case. The use of motor vehicles has not diminished in anything like the same ratio: our estimate for this year for the motor spirit duty (customs and excise) is 4.30 lakhs, equivalent to 258 lakhs at 6 annas a gallon which was the rate in force in 1929-30, when these duties yielded 298 lakhs. It is very obvious that apart entirely from any enhancement of duties, a period of acute depression will affect what I may call capital expenditure more than recurring expenditure, and this factor must be particularly noticeable with motor vehicles, the number of which on the road was probably excessive before the depression came.

39. Of the taxes on luxuries, the most important (apart from silk and artificial silk piece-goods) fall on articles which are such as I have just described as representing recurring expenditure,—that is to say, goods that are consumed on being taken into use. The principal such items are liquors, tobacco and spices and betelnuts. The yield of the tobacco duties which we now estimate at 125 lakhs, has been greatly reduced as a result, not of decreased consumption, but of the transfer to India of the manufacture of many brands of cigarettes that used to be imported: we still get the duty on such imported leaf as is used in making these brands, but that duty is much lower than the corresponding duty on cigarettes. Liquors are standing up pretty well: the heavy increases of duty and the general depression have reduced consumption heavily, but those very increases serve to bring up the estimated yield for the year to a figure not far short of the actuals in 1929-30 and 1930-31. Betelnuts and spices, which have a duty less severe in its *ad valorem* incidence, have been very successful items; any decline in imports has been much more than set off by the increase in duty rates and our revised estimate for these two heads is 76 lakhs against actuals of 46 and 37 lakhs in 1929-30 and 1930-31.

Analysis of Revenue and Expenditure estimates—1932-33 and 1933-34.

40. I have dealt at some length with certain important factors which have played a part in the current year's results because I wanted to make clear what sort of considerations we had in mind in framing our estimates and in deciding what proposals to put forward.

It must be clear from what I have said that to estimate revenue for next year—particularly customs revenue—is, in view of the completely uncertain and abnormal conditions, a task of quite unprecedented difficulty. Indeed I may say that accurate estimation is impossible. In these circumstances and for the reasons which I have explained, we have thought that the most reasonable course is to assume that the general position next year will be the same as for the current year, neither better nor worse, and in particular that India will be able to maintain the same purchasing power for commodities imported from abroad.

41. *Customs.*—The assumption, however, that the value of imports will be maintained does not necessarily imply that the value of the import duties will also remain the same.

I have already explained the special position as regards sugar, showing how the present development of the Indian industry is affecting our revenue. On these considerations we think it necessary to allow for a drop of one crore in receipts from the sugar import duties which will not be offset by any increase under other heads.

In regard to cotton piece-goods also, for reasons which I have explained, we think it necessary to regard the revenue from import duties—at least on Japanese goods—as to some extent abnormal and not likely to be repeated. Here therefore we have allowed for a drop of 30 lakhs.

As against these reductions we have thought it safe to count on a small revenue (25 lakhs) from silver imports—because having closed the gap in our land customs line on the Burmese frontier, through which a large trade in silver from China was suddenly developing in the course of the last year, we think it reasonable to expect a moderate resumption of dutiable imports.

Making allowance for these and other minor variations, our customs revenue estimates for next year are put at 51,25 lakhs showing a reduction of 104 lakhs from the revised estimates of the current year.

The position as regards net receipts may be summarised as follows :—

	Revenue (Lakhs).
Budget Estimate, 1932-33	52,31·27
Revised Estimate, 1932-33	52,28·55
Budget Estimate, 1933-34	51,24·60

42. *Income Tax.*—In our estimates for income-tax we are as in the case of customs making the assumption of a repetition of the current year's results. On this basis we should have receipts of 17,70 lakhs next year to which must be added 53 lakhs representing the tax on official salaries in regard to which the exemption hitherto enjoyed is, according to our proposals, to be removed concurrently with the reduction in the cut in pay which we proposed. The total estimate is thus 18,23 lakhs out of which it is reckoned that the 25 per cent. surcharge will account for 3,50 lakhs, and the tax on incomes below Rs. 2,000 for 70 lakhs.

The position may be summarised as follows :—

	Revenue (Lakhs).
<i>Taxes on Income.</i>	
Budget Estimate, 1932-33	18,73·38
Revised Estimate, 1932-33	17,70·00
Budget Estimate, 1933-34	18,23·00

43. *Salt*.—The results for the current year justify us in anticipating the continuance of consumption at the present level. We have, however, now exhausted the special temporary acceleration of receipts resulting from the extinction of the salt credit system which was one of the features of our emergency financial plan of September 1931. This produced a special addition to our receipts during the current year of as much as 150 lakhs. Allowing for the disappearance of these exceptional receipts, the net revenue from salt will be 7,58 lakhs.

The position as regards net receipts may be summarised as follows :—

	Lakhs.		
	Revenue.	Expenditure.	Net.
Budget Estimate, 1932-33	9,43·40	1,15·69	8,27·71.
Revised Estimate, 1932-33	10,38·00	1,14·77	9,23·23
Budget Estimate, 1933-34	8,75·00	1,16·96	7,58·04

44. *Opium*.—The revenue under this head is being gradually reduced owing to our declared policy of reducing exports. It is also subject to unexpected variations from year to year due to changes in the actual requirements of Foreign and Colonial Governments within their allotted quota. This latter factor accounts for 34 lakhs out of the drop of 38 lakhs in the revised estimate.

The position as regards net receipts may be summarised as follows :—

	Lakhs.		
	Revenue.	Expenditure.	Net.
Budget Estimate, 1932-33	1,32·63	71·62	61·01
Revised Estimate, 1932-33	94·92	86·36	8·56
Budget Estimate, 1933-34	1,20·05	57·36	62·69

45. *Service of Debt and Finance heads*.—It will be convenient if I deal with the service of Debt and the other Finance heads together.

In the first place, as regards interest payments, the reductions shown are satisfactory, namely, 204 lakhs as compared with 1931-32 and 51 lakhs as compared with the revised estimate for 1932-33. I must however explain that the full result of the conversion operations recently undertaken is not yet revealed. The results indeed of the latest operation were not known at the time our estimates had to be compiled; but apart from this there are other special reasons. Although our main conversion scheme has been directed to substituting one form of permanent debt for another, the process has been a continuous one which is not yet completed, and the first actual result in the current year has been to reduce treasury bills held by the public and the Paper Currency Reserve by approximately Rs. 34 crores. Current rates for treasury bills had fallen so low that this aspect of the conversion actually represents, initially at least, an increase in the interest charges. It must be remembered, however, that this large reduction in our treasury bill outstandings is not only a sound operation in itself, but by strengthening the Government position enables it to reduce interest rates both for the remaining volume of treasury bills and for its permanent debt.

A second point which I have to make in explaining the effect of the conversion operations is that the Government of India is not mainly a borrower on its own account. The great bulk of the borrowings is undertaken for the Railways and through the Provincial Loans Fund for the Provincial Governments.

In the case of the Railways in respect of the whole of their capital outlay met otherwise than from specific railway loans we charge them the average rate of interest which we ourselves pay. The total amount of non-specific debt which enters into our calculations for working out the average rate of interest is, in round figures, 450 crores, and the total Railway capital outlay on which interest at the non-specific debt rate is charged is, in round figures, 300 crores. Any savings from conversion operations will therefore be passed on to the Railways to the extent roughly of two-thirds. Bearing these two considerations in mind, as the sterling loan and the four rupee loans floated during the current year almost exactly cover our total liabilities in respect of loans maturing, in the case of sterling in 1932-33, and in the case of rupees in 1932-33 and 1933-34, we can reckon that these maturities have been converted at an annual saving in interest of approximately 70 lakhs for the rupee loans and 9 lakhs for the sterling loan, that is to say, that when the temporary effect of the loss due to the reduction of treasury bills has passed away, the permanent saving to the railways will be in the neighbourhood of 53 lakhs, and to general revenues of 26 lakhs.

46. Apart from this it must be noted that the conversion operations only affect what we call our Ordinary Debt. As regards our so-called 'Other Obligations', although we have reduced the rate of interest on Post Office Cash Certificates from about 6 per cent. to $4\frac{1}{2}$ per cent., the results of this will only very gradually be felt, while in regard to the other heads, Post Office Savings Bank Deposits and Provident Funds, the interest rates which we allow are calculated on methods which will not show any immediate reduction. In fact, as regards the important head of Provident Fund balances, on which we are paying interest at over $3\frac{1}{2}$ crores annually, the rates which we allow will actually show a slight increase next year, because we work on the basis of the average rate of the preceding five years, and we are therefore just now dropping out years when the interest was lower than it was last year.

47. There is, further, another special head under which an increase has had to be provided, which offsets some of our other savings under interest payments, namely, interest on War Debt. The House will recollect that the so-called Hoover moratorium originally extended to the first of the two payments due for 1932-33, and that His Majesty's Government agreed, when the moratorium was first introduced, that as they were not making payments on the debt due from them to America, they would not themselves demand interest on the debt owing from India and the Dominions to them. The House also knows that the moratorium was not extended, and that His Majesty's Government met the full payment on the second instalment due in December last. His Majesty's Government have, however, agreed not to demand any payment due at the present time from their own debtors—India and the Dominions—pending a final settlement of the War Debt question. How that will be settled no one knows, but I hope that it will be in a manner which will bring relief to the debtor nations, for I believe that the world's trade cannot flow in its normal course, nor can any country settle down to normal economic life, so long as these huge international obligations continue as disturbing factors. For the present, however, we have to take account of the fact that the debts exist, and we have made provision in the current year for the second instalment of interest due in December, and for next year on the basis of a full year's payment. For the current year the instalment due, but not demanded, has been debited under the interest head and credited to a suspense account. The amount, however, for which we are making provision next year, has been reduced because we have thought it reasonable to assume that, pending a comprehensive settlement of the

question of War obligations in which India's War Loan liability will possibly be included, His Majesty's Government will at least give us the benefit of a reduction in interest rates corresponding to the reduction which they have achieved by converting the British 5 per cent. War Loan. At the same time we have made provision for repaying by equated annual instalments over a period of 20 years our War Loan liability outstanding at the end of the current year including the arrear interest for a year suspended under the Hoover moratorium. The combined effect of this last-mentioned provision and of the reduction of interest rates is that the full provision for next year is £658,800 against a liability of £836,000 under the original arrangement. I must point out however that for 1932-33 we have only had to provide for half a year's interest at the higher rate, namely, £418,000; so that under the new proposal interest charges are increased by £240,000 or Rs. 32 lakhs.

While we are making provision for this amount it must be noted that we are not allowing for any receipts under the head of reparations, for these remain suspended under the Lausanne agreement.

We can only hope that these matters will be settled in a fair manner during next year and that possibly the settlement may leave us in possession of a margin. This is one of the favourable possibilities for the future.

The net result of the factors affecting Interest payments, some of which I have just explained, is that interest charges show a net reduction of 2,04 lakhs as compared with the actuals for 1931-32 and 51 lakhs as compared with the revised estimates for 1932-33.

48. The other items which may be classified as 'Finance heads' are the provision for Reduction and Avoidance of Debt and the net revenue from Currency and Mint. Under these heads there is no striking change as compared with the revised estimates. The provision for Reduction and Avoidance of Debt is put at 688 lakhs for next year as compared with 684 for the current year. The amount is arrived at automatically according to the present convention which is well known to the House. An important point to note is that it is a substantially heavier burden now than it was in the period of prosperity from 1923 to 1928—in fact, it is 2½ crores more than the annual average for that period.

49. As to Currency and Mint, the receipts under this head automatically go down when the rate on treasury bills falls. We are allowing for a net reduction of 61 lakhs as compared with the revised estimate for the current year.

50. It will be seen from what I have said that as regards Finance heads there is no great change compared with the revised estimates for the current year. Net interest charges are down by 51 lakhs, Reduction and Avoidance of Debt is up by 4 lakhs, and the net revenue from Currency and Mint is down by 61 lakhs. Interest receipts show a small decrease of 1 lakh. There is therefore a net deterioration of 15 lakhs.

51. *Commercial Departments.*—I now turn to the remaining important factor—receipts from Commercial Departments. So far as the Railways are concerned I need say little. We take credit in our budget for full interest payments, although, as the Honourable Member for Railways has explained, these can only be met by trenching on the unspent balance of the allocation for depreciation.

As to the Posts and Telegraphs, the position remains, I fear, unsatisfactory. The net loss on working account, which has to be carried in our budget, for next year is put at 57 lakhs as compared with about 48 lakhs in the revised estimate for the current year. This increase of 9 lakhs in the loss allows for an extra charge of 27½ lakhs on account of pay due to the proposed reduction in the cut and 15 lakhs on account of increments. As a small increase of 8 lakhs in revenue has also been assumed, net economies of 25 lakhs have accordingly been achieved in other directions.

52. *Expenditure position.*—Having thus dealt with the position as regards Tax revenue, Finance heads and Commercial departments, I must now turn to consider the main heads of expenditure, Civil and Military. It is this expenditure which above all needs careful watching, and I have no doubt that, now that our main retrenchment campaign is concluded, Honourable Members of the Legislature will feel it to be especially their function to satisfy themselves not only that we have carried out our promises, but also that we are not relaxing our efforts to achieve economy. With that I entirely agree, for I have always taken the view that the pressure for economy must be continuously applied and should not be allowed to become a process of violent energy at one moment to be followed by a period of lassitude and relaxation continuing until a new emergency arises. If, in giving an account of the present position, I am led into very small details, that is a reminder of the fact that it is only by painstaking attention to every detail that expenditure can be controlled.

53. *Civil Expenditure, 1932-33.*—The budget estimate of Civil expenditure for the current year (1932-33), *i.e.*, excluding military expenditure, expenditure on Commercial departments and Debt services, was 20,65 lakhs. Our revised estimate now gives the figure as 20,89 lakhs. There is thus an apparent increase of 24 lakhs. But a closer examination shows that this increase does not denote any increase in real expenditure, and, indeed, that the economy in recurrent expenditure has been greater than that which we promised. The figure of expenditure as shown in our accounts has had to be increased because special items amounting in all to 68½ lakhs, but the great bulk of which do not denote real expenditure, have had to be included.

54. I can classify these items as follows:

- (a) Items which merely appear under expenditure heads in the accounts but are not expenditure in the ordinary sense. These come to a total of 40½ lakhs. The details are as follows:—
- | | |
|--|-----|
| (1) Increase in the share of Customs revenue payable to the Travancore and Cochin Darbars. This is unavoidable under the terms of the agreement. It is not really expenditure, but rather a deduction from revenue | 2 |
| (2) Extra payments under Opium. This is necessitated by the fact that the yield of the crop was unexpectedly high. The opium has to be purchased from the cultivators, but of course the cost will all be subsequently recovered | 15½ |
| (3) Increased expenditure on fumigation of imports of American cotton. The whole of this cost is recovered | 3½ |
| (4) Carry-forward of certain expenditure from 1931-32 to 1932-33 (Aerodrome works at Juhu and cost of currency note forms) | 3½ |

- (5) Increase in the *net* expenditure under Survey of India and the Indian Stores Department owing to short recoveries due to financial stringency and general trade depression. This item does not represent increased expenditure, but as the amount of this grant in the budget is the *net* amount after deducting recoveries, this net amount is increased if the recoveries are reduced 4½
- (6) Payments to local Governments on account of re-allocation of leave and pensionary charges of officers lent by them to the Government of India and re-classification of certain other charges (port quarantine charges, etc.) as central 11
- Most of this merely represents the discharge of a liability already accepted. The potential liabilities under this head are now practically exhausted.
- (b) Special non-recurring items. These account for a total of 17 lakhs and are made up as follows :
- (1) Provision for the annual Research Grant to the Imperial Council of Agricultural Research not included in the original budget. This grant was suspended as part of the economy measures. As, however, a surplus is available on the 1932-33 budget, it was decided to recommend a special grant out of this surplus to the Imperial Council of Agricultural Research, which will increase their balance to a sum sufficient to provide for the completion of all the projects which they actually have in hand. A motion for a supplementary grant to cover this item will be moved in due course. The regular annual provision of this 5 lakhs still remains suspended 5
- (2) Increased terminal charges on pensions including commutation payments. These charges in excess of our original estimates had, of course, to be met 12
- (c) Items of special unforeseen expenditure. These amount only to the small sum of 11 lakhs. The following are the details :
- (1) Expenditure on staff and roads in connection with the Khirtar Canal colonisation scheme ½
- (2) Expenditure on account of the special session of the Legislature in November 1½
- (3) Expenditure on account of the third Round Table Conference, the Ottawa Conference and the Capitulation Tribunal 4½
- (4) Expenditure on repairs necessitated by flood damages 3½
- (5) Other minor items ½

55. As the special items to which I have just referred amount to 68½ lakhs, and as the total accounts expenditure for 1932-33 shows, as I have explained, an increase of only 24 lakhs, it follows that under the other heads of real expenditure we shall have achieved during this year economies of 45 lakhs more than we promised. It may be remembered that in my budget speech in March last (paragraph 34) I stated that, broadly speaking, against a total retrenchment in expenditure of 499 lakhs recommended by the four civil

sub-committees, Government had achieved economies of 433 lakhs, or nearly 87 per cent., before allowing for terminal charges which the committees did not take into account. The results according to the revised estimate for the current year which I have just given show that the actual economies achieved in normal expenditure amount to 45 lakhs more than this, that is to say, to a total of 478 lakhs, or nearly 96 per cent. of the amount recommended by the retrenchment committees.

56. *Civil Expenditure, 1933-34.*—Turning to the estimates of expenditure under these civil heads for next year, I am glad to be able to report a still further improvement. As compared with the current year with its budget estimate of 20,65 lakhs and the revised estimate of 20,89 lakhs, the estimates for 1933-34 are 20,53 lakhs, that is to say, a reduction of 36 lakhs on the current year in spite of the following facts ; first, that we have allowed for reducing the cut in pay to 5 per cent. thereby incurring extra charges of 28 lakhs on these particular civil heads, secondly, that we have to meet the normal increments in time scale pay which still involve an annual addition of something like 15 lakhs, and thirdly, that we have to meet new obligatory expenditure amounting to about 17 lakhs, the nature of which I shall shortly explain. If all these items are taken into account it will be seen that the total of the net reductions otherwise effected under the normal heads of expenditure amount to no less than 96 lakhs. Honourable Members may say that they are not concerned with this figure but only with the saving of 36 lakhs actually effected, but I have given these explanations in order to show how we are continuing the retrenchment effort and what a constant effort is required *merely to prevent expenditure from growing.*

57. I must now explain the nature of the items which go to make up the 16½ lakhs of new unavoidable expenditure as shown in the accounts to which I have referred.

(1) Further increase in the share of Customs revenue payable to the Travancore and Cochin Darbars.	
This, as already explained, is not really expenditure but a transfer of revenue under the existing agreement . . .	1
(2) Additional expenditure on income tax staff in Bombay necessary in the interests of revenue . . .	½
(3) Further expenditure on staff and roads in connection with the Khirtar Canal colonisation scheme . . .	1
(4) Expenditure under Police on construction of police quarters and rearmament of police . . .	1
(5) Increased charges under Political on account of re-equipment of police, maintenance charges of buildings, replacement of a motor-car, additional establishment for Gyantse Trade Agency and land compensation charges . . .	1
(6) Grant for Sugar Research . . .	1½
(7) Additional expenditure under Aviation for works and staff . . .	1
(8) Cost of compilation of inter-provincial trade statistics . . .	2
(9) Cost of new civil works, viz., improving the roadway on the Jumna bridge and Sibi water supply scheme . . .	4½
(10) Lump provision for the Joint Select Committee . . .	1½
(11) Other petty items (including about ½ for meteorological facilities for Karachi-Madras air route) . . .	1½

It will be seen from this list that most of these items are beneficial expenditure. The largest of them—which I specially wish to mention—is a provision of 2 lakhs for improvement in our statistical records. This represents one step in a general plan for improving our economic intelligence organisation which we are now preparing.

58. *Military Expenditure.*—When I turn to the provision for the Military or Defence Budget the results are equally, or even more, satisfactory. For the current year (1932-33) allowing for the full effects of the 10 per cent. cut in pay, the net budgetary allotment was 46·74 crores. For next year the net expenditure provided for in the estimates, after allowing for an extra charge of 52½ lakhs due to the reduction of the cut in pay to 5 per cent. is 46·20 crores. That is to say although the pay bill is increased by 52½ lakhs the net expenditure is to be reduced by 54 lakhs. The further economies made therefore in other directions amount to 106½ lakhs.

59. It is necessary of course to point out that the provision now made is cut very fine, and that to some extent the reduction in expenditure progressively effected over the last five years is due to the fall in prices of commodities which the Army has to buy. The difference between commodity prices as taken for the present estimates, and those prevailing in 1928-29, represent a saving on the whole budget of about 1 crore. If prices were to rise again, as in the general interests of the country one must hope they will, obviously under this head charges would increase.

I must also point out that this budgetary provision includes no margin for unforeseen expenditure, or for the continuance of the re-equipment programme which was laid down in 1928 and which is still being financed (to the limited extent which is possible) from reserves accumulated under the stabilised military budget system which was then inaugurated.

60. Nevertheless, while these facts must be borne in mind, I cannot but feel that the reduction in the net military budget from 55·10 crores (including the Territorial Force grant) in 1929-30 to 46·20 crores in 1933-34 is a very satisfactory achievement. There are some ungenerous critics who, when they see large savings effected in public expenditure, are inclined to say that that only indicates how extravagant was the original provision. I must indeed confess that I make it my business, as Finance Member, to be perpetually telling the spending departments something very much on these lines. But, in the case of the economies effected in the last two years by the officers of the Army from the highest downwards, I know that a great part of their work has been, not the elimination of unnecessary or wasteful expenditure, but the giving up of cherished schemes destined to increase the efficiency of the Army or the amenities for the troops. They have given them up without rancour because they recognised the greater urgency in the public interest of preserving financial equilibrium during these critical times, and they have for this reason been wholehearted co-operators with the Finance Department in a task which I know has been most distasteful to them. The public interest can never be served properly without such co-operation. What I say of the Army is equally true of the other departments, and I hope that this Assembly will not deem it unfitting that I should take this occasion of expressing my gratitude to them for the part which they have played in our common effort to restrict public expenditure.

61. *Expenditure Position. Summary.*—The net result is that as regards the two main fields of administrative expenditure—the Civil heads, excluding expenditure on Commercial departments and Debt services, and the Defence

budget—the budgetary provision for next year comes to a total of 66.73 crores as compared with a total of 67.63 crores for the current year. The total provision has thus decreased by 90 lakhs in spite of allowing for extra expenditure of about 80½ lakhs under both heads due to the reduction of the cut in pay to 5 per cent., and in spite of the normal and unavoidable growth of expenditure due to increases in the pension bill and to the increments accruing under the time-scale system on salaries, which involves an increased provision next year of about 20 lakhs.

I would before leaving this subject like to remind the House that the expenditure in these two fields which stands for 1933-34 at 66.73 crores amounted in 1929-30 to no less than 78.82 crores.

62. The explanations which I have now given show in what respects, our estimates for next year must differ from the revised estimates for the current year, although as I have explained, we have adopted as a foundation for next year's estimates the assumption that the general conditions of the current year will be repeated.

63. I may summarise the position as follows :

REVENUE—	Rs. lakhs.	
	Better.	Worse.
<i>Customs.</i> —(Reduction due to fall allowed for in imports of sugar and cotton piece-goods) . . . . .	..	1,04
<i>Income-tax.</i> —(Increase due to removal of exemption from surcharge on Government servants) 53	53	..
<i>Salt.</i> —(Reduction mainly due to termination of temporary increase in receipts on termination of credit system) . . . . .	..	1,63
<i>Opium</i>	25	..
<i>Finance heads.</i> —Net changes including additional expenditure of 1 on account of part restoration of cut in pay . . . . .	..	15
<i>Commercial departments.</i> —Net revenue . . . . .	..	11
<i>Miscellaneous.</i> —(Reduction of 30 due to no provision being included in next year's estimates for Gain by Exchange) . . . . .	..	45
EXPENDITURE—		
<i>Military.</i> —	} Net reduction effected in spite of part restoration of pay cut costing 79½ lakhs under these heads as compared with the revised estimates. (This net reduction together with the reduction of 5 under Irrigation and Currency and Mint taken on the revenue side gives a total reduction of 90 as mentioned in para. 61)	
<i>Civil heads.</i> —		
	85	..
Total	1,63	3,38

64. As a result of the changes thus summarised the net deterioration for next year is estimated at 175 lakhs, and thus the surplus of 217 lakhs shown in the revised estimate for the current year will be reduced to a surplus of 42 lakhs.

The comparison between the two years may be thus summarised.

	Rs. crores.		
	1933-34. Budget.	1932-33. Budget. Revised.	
Revenue	124-52	129-96	127-13
Expenditure	124-10	127-81	124-96
Balance	-42	2-15	2-17

BUDGETARY PROPOSALS, 1933-34.

65. These figures are arrived at after allowing for the proposals as regards pay which were announced in the communiqué of February 3, and without them we should, on the basis of the retention of all existing taxes, have shown an estimated surplus of 97 lakhs. That then is the position which I have to put before the House, and I must now explain what we consider to be the right policy in this position.

The cut in pay.

66. In the first place I must say something about the proposal as regards pay which as I have just explained has been allowed for in our estimates.

Before explaining the details as regards its financial effects, I want to clear up one point about our procedure. We regard this proposal as being an essential part of the budgetary plan. Its justification must depend on the budgetary position and cannot be discussed without full knowledge of that. In these circumstances the normal course, and the course which we should have thought right, would have been to make the announcement as part of the budget speech, so that Honourable Members might simultaneously know the whole position and the whole plan for which Government sought their approval. Unfortunately that course was not practically possible, because on February 3; the budgetary proposals for the Railways had to be put before the Standing Finance Committee for Railways, and it was impossible to do this without revealing proposals about the pay cut for Railway officials. We could not put forward the Railway Budget on a hypothetical basis, nor could we feel it right in the special circumstances of the present case to treat the Railway staff on a basis different to other Government servants. For this reason we were forced to announce the whole plan which we proposed four weeks in advance of the budget speech.

67. The precise financial effect of the present proposals has already been indicated as regards particular departments in my earlier remarks, but I think it well to summarise the position.

For the Central Government civil services, including the Posts and Telegraphs Department, but excluding the Railways, a restoration of the full cut in pay for twelve months would cost about 1,22 lakhs.

For the Army, taking the officers affected by our cut, it would cost 1,14 lakhs.

As under the original plan the 10 per cent. cut was to apply to all pay earned up to March 31, 1933, and as salaries are always paid on the first day of the month following that in which they are earned so that March pay is debited to the accounts only on April 1, there will in any case be one month

of the full cut included in the budgetary expenditure of the financial year 1933-34. Therefore any reduction in the cut for next year only affects eleven months' pay borne on the 1933-34 budget.

To reduce the cut in pay to one-half for eleven months means on the Civil side	55½ lakhs.
and on the Army side	52½ lakhs.
The total cost therefore is	108 lakhs.

As against this the Central budget will recover as a result of the withdrawal of the exemption of income-tax surcharges and the tax on incomes below Rs. 2,000 from Government officials—not only officials paid against the Central budget, but officials of the Railways and officials serving under the Provincial Governments—a net increase in income-tax receipts of

53 lakhs*.

The net cost of the proposal to the Central Government is thus

55 lakhs.

68. The considerations on which this proposal has been put forward by the Government of India are first, that it represents the maximum concession which the financial situation justifies, and secondly, that there are very strong reasons for going as far as the maximum which is justifiable. I do not propose now to go into all the arguments or to anticipate what may have to be said hereafter in the course of debate. I can explain Government's position in this matter very simply as follows.

69. In the first place I must recall what I said when introducing the original proposals in September 1931. We hoped then that the emergency with which we were called upon to deal was a temporary one, or at least that the degree of intensity which made the imposition of these extreme measures necessary would have passed by March 31, 1933. The cut in pay was thus definitely intended to be merely a temporary measure justified only by an extreme and, as we hoped, temporary emergency. It was essential to make this purpose clear, and I therefore stated as one of the main conditions that the cut

“should be of a temporary nature not extended beyond the need of the present exceptional emergency. Its justification is in the need for a common sacrifice in a national emergency.”

Further, in summing up the position, I again said :

“It must be clearly explained that there is no intention that they should remain operative beyond March 31, 1933. They will not be continued beyond that date without further examination of economic conditions.....”

We have acted exactly in accordance with the intention thus indicated. We have very carefully reviewed the economic conditions, and we have arrived at the definite conclusion that while we can take the risk of making some reduction, nevertheless an emergency continues sufficient to make it impossible to restore the whole of the cut.

*Note.—The actual increase in income-tax paid directly by officials is 67 lakhs, but the net gain is only 53 lakhs. The explanation of this is that, for special reasons, the value of the exemption in the case of Railway officials was previously being paid to Government by the Railway administration. This amounts to 14 lakhs, and of course when the Railway officials themselves pay the tax, the Railway administration will cease to make this payment.

That, then, is the first point which I must make, namely, that we regarded, and still regard, the cut as a temporary measure.

The second point is this, that we regarded a cut in the fixed pay of Government officers as an extreme measure only to be taken in the very last resort after the efforts of all other feasible measures for dealing with the situation had been exhausted. Obviously a measure which is thus only justified in the last resort ought to be the first to go when any relaxation is possible. On this point also I made our purpose perfectly clear in September 1931. I said, after expressing the hope that it would be possible in 1933 to relax the emergency measures :

"It is perhaps for-caasting evant; too much to say in what order these reductions should be made. But there are certain principles which we consider must be observed. Relief must come first in restoring the emergency cuts in pay and secondly in taking off the surcharge on the income-tax now to be imposed."

Therefore on this point also we are acting in accordance with our declared purpose.

70. Now in dealing with this matter I have to make our position clear both to those who may think we have gone too far in the present proposal, and also to those who may think we have not gone far enough.

I will deal with the latter first. To them I would say that we have acted exactly in accordance with our declared purpose and that we have gone to the maximum extent that we considered justifiable. It must also be remembered that in deciding our policy we had to take into account not only the budgetary position of the Central Government, but also that of the Railways in which we are directly interested, and, further, that of the Provincial Governments who might be affected by our example and whose financial troubles react upon both the Central Government as their bankers, as also generally upon the financial position of India as a whole. Taking into account these wider implications we felt it to be absolutely clear that we could not go further at present towards the restoration of full pay than the half measure which we have proposed.

71. To those who may think that we have gone too far, or that we ought not to have taken this step in priority to relaxation of measures of taxation, I wish particularly to emphasise that this must not be regarded as optional expenditure to be weighed in the balance against other possible demands on the public funds. Government is not really meeting its full obligations as long as it is not paying the fixed rates of pay of its officials—rates, moreover, which in certain cases are guaranteed by the Government of India Act. Government is therefore bound to regard the task before it as one of producing a balanced budget after including full pay to its servants. In fact there is only one criticism which we could regard as relevant and valid, and that is if it could be maintained that the proposed remission goes further than financial conditions warrant. In this connection I would remind them of one very important point which I have brought out earlier in my speech, namely, that in spite of the actual addition of Rs. 108 lakhs on the expenditure side which this proposal involves or excluding the Posts and Telegraphs Department 80½ lakhs, we are able to show a net reduction in the Civil and Military expenditure of Rs. 90 lakhs. This fact alone should answer many criticisms. Apart from that, as regards financial justification, the action now proposed must be judged by the results. What we hope is that conditions will so improve during the next year that it may be possible not merely to avoid retracing the step now taken, but to take the further step of restoring full pay and after that making a start in reducing

the burdens of taxation. Beyond the expression of such a hope it would be rash to go.

72. I may add one final point for consideration by critics who may think this proposal unduly favourable to the Services, namely, the significance of our having in our proposals coupled a reduction of the cut with the removal of the income-tax exemptions. We felt it to be important to get rid as soon as possible of the position in which Government officials were treated as a special class as regards taxation, and subjected to special burdens in lieu of some of the burdens of taxation falling upon ordinary citizens. Honourable Members who criticised our original proposals were always very ready to calculate the exact value of these exemptions. I trust that they will be equally ready to recognise what the burden of their removal means. For officials on the highest rates of pay it means that they benefit very little from the present proposal; in fact, for officers earning Rs. 1,500 per month and over, the surcharges amount to from 2½ to nearly 4½ per cent. The greater part of benefit is felt in the lower grades. The final result in any case is that Government officials are still subjected to a very special burden, for they have to suffer not only the heavy burden of ordinary taxation but are further penalised by a special deduction of 5 per cent. from their salaries.

73. There is one consequence of our proposals which must have struck all Honourable Members. So far as the net burden to the Central Government is, under these proposals, mitigated by the recovery of full income-tax surcharges from Government officials including those serving under the Provincial Governments, it may be argued on behalf of the latter that it is inequitable that we should thus for our own benefit convert a deduction which was formerly treated as a cut in pay into a deduction in the form of income-tax. We cannot admit that such a result would in any sense be improper, for it follows necessarily from the present constitutional position as regards taxation, and we would regard it as a very dangerous precedent to admit that the Central Government may have to give up the proceeds of taxes on the ground that they are borne by officers serving Provincial Governments. Nevertheless so long as an emergency justifying a cut in pay persists it must be admitted that the circumstances are exceptional, while, having regard to the sequence of events, it must be recognised that there is some ground for the feelings of Provincial Governments. We desire within the limits of our resources to take account of these special considerations, and if the financial results for the year prove that it is possible, we intend in due course to put before the Legislature proposals that, in the case of Provincial Governments that can satisfy us that they are in unavoidable deficit, special grants shall be made to them representing the amount collected during 1933-34 from the emergency income-tax increases now to be levied for the first time on the salaries of such of their officials as are still subjected to a cut in pay. Our estimates show that the total amount involved for all officers in the service of the Provincial Governments would be about 36 lakhs. If therefore our budget estimates are realised we shall be in a position to make these grants.

74. Having explained the considerations which guided us in making our proposals about the cut in pay, it will be fairly obvious to Honourable Members what our general policy in other matters must be. We have treated the restoration of the cut as our first objective, and the tentative step of partial restoration which we have proposed represents the limit to which we think it safe in present circumstances to go. Otherwise the whole carefully balanced framework of the financial plan which we introduced in September 1931 must in our view remain undisturbed. The position is sound; the plan has worked

and proved equal to the emergency ; budgetary equilibrium has been restored. But the future is still dark with uncertainty. Some of us, and I am one of them, may feel hopes that an improvement is coming. But one cannot make budget estimates or frame financial policy on hopes. We are materially better off than we were in September 1931 in the sense that we have got the measure of our difficulties and proved that our structure is strong enough to stand up against the storm, at least as hitherto experienced; but there could be no more fatal folly than to weaken that structure before the storm is over, and thus jeopardise all the success which has been achieved.

75. We therefore think that the structure must, at least until things are clearer, remain unaltered, and I have accordingly no remissions of taxation to propose.

76. We have considered very carefully whether in any cases of customs duties a point of so-called diminishing returns has been reached, but I am quite satisfied that there is no class of ordinary imports in regard to which a reduction of the duty would so stimulate the demand as to produce an increase of revenue. I have little doubt that in the course of the budget debate questions of this kind will be raised, and I can defer a statement of the evidence in regard to any particular item until then. We have given special consideration to two very high import duties, those on silver and sugar. As to silver, it might perhaps be argued with greater force than in the case of any other article that a reduction in the duty might stimulate consumption, or at least that, as we are recovering so little duty now, we could afford to risk the experiment. If revenue were the only consideration there is doubtless a good deal in the argument. But we had to take other considerations also into account. The internal price, which affects many classes in India, depends on the rate of the import duty, and any lowering of that would have had a disturbing effect. On the whole we thought it to be in the public interest not to introduce disturbing factors of that kind just now.

In the case of sugar it is essential to remember that the present rate of duty is substantially higher than the maximum protective duty recommended by the Tariff Board. It is conceivable that a lowering of the duty might in this case stimulate imports of foreign sugar. But just at this moment many new factories are being started and for that reason one must hesitate to make any sudden change. On the other hand it would be highly imprudent for those who are investing money in the sugar business to forget that present conditions are more favourable than those on which, according to the recommendations of the Tariff Board, they have any right permanently to rely. For this reason a due proportion of the profits that are earned on the present basis ought to be accumulated as reserves, for no right can become established to a continuance of the present position.

77. As regards Taxes on Income, we deplore as much as anybody the necessity for a continuance of the present rates, but all that we can promise, and this we do most sincerely, is that they will not be continued longer than is necessary and that all our efforts will be directed to keeping down expenditure, and to preparing in other ways for a lightening of this particular burden.

78. While our general plan is, as I have explained, to stand on our present position without weakening any part of it, there are three proposals of minor importance which are included in the Finance Bill and which I must now explain.

79. The first two are changes in the import duties on boots and shoes and artificial silk goods which can be described as revenue measures with a protective significance. Their justification really depends on a combination of these two qualities.

80. Special taxes, going beyond the ordinary 25 per cent. surcharge, viz., a specific minimum duty on boots and shoes and enhanced rates of duty on artificial silk manufactures, were imposed on these two classes of articles in the Emergency Act of 1931, and these have proved excellent revenue producers. We estimate the yield from the duty on boots and shoes during the current year at Rs. 27 lakhs, while the year's yield from artificial silk manufactures may be roughly estimated at nearly 1½ crores. In the revenue estimates for 1933-34 I have assumed that these two taxes will bring in as much revenue next year as in the current year, but it would not be safe to reckon on such a result if the duties were left unchanged. I will explain the reason for this.

81. First, in the case of boots and shoes, establishments have been set up in India for the production of shoes made from imported canvas uppers and imported rubber soling sheets. Both of these constituents pay duty at no more than the standard revenue rate, and the result is that by this very simple process of merely assembling in India what are really foreign manufactures the amount of duty paid by importers is very greatly reduced. The Bill proposes, therefore, to apply to uppers for boots and shoes a minimum specific duty at half the rate applicable to complete boots and shoes. This will do much to safeguard the revenue, while it will at the same time leave some slight margin of advantage to the local assembly plant as compared with the importer of the complete article. Leather uppers, which in any case could not be cheap enough to fall within the scope of the minimum specific duty, are excluded for the technical reason that the *ad valorem* duty to which they are liable is, owing to the operation of the Ottawa Trade Agreement, different from that applicable to other uppers.

82. I now come to the second group of proposals which relate to artificial silk goods and to mixtures in which either silk or artificial silk may be included. The existing rate for mixtures is, owing to the operation of surcharges, 34⅓ths per cent. This item was introduced as providing an intermediate rate between that applicable to silk and that applicable to the other textile ingredient, whatever it may be, with which the silk is mixed. With the raising of the duty on non-British cotton piece-goods to 50 per cent. by the notification of last August, a new situation has been created, for manufacturers of such goods can escape this special duty by introducing at a trifling expense a very small quantity of silk or artificial silk into the warp or weft of cotton goods, and thus secure assessment at the lower rate of 34⅓ths per cent. applicable to mixtures—a result which would not only involve loss of revenue but would impair the operation of the protective policy of the Government. We have rejected a proposal that the mixed rate should be raised to 50 per cent., since that would be unfair to all the remaining classes of silk or artificial mixtures where the duty is still an intermediate one, and have resorted instead to the device of a minimum specific duty.

83. While a change in the duty on mixtures has been necessary for these reasons, it has also appeared desirable to us to guard against any falling off from the very satisfactory revenue that we have been receiving from the higher *ad valorem* duties on pure artificial silk goods, the imports of which are 99 per cent. Japanese. Such losses might occur either through a further fall in prices of Japanese goods, or through a decline in the volume of imports. We are also not able to leave out of consideration the possibility that to some extent competition of these goods, no less than of mixtures, when imported at very cheap rates, may impair the effectiveness of the special protective duties on cotton piece-goods. Here again merely to raise the *ad valorem* rate

would not only be a dangerous device from the revenue point of view, but would also be unfair to the manufacturers of the more expensive article in countries other than Japan; and for both these reasons we have in this case also resorted to the device of a minimum specific duty.

84. The duties which we propose in both these cases have been carefully worked out in the light of the objectives to be attained, and they are 4 annas per square yard for pure goods and 2 annas 3 pies for mixtures.

(I may here note that in the case of both these proposals no distinction is made between silk and artificial silk. I have already explained why this must be so in the case of mixtures. In the case of pure goods, although the arguments in favour of imposing the specific duty for pure artificial silk goods do not apply to pure silk goods, nevertheless in practice it is highly unlikely that the duty which we have proposed will ever come into operation with silk goods; while it is desirable on administrative grounds to maintain the duty on silk goods and artificial silk goods at the same level. We are therefore nominally extending the minimum to silk goods also. We do not think that these specific duties should be applied to fents, which, as in the case of cotton fents, will remain liable to the ordinary *ad valorem* duty.)

The value per square yard of the classes of piece-goods concerned can only be estimated, since the trade is recorded in linear yards, but on the best estimate that can be made we calculate that with present prices the *ad valorem* incidence of the proposed duties will, in the case of pure artificial silk goods, be 100 per cent. on the Japanese and from 26 to 32 per cent. on others; while on silk and artificial silk mixtures the average incidence will be 47 per cent. on Japanese goods and from 32 to 36 per cent. on others. In regard to mixtures I would remind the House that we are here mainly concerned with a possible abuse of the mixture definition so as to pass off what should really be called cotton goods as mixtures, in which case the *ad valorem* incidence of the specific duty would be very much higher.

Finally, I may say that we are making one more slight change and taking this opportunity to round off to 35 per cent. the present duty on mixtures, which, owing to the operation of the two surcharges, has reached the uncomfortable figure of 34½ths per cent.

85. The last of the three small changes which, as I have explained, we are proposing in the Finance Bill is designed to benefit not the Central but Provincial revenues. The House will remember that the stamp duty on cheques was abolished with effect from the 1st July 1927 on the recommendation of the Currency Commission of 1926. It was hoped that the abolition of the duty in India would lead to a wide adoption of cheques as a means of payment and thereby to a desirable encouragement of the banking habit. The actual results, however, have not been encouraging, and from enquiries made the Government of India believe that the remission of the duty has not had much effect. The report of the Indian Central Banking Enquiry Committee tends to confirm this belief, as it found that the most serious obstacle to the growth of the cheque habit in the country was the illiteracy of the people. We therefore felt that we had no strong grounds on which to resist the demand which has been pressed upon us by various Provincial Governments that the stamp duty should be reimposed in order to help their revenue, and we have accordingly somewhat reluctantly agreed to propose a reimposition of the duty for a limited period of three years. In order to allow due notice to banks and the public the change will, according to our proposal, only come into effect on the 1st July 1933. A provision for this purpose is included in

the Finance Bill. The legislation must be central but the proceeds will be divided among the Provinces. We estimate that the proceeds in a full year will be about seven lakhs of which the greater share will go to Bombay and Bengal.

86. *Ways and Means*.—I must now turn to a review of the Ways and Means position for the current year and the next.

The outstanding features of the year have been the sensational improvement in our credit both in England and locally, which enabled us to fund a much larger amount of our loan commitments than appeared possible when I made my budget speech last year, and the strengthening in our currency reserves which has been possible as a result of the improvement both in our credit and in sterling exchange.

87. I will deal first with the latter. In my budget speech for 1932-33 I showed that one of the first sequels to the currency policy adopted in September 1931 was a large demand for currency in India. This currency had to be supplied, and though we were able to effect large purchases of sterling we decided that in the first instance the additional currency should be provided by the creation of *ad hoc* treasury bills, and that the sterling should be used for other purposes, such as the liquidation of our immediate loan liabilities in London. In this way we effected a net expansion of 35 crores against treasury bills. At the same time, I indicated that if in the current year we obtained more sterling than was necessary for supplying the requirements of our Home Treasury and the repayment of sterling loans falling due, the surplus would be used to strengthen our sterling currency reserves. This policy has been carried out and sterling securities have been substituted on a large scale for Treasury bills, the net reduction of the latter so effected during the year amounting to 14,39 lakhs.

I have already dealt with this question in my broader survey of the position as regards gold exports.

88. *Loans*.—In my last budget speech I anticipated that it would be possible to reduce the amount of treasury bills held by the public by about $7\frac{1}{2}$ crores from the current resources, and that we should not have to raise any loans during the year except to meet our maturing liabilities. I indicated, however, that if conditions were favourable we should take the opportunity by loan issues to strengthen our position and in particular to fund as much as possible of our floating debt. The continuous rapid improvement in our credit enabled us to float no less than one sterling and four rupee loans at rates which improved from over $5\frac{1}{2}$ per cent. to something below $4\frac{1}{2}$ per cent. The results of the latest conversion loan operation are not yet fully known, and when the estimates had to be completed early in February we could only work on guesses as to how much would be converted. For the purpose of the printed estimates we have assumed that Rs. 22 crores would be converted, and I have had to work out all my figures on this cautious assumption, though this amount had actually already been reached by February 21st. If I assume a higher figure, say, 30 crores, the position is that against an originally estimated discharge of permanent debt of $26\frac{1}{2}$ crores during the year we shall be able to discharge nearly 78 crores, and in addition to reduce the treasury bills outstanding with the public by 19,53 lakhs as compared with our original estimate of 7,51. When the discharge of *ad hoc* treasury bills, to which I have already referred, and the repayment of Ways and Means advances are included, this means that during the current year we shall have been able to fund immediate liabilities to the huge amount,

of 121 crores, as compared with a budget estimate of 34. The bulk of this has been converted into regular loans for which the obligatory maturities range from 8 years in the case of the first loan issued last year, to 37 years in the case of our latest conversion scheme. The details of these loans are as follows:—

		REVISED, 1932-33.	Rs. lakhs.
<i>India.</i>			
4 per cent. 1943			14,67
4 per cent. 1960-70			30,00
5 per cent. 1940-43			24,68
5½ per cent. 1938-40			18,76
			88,11
<i>England.</i>			
5 per cent. Stock 1942-47			12,67
			100,78
	Total		100,78

89. Our general programme has also been helped by exceptionally large receipts from post office cash certificates and savings bank deposits. Though the cheapening of money rates has enabled us to reduce the yield on the former from 6 per cent. to 4½ by two stages, the latter becoming operative on January 1, on which date most banks in India also reduced their rate of interest on deposits, no less than 14,35 lakhs was obtained from these two sources, as compared with the budget estimate of 7 crores, and an average of less than 5½ crores for the 5 years from 1926 to 1931. I want to direct particular attention to this result on which I have already commented in my general review of the economic position.

90. *Capital Expenditure—Railways.*—The Railway capital outlay in the current year is now estimated to be 81 lakhs as compared with 4,15 lakhs estimated in the budget—this reduction meaning an improvement of 3,34 lakhs in our Ways and Means position. As against this, the results of normal operations have made somewhat heavier demands on our Ways and Means position than was anticipated. The gross receipts continued to be disappointing, though the fall was largely offset by increased savings in working expenses.

The net result is that a loan of 934 lakhs had to be taken from the depreciation fund as compared with the estimate of 759 in the budget. In this connection, however, I must point out that the accretion to the depreciation fund during the year was 815 lakhs so that the effect of this loan is to reduce the fund by only 119 lakhs, from 14,86 to 13,67.

91. *Provincial drawings.*—The provincial drawings have been much less than was anticipated when framing the budget, amounting to 564 lakhs as compared with 10,62, this being the effect of the policy of the drastic restriction of advances from the provincial loans fund to capital works already in hand, and the curtailment of these as far as possible. Unfortunately, though the position of some Provinces was better than anticipated, others, particularly Bengal, have had again to face heavy deficits.

92. *Revenue surplus.*—It is estimated that the revenue surplus will be 217 lakhs as compared with the 215 lakhs originally budgetted for.

NEXT YEAR 1933-34.

93. *Capital Expenditure.*—I shall have something to say in my concluding remarks as regards our general policy of Capital expenditure and the possibility of expansion in the future. But whatever change in the direction of a more expansive programme we may hereafter feel justified in considering, it is not likely to have appreciable effects as regards expenditure in the coming year. For the purpose of the estimates we are including provision for Capital expenditure of 330 lakhs on the Railways and 424 lakhs for loans to the Provincial Governments.

94. *Borrowing programme, 1933-34.*—With this reduced capital programme I estimate that it will be possible to effect a further reduction of 8 crores in our outstanding treasury bills and still have approximately 17 crores available to meet our maturing loan liabilities apart from what we may obtain from fresh borrowing. This is clearly a very strong position. In making this estimate I have allowed for the possibility of drawing to the extent of about 11 crores on our sterling balance with the Secretary of State. Owing to the very large figure at which this balance now stands, such a reduction would be quite legitimate. Apart from this I have allowed only for receipts to the amount of 840 lakhs from savings bank and cash certificate receipts. This is of course very substantially less than the estimated figure of 14,35 lakhs in the current year. I have allowed for this decrease because of the reduction in the rate of interest to $4\frac{1}{2}$ per cent., but this form of investment has now so thoroughly popularised itself throughout India that it is not at all improbable that our budget estimate will be materially exceeded.

95. Against these resources of 17 crores our maturing loan liabilities are of very modest dimensions. We have the option of repaying the £7 millions 6 per cent. sterling 1933-35 bonds, and we shall have to deal with any portion of the rupee loans of 1929-47, 1933 and 1933-36 which is not converted. On the assumption that 30 crores of the latter are converted, we shall only require to raise a loan of 4 crores in India, and on the assumption that we repay the £7 million sterling loan, we should require to raise only £6 million equivalent to 8 crores in London. These figures, however, cannot be regarded as more than tokens. If conditions are favourable in London we might issue a larger loan and use the proceeds for strengthening our sterling currency reserves, or to repay £10 million 6 per cent. 1933-34 Bonds which we have the option of repaying on the 15th December. If the conversions on our present scheme are larger than 30 crores, the loan liabilities in India will be so much less, and we may proceed further with the funding of treasury bills.

One important point to note is that according to these estimates, and without any further loans, the treasury bills outstanding with the public will, on our present estimates, be reduced to the comfortable figure of 28 crores by March 31, 1933, a very satisfactory reduction from the $84\frac{1}{2}$ crores outstanding at the end of August 1931.

96. *Home charges.*—Exchange was very steady throughout the year, and large purchases of sterling were made from the middle of August. The estimated purchases for the year are approximately thirty-nine million pounds. In addition, £715,000 was taken over from the Calcutta Port Trust, being the balance of a sterling loan floated by them. Our requirements for the year were £24 millions so that the balance of approximately £15½ millions was available for strengthening our currency reserves, which I indicated in my last budget speech as the most appropriate use to which they could be put. I estimate that our closing balance in London this year will be £13,400,000, as compared

with £15,900,000 last year. This is still a large figure, but I consider it advisable to adhere to it, as an alternative source from which we can meet our sterling loan maturities should this prove preferable to sterling borrowing. On the assumption that we float a sterling loan of six millions, this means that the sterling which we will have to purchase in 1933-34 will be £21 million, and if further remittances are obtained, it will probably prove best to devote them, as in this year, to the further strengthening of our sterling reserves.

97. The position which I have thus explained may be summarised as follows; but I must repeat that this summary is compiled on the assumption that only 22 crores will have been taken up under the February conversion scheme. If the results are different from this the figures as regards rupee loans, both for the current year and next year will be substantially altered.

<i>Liabilities.</i>			
_____	Budget, 1932-33.	Revised, 1932-33.	Budget, 1933-34.
Railway Capital outlay	4.15	.81	3.30
Other Capital outlay	1.50	1.52	1.23
Provincial drawings	10.62	5.64	4.37
Discharge of permanent debt	26.56	69.48	37.10
Discharge of treasury bills—			
(a) with the public	7.51	19.53	8.00
(b) in the Paper Currency Reserve . . . . .	..	14.39	..
Repayment of Ways and Means advances . . . . .	..	9.50	..
Loans and advances by Central Government . . . . .	.26	.76	.72
Other transactions . . . . .	.06	1.53	—2.53
	50.66	123.16	52.19

<i>Resources.</i>			
Revenue surplus	2.15	2.17	.42
Rupee loans (net)	14.50	60.11	12.60
Sterling loans (net)	8.00	12.67	8.00
Post Office cash certificates and savings bank.	7.00	14.35	8.40
Other unfunded debt	4.71	3.67	4.96
Appropriation for reduction or avoidance of debt	6.82	6.84	6.88
Depreciation and Reserve Funds . . . . .	.52	— .91	— .20
Reduction of cash balances	6.96	4.26	11.73
	50.66	123.16	52.19

98. I have endeavoured to give the House a fair appreciation of our present position. I fear that I have taken a great time, but even so it has only been possible to touch superficially on many important points. In the field of finance the outstanding features of the year under review are, first, the re-establishment of budgetary equilibrium, secondly, the great improvement in Government credit which has completely transformed the market for Government securities, thirdly, the creation of cheap money conditions.

99. I want to say a few final words on the last two points which are closely connected. If we turn our memories back eighteen months ago to that day in September 1931 when I had to introduce the emergency financial plan, the transformation is indeed marvellous. At that time $3\frac{1}{2}$ per cent. paper in India stood at 53; now it stands at about 82; Indian $3\frac{1}{2}$ per cent. sterling securities stood at 46; now they stand at about 89. The 1960-70 4 per cent. loan of which we hope to place about 30 crores on our present conversion plan and which stands at about 94 then stood at 62, and at that time the idea of placing a long term loan on any terms would have been utterly impossible. Eighteen months ago the bank rate stood at 6 per cent., today it stands at $3\frac{1}{2}$ per cent. and I would remind the house that at least as far back as I have been able to trace, that is for 29 years back to 1904, the bank rate at this time of the year has never stood below 6 per cent.

Eighteen months ago we had a floating debt of Rs. 84 crores; today it is reduced to 35 crores. Now in all this we have obviously been helped by world conditions, and of course cheap money is to some extent a sign of low industrial and commercial activity. But making every allowance for these factors, the transformation in our position would have been quite impossible unless our own budgetary policy had been sound.

100. The maintenance both of Government credit and of cheap money conditions is dependent on the maintenance of a sound budgetary position, for if Government were to start meeting its current needs with borrowed money, we might not only become unable to borrow that money at cheap rates, but it might also be necessary to raise the bank rate in order to protect the currency position.

101. I wish, moreover, to emphasise how vitally important it is in the interests of commerce and industry to maintain both these conditions of high credit and cheap money. Indeed, the one hope amid the present depression is that the power to raise long term loans at low rates of interest will provide a stimulus for the revival of capital expenditure; and that is the only sound way by which an exit can be found from the present depression. I know that many people hold that the present high rates of taxation, particularly of income-tax, are crushing industrial enterprise; but I would put it to them that nothing is more likely to damage business than a premature relaxation of our present measures leading to difficulties and unsoundness in public finance. For this again would lead not only to a loss of Government credit and a rise in the general rates of interest, but would almost certainly make it necessary in the long run to reimpose taxation at higher rates in order to recover the lost ground. If, on the other hand, the Government keeps its position strong, and if, as a result of the confidence thus created, the public become ready to invest in long term securities at low rates of interest, that offers hope of an industrial revival which will soon make it possible to reduce taxation. There is no other sound remedy for the present disease.

102. Let me say also a few words as to Government's own policy in these matters. We believe that the time is coming when our own position will be so strong that we can safely contemplate relaxing the restriction on capital

expenditure which we have had to impose during the last few years. With the success of our conversion schemes we are gradually approaching a period when we shall be entirely relieved of the embarrassment of having to meet heavy loan maturities each year. Once that stage is attained we shall require to raise only a very small amount of money from the public each year in order to support quite a substantial programme of capital expenditure.

103. But there are certain conditions which will very definitely govern our action.

In the first place we must adhere to the policy of not regarding any schemes as suitable objects for capital expenditure which are not economically sound and productive. In the second place we do not intend to launch out into any programme on a scale which is likely to depress the market for Government securities by putting us in the position of having to ask the investing public to subscribe more money than it has readily available for investment. We are approaching a period when there is more money for investment in Government loans than we require to raise. That is a very healthy change of conditions from those of the past few years and we do not intend to disturb these new conditions.

104. As regards the outlets for capital expenditure, these again must be carefully chosen. Contrary to the general public impression, it does not appear that there are any very urgently needed railway extensions or railway works, for in spite of the restrictions of the past few years, the railways have kept fairly well abreast of current needs. Railways, moreover, must no longer be treated in isolation; they must be regarded merely as one part of a general system of transportation and communications, of which roads also are a most important feature. At the Conference on Road and Railway policy which is to be held at Simla on April 24, as announced by His Excellency the Governor General when he addressed the Assembly at the opening of this session, we shall consider the whole problem of financing road development. Whether any immediate opening for sound capital expenditure can be found in connection with roads I cannot yet say. All that I can say is that the time has come when we think it right to give these matters our active consideration.

105. In the matter of our future policy as regards conversion schemes and funding operations, I cannot of course announce any precise plans. We have proceeded so far step by step, and at each step we have raised the level of securities and given to the investors concerned an opportunity to convert their holdings in a manner which has left them a good margin of profit. I have every reason to anticipate that this process will continue, for I believe that, subject always to the maintenance of sound Government finance, we have before us a long period of cheap money and the possibility of seeing securities reach a substantially higher level. In this policy we are looking not merely to the immediate, but also to the more distant future. We feel that with the new constitution approaching we have a special duty to prepare the way, so that the first years of the new Government may be freed from embarrassment. In particular, we desire to consolidate the position so as to make it possible to start a Reserve Bank on sound foundations.

106. And that brings me to the last thing which I have to say. I fully realise that the budgetary plan which I have just announced is not of a nature to stir enthusiasm. It involves a continuance of the grim effort which has been sustained during the past eighteen months. But if Honourable Members look round the world, they will, during the next few weeks, see the Finance Ministers in every country which believes in sound finance introducing budgets very much of this kind. If they dislike the continuance of this effort, I am

sure they will appreciate that I dislike it equally, and that it must be a very great disappointment for me, on this occasion of the last budget of my five-year term, not to be able to take for the first time the pleasant path of relaxing burdens of taxation. But I have felt it necessary to take the harder path; and I have at least this consolation. When I first took office, though the rest of the world was still booming, it became apparent to me very early that India was faced with special difficulties, and was destined for a period both of constitutional uncertainty, and of borrowing to meet past commitments, which would inevitably reduce her credit. But today we have recovered from all that and I think we may feel that India, amidst a world which is floundering in the gravest trouble and distress, has reached a position in regard to her public finance which challenges comparison with that of any other country. That we have been aided both by special fortune and by the strong reserve resources of the Indian people in attaining this position, I should be the first to admit. But that, while it does not diminish the value of the position, only strengthens the obligation which rests upon us to make the utmost efforts to maintain it. I would appeal to the House to support us both in those efforts and in the fulfilment of what is now our guiding purpose—the purpose of leaving to the new Government of India a house well stored and buttressed against all the storms which it may encounter.

GEORGE SCHUSTER.

The 28th February 1933.

BUDGET

of the

Governor-General in Council,

as laid before the

Indian Legislature, 1933.

FINANCE DEPARTMENT,
New Delhi, the 28th February 1933. }

J. B. TAYLOR,
Secretary to the Govt. of India.

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BUDGET FOR 1933-34.

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

	For details, vide Statement.	Accounts, 1931-32.	Budget Estimate, 1932-33.	Revised Estimate, 1932-33.	Budget Estimate, 1933-34.
		Rs.	Rs.	Rs.	Rs.
Revenue—					
Principal Heads of Revenue—					
Customs	A	46,43,66,526	52,31,27,000	52,28,55,000	51,24,60,000
Taxes on Income	"	17,48,73,074	18,73,38,000	17,70,00,000	18,38,00,000
Salt	"	8,57,92,398	8,49,40,000	10,38,00,000	8,75,00,000
Opium	"	2,07,41,533	1,32,03,000	94,82,000	1,20,05,000
Other Heads	"	2,19,24,350	1,79,39,000	1,90,74,000	1,89,93,000
TOTAL PRINCIPAL HEADS		76,76,97,781	83,60,07,000	83,32,21,000	81,31,58,000
Other Heads of Revenue—					
Railways: Net Receipts (as per Railway Budget)	A	33,61,55,788	34,18,44,000	33,40,90,000	33,39,46,000
Irrigation: Net Receipts	"	12,79,461	1,66,000	1,67,000	—14,000
Posts and Telegraphs: Net Receipts	"	—16,33,697	73,99,000	33,65,000	30,41,000
Interest Receipts	"	2,40,84,982	1,80,12,000	1,83,67,000	1,52,00,000
Civil Administration	"	94,44,523	90,11,000	90,62,000	82,63,000
Currency and Mint	"	1,78,61,705	3,31,17,000	2,40,75,000	1,74,68,000
Civil Works	"	24,51,746	26,79,000	20,92,000	21,55,000
Miscellaneous	"	1,56,91,013	66,87,000	93,17,000	57,24,000
Defence Receipts	"	4,12,74,320	4,17,96,000	3,84,78,000	4,31,67,000
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments . . . . .	"	...	...	...	...
Extraordinary Items	"	21,48,313	23,91,000	1,79,000	...
TOTAL REVENUE		1,21,64,65,714	1,29,96,29,000	1,27,13,08,000	1,24,62,16,000
DEBIT		11,74,73,277	...	...	...
TOTAL		1,09,89,92,437	1,29,91,39,000	1,27,13,08,000	1,24,62,16,000

BUDGET FOR 1933-34.

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

	For details, vide Statement.	Accounts, 1931-32.	Budget Estimate, 1932-33.	Revised Estimate, 1932-33.	Budget Estimate, 1933-34.
		Rs.	Rs.	Rs.	Rs.
Expenditure -					
Direct Demands on the Revenue	B	4,17,69,125	4,16,64,000	4,28,92,000	4,15,94,000.
Forest and other Capital outlay charged to Revenue	"	66,341	3,16,000	2,63,000	2,34,000
Railways : Interest and Miscellaneous Charges (as per Railway Budget)	"	33,61,55,768	34,18,44,000	33,40,90,000	33,39,45,000
Irrigation	"	21,51,573	4,32,000	5,33,000	4,74,000
Posts and Telegraphs	"	25,37,202	1,01,25,000	88,26,000	91,32,000
Debt Services	"	19,72,39,364	19,92,35,000	19,13,97,000	17,67,36,000
Civil Administration	"	12,17,55,023	9,64,93,000	9,68,03,000	9,59,32,000
Currency and Mint	"	76,09,373	70,02,000	69,04,000	64,19,000
Civil Works	"	2,30,77,703	1,94,19,000	1,83,76,000	1,93,93,000
Miscellaneous	"	4,34,15,290	4,00,08,000	4,24,45,000	4,11,76,000
Defence Services	"	55,88,74,220	50,91,96,000	50,54,78,000	50,51,67,000
Miscellaneous adjustments between the Central and Provincial Governments	"	---	1,03,00,000	96,35,000	1,00,00,000
Extraordinary Items	"	2,98,111	22,10,000	15,62,000	8,74,000
TOTAL EXPENDITURE CHARGED TO REVENUE		1,33,39,38,991	1,27,61,45,000	1,24,96,23,000	1,24,10,55,000
SURPLUS		---	2,14,84,000	2,16,80,000	41,61,000
TOTAL		1,33,39,38,991	1,29,76,29,000	1,27,12,03,000	1,24,52,16,000

BUDGET FOR 1933-34.

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

	For details, vide Statement.	RECEIPTS.			
		Accounts, 1931-32.	Budget Estimate, 1932-33.	Revised Estimate, 1932-33.	Budget Estimate, 1933-34.
		Rs.	Rs.	Rs.	Rs.
Surplus			2,14,84,000	2,16,60,000	41,61,000
Railway Capital not charged to Revenue—					
Capital contributed by Railway Companies and Indian States towards outlay on State Railways (as per Railway Budget)	C	...	...	1,03,04,000	...
Debt, Deposits and Advances—					
Permanent Debt (net incurred) . . . . .	"	...	...	24,48,08,000	...
Floating Debt (net incurred)	"	40,13,75,548	49,30,000	...	...
Unfunded Debt (net incurred)	"	10,18,08,164	11,71,03,000	18,02,39,000	13,36,43,000
Deposits and Advances (net)	"	...	6,73,01,000	4,44,60,000	8,25,60,000
Railway Depreciation and Reserve Funds as per Railway Budget (net)	"	...	51,21,000	...	2,88,000
TOTAL DEBT, DEPOSITS, AND ADVANCES.		50,21,83,713	10,44,43,000	48,94,97,000	21,64,67,000
Remittances (net)	C	...	4,37,000	...	1,21,000
Balances of Provincial Governments (net)	"	...	1,02,08,000	2,51,00,000	...
TOTAL RECEIPTS		50,21,83,713	22,66,36,000	62,65,81,000	27,07,60,000
Opening Balance {					
India . . . . .	...	17,58,23,743	10,18,90,748	12,60,10,744	11,73,19,744
England	7,40,43,787	14,71,59,787	21,15,32,561	17,64,98,561
TOTAL		74,90,51,246	47,50,58,633	80,50,24,305	51,66,82,306

BUDGET FOR 1933-34.

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Central Government, in India and in England.

	For details, vide Statement.	DISBURSEMENTS.			
		Accounts, 1931-32.	Budget Estimate, 1932-33.	Revised Estimate, 1932-33.	Budget Estimate, 1933-34.
		Rs.	Rs.	Rs.	Rs.
Deficit		11,74,73,277	...	...	...
Railway, Irrigation, Posts and Telegraphs and other Capital outlay not charged to Revenue—					
Capital outlay on Security Printing Press	C	—3,81,891	4,000	4,000	—1,11,000
Construction of State Railways (as per Railway Budget)	"	6,9,00,561	14,15,00,000	1,40,00,000	3,30,00,000
Discharge of Debentures (as per Railway Budget)	"	6,63,312	...	44,32,000	...
Construction of Irrigation Works	"	8,744	...	...	...
Capital outlay on Posts and Telegraphs	"	87,91,876	23,15,000	19,06,000	15,50,000
Capital outlay on Vizagapatam Port	"	36,48,267	55,55,000	54,00,000	49,50,000
Capital outlay on Light-houses and Light-ships . . . . .	"	...	...	...	...
Currency Capital outlay	"	—5,843	4,000	1,000	—78,000
Initial expenditure on New Capital at Delhi	"	14,60,663	...	...	...
Payment of commuted value of pensions	"	42,31,942	46,55,000	65,76,000	60,66,000
Payments to Retrenched Personnel	"	1,45,487	25,00,000	12,41,000	—1,37,000
TOTAL CAPITAL ACCOUNT DISBURSEMENTS	"	8,54,62,710	5,65,33,000	3,36,20,000	4,53,09,000
Debt, Deposits and Advances—					
Permanent Debt (net discharged)	"	47,88,605	12,06,19,000	...	17,09,55,000
Floating Debt (net discharged) . . . . .	"	...	...	43,41,75,000	8,00,00,000
Deposits and Advances (net)	"	4,83,61,492	...	...	...
Railway Depreciation and Reserve Funds as per Railway Budget (net) . . . . .	"	...	...	1,10,16,000	...
TOTAL DEBT, DEPOSITS AND ADVANCES	"	5,31,50,157	12,06,19,000	44,60,91,000	25,09,55,000
Loans and Advances by the Central Government (net Advances)	"	1,2,63,47,545	11,90,96,000	8,91,47,000	3,71,73,000
Remittances (net)	"	1,22,06,651	...	3,53,000	...
Balances of Provincial Governments (net)	"	1,50,67,570	...	...	46,00,000
TOTAL DISBURSEMENTS . . . . .	...	41,06,07,940	29,62,46,000	56,92,11,000	33,90,96,000
Closing Balance { India . . . . .	...	12,69,10,744	11,36,83,746	11,73,19,744	11,29,30,744
England . . . . .	...	21,15,32,561	6,67,53,767	17,64,93,561	6,68,15,861
TOTAL . . . . .	...	74,90,51,245	47,66,86,533	86,50,24,305	51,65,82,305

A.—Statement of the Revenue of the Centre

HEADS OF REVENUE.	ACCOUNTS, 1931-32.				REVISED ESTIMATE,		
	India.	England.	Exchange.	TOTAL.	India.	England.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Principal Heads of Revenue—							
I.—Customs	44,43,66,526	...	...	44,43,66,526	52,38,55,000	...	1
II.—Taxes on Income	17,48,73,034	50	...	17,48,73,074	17,70,00,000	...	2
III.—Salt	8,57,93,298	...	...	8,57,92,298	10,38,00,000	...	3
IV.—Opium	2,07,41,533	...	...	2,07,41,533	94,92,000	...	4
V.—Land Revenue	33,55,932	...	...	33,55,932	17,63,000	...	5
VI.—Excise	51,17,102	...	...	51,17,102	42,81,000	...	6
VII.—Stamps	23,54,729	8,016	105	23,62,850	36,62,000	...	7
VIII.—Forest	24,06,558	2,650	28	24,09,536	17,31,000	...	8
IX.—Registration	1,52,197	...	...	1,52,197	95,000	...	9
X.—Payments from Indian States	84,88,733	...	...	84,88,733	75,62,000	...	10
TOTAL	76,76,86,932	10,716	133	76,76,97,781	83,32,21,000	...	11
Irrigation, etc.—							
XIII.—Works for which Capital accounts are kept—Gross Receipts	22,28,183	...	...	22,28,183	1,66,000	...	12
Deduct—Working Expenses	9,54,219	...	...	9,54,219	1,82,000	...	13
Net Receipt	12,73,971	...	...	12,73,971	4,000	...	14
XIV.—Works for which no Capital Accounts are kept	4,809	685	—4	5,409	1,63,000	...	15
TOTAL	12,78,780	685	—4	12,79,481	1,67,000	...	16
Posts and Telegraphs—							
XV.—Posts and Telegraphs—Indian Posts and Telegraphs Department—Gross Receipts	10,64,59,863	...	...	10,64,59,863	10,56,88,000	...	17
Deduct—Working Expenses	10,71,40,421	9,49,138	4,001	10,80,93,560	10,11,35,000	11,92,000	18
Net Receipt	—6,80,558	—9,49,138	—4,001	—16,33,697	45,53,000	—11,92,000	19
Indo-European Telegraph Department—Gross Receipts . . . . .	...	...	...	...	...	...	20
Deduct—Working Expense . . . . .	...	...	...	...	...	...	21
Net Receipts . . . . .	...	...	...	...	...	...	22
TOTAL	—6,80,558	—9,49,138	—4,001	—13,33,697	45,53,000	—11,92,000	23
Debt Services—							
XVI.—Interest	1,17,23,452	1,34,64,680	—83,150	2,40,94,982	99,52,000	83,14,000	24
Carried over	78,00,06,606	3,15,16,943	—87,022	79,14,36,527	84,69,23,000	71,22,000	25

*Starting converted into

BUDGET FOR 1933-34.

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Government, in India and in England.

1933-33.		BUDGET ESTIMATE, 1933-34.						Increase (+) Decrease (-) as compared with Revised, 1932-33.
Item	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1932-33.	India.	England.	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Revised, 1932-33.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	...	51,22,55,000	-2,73,000	51,24,63,000	...	...	51,24,60,000	-1,03,95,000
2	...	17,70,00,000	-1,03,38,000	18,23,00,000	...	...	18,23,00,000	+53,00,000
3	...	10,38,00,000	+94,60,000	8,75,00,000	...	...	8,75,00,000	-1,63,00,000
4	...	94,92,000	-37,71,000	1,20,05,000	...	...	1,20,05,000	+26,13,000
5	...	17,63,000	+3,05,000	17,99,000	...	...	17,99,000	+36,000
6	...	42,61,000	+3,94,000	43,37,000	...	...	43,37,000	-24,000
7	...	88,63,000	+3,61,000	37,97,000	...	...	37,97,000	+1,35,000
8	...	17,31,000	-68,000	16,90,000	...	...	16,90,000	-41,000
9	...	96,000	+9,000	92,000	...	...	92,000	-3,000
10	...	75,62,000	+1,24,000	73,78,000	...	...	73,78,000	-1,64,000
11	...	83,23,21,000	-37,66,000	81,33,58,000	...	...	81,33,58,000	-1,89,63,000
12	...	1,86,000	+3,000	1,63,000	...	...	1,63,000	-24,000
13	...	1,82,000	-30,000	1,80,000	...	...	1,80,000	+2,000
14	...	4,000	-27,000	-18,000	...	...	-18,000	-22,000
15	...	1,63,000	+8,000	4,000	...	...	4,000	-1,59,000
16	...	1,67,000	-19,000	-14,000	...	...	-14,000	-1,51,000
17	...	10,56,88,000	-68,65,000	10,81,34,000	...	...	10,51,34,000	+24,46,000
18	-4,000	10,83,23,000	+48,51,000	10,42,48,000	8,47,000	...	10,50,93,000	-27,70,000
19	-4,000	53,65,000	-45,34,000	88,88,000	-8,47,000	...	30,41,000	-3,24,000
20
21
22
23
24	4,000	23,65,000	-45,34,000	28,88,000	-8,47,000	...	30,41,000	-3,24,000
25	-29,000	1,62,67,000	+2,55,000	1,06,63,000	75,17,000	...	1,63,00,000	-67,000
26	-24,000	65,40,20,000	-80,64,000	82,78,15,000	66,70,000	...	68,44,85,000	-1,95,35,000

Rupees at £1 = Rs. 13½.

A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	ACCOUNTS, 1931-32.				REVISED ESTIMATE.		Item No.
	India.	England.	Exchange.	TOTAL.	India.	England.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	78,00,08,808	1,15,16,943	-87,023	79,14,38,527	84,69,23,000	71,32,000	
Civil Administration—							
XVII.—Administration of Justice	2,98,023	2,158	23	2,98,204	1,43,000	—	1
XVIII.—Jails and Convict Settlements.	3,85,189	—	—	3,85,189	2,83,000	—	2
XIX.—Police	4,09,978	—	—	4,09,978	8,41,000	1,07,000	3
XX.—Ports and Pilots	19,19,958	186	2	19,20,146	19,40,000	—	4
XX(1).—Light Ships and Light Houses	10,98,609	—	—	10,98,609	10,19,000	—	5
XXI.—Education	2,53,192	—	—	2,53,192	3,07,000	—	6
XXII.—Medical	3,28,283	1,072	11	3,29,366	3,18,000	—	7
XXIII.—Public Health	3,76,337	648	-3	3,76,882	1,56,000	—	8
XXIV.—Agriculture	18,27,231	143	2	18,27,376	19,76,000	—	9
XXV.—Industries	22,905	—	—	22,905	15,000	—	10
XXVI.—Miscellaneous Departments	20,94,935	1,67,045	-678	22,61,302	18,56,000	41,000	11
XXVI-A.—Indian Stores Department	2,61,445	—	—	2,61,445	2,20,000	—	12
TOTAL	93,74,015	1,71,161	-643	94,44,533	89,04,000	1,48,000	13
Currency and Mint—							
XXVII.—Currency	1,68,76,501	—	—	1,68,76,501	2,04,94,000	—	14
XXVIII.—Mint	9,85,178	26	—	9,85,204	35,81,000	—	15
TOTAL	1,78,61,679	26	—	1,78,61,705	2,40,75,000	—	16
Civil Works—							
XXX.—Civil Works	24,51,745	—	—	24,51,745	20,91,000	—	17
Miscellaneous—							
XXXIII.—Receipts in aid of Superannuation	11,38,090	2,67,038	1,995	14,05,129	10,99,000	2,66,000	18
XXXIV.—Stationery and Printing	30,46,030	36,213	-25	30,82,218	24,80,000	32,000	19
XXXV.—Miscellaneous	1,08,26,068	7,76,295	1,293	1,12,03,666	50,18,000	4,27,000	20
TOTAL	1,48,08,314	8,79,536	3,263	1,56,91,013	85,95,000	7,25,000	21
Defence Receipts—							
XXXVI.—Defence Services—Effective.	2,78,04,589	41,97,325	15,093	3,18,17,007	2,64,74,000	55,27,000	22
XXXVII.—Defence Services—Non-effective	18,26,438	78,42,418	-11,643	94,57,213	15,43,000	63,46,000	23
XXXVIII.—Transfers from Defence Reserve Fund.	—	—	—	—	6,22,000	—	24
TOTAL	2,93,31,027	1,20,39,743	3,450	4,12,74,320	2,86,39,000	98,73,000	25
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—							
XXXIX-A.—Miscellaneous adjustments between the Central and Provincial Governments	—	—	—	—	—	—	26
Extraordinary Items—							
XL.—Extraordinary Receipts	13,80,831	7,58,506	8,876	21,48,313	1,76,000	2,000	27
XL-A.—Transfers from Revenue Reserve Fund	—	—	—	—	—	—	28
TOTAL	13,80,831	7,58,506	8,876	21,48,313	1,76,000	3,000	29
Railway Revenues as per Railway Budget	34,12,96,763	-51,10,140	-30,856	33,61,55,768	32,89,44,000	-48,61,000	30
TOTAL REVENUE	1,18,63,13,880	1,03,54,765	-1,01,931	1,21,64,66,714	1,25,83,38,000	1,30,10,000	31

* Sterling converted into

Government, in India and in England—*contd.*

1932-33.			Increase (+) Decrease (-) as compared with Budget, 1932-33.	BUDGET ESTIMATE, 1933-34.				Increase (+) Decrease (-) as compared with Revised 1932-33.
Item No.	Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
	Rs. —25,000	Rs. 85,40,20,000	Rs. —80,84,000	Rs. 52,78,15,000	Rs. 66,70,000	Rs. ..	Rs. 83,44,85,000	Rs. —1,95,35,000
1	...	1,48,000	+28,000	1,25,000	...	...	1,25,000	—18,000
2	...	2,83,000	—15,000	2,68,000	...	...	2,68,000	+5,000
3	...	9,42,000	—19,000	8,35,000	1,07,000	...	9,43,000	—6,000
4	...	19,40,000	—70,000	19,30,000	...	...	19,30,000	—10,000
5	...	10,19,000	—1,44,000	10,39,000	...	...	10,30,000	+20,000
6	...	2,07,000	+27,000	1,94,000	...	...	1,94,000	—18,000
7	...	2,18,000	+3,000	1,65,000	...	...	1,65,000	—53,000
8	...	1,98,000	—1,20,000	1,67,000	...	...	1,67,000	—19,000
9	...	19,78,000	+2,54,000	12,53,000	...	...	12,53,000	—7,24,000
10	...	15,000	...	15,000	...	...	15,000	...
11	...	18,97,000	+1,93,000	18,59,000	7,000	...	18,60,000	—31,000
12	...	2,20,000	—89,000	3,79,000	...	...	3,79,000	+59,000
13	...	90,62,000	+41,000	51,48,000	1,14,000	...	62,62,000	—7,90,000
14	...	2,04,94,000	—1,23,98,000	1,39,11,000	...	...	1,39,11,000	—65,83,000
15	...	35,81,000	+32,56,000	35,57,000	...	...	35,57,000	—24,000
16	...	2,40,75,000	—90,43,000	1,74,68,000	...	...	1,74,68,000	—66,07,000
17	...	20,92,000	—5,87,000	21,55,000	...	...	21,55,000	+63,000
18	—1,000	13,64,000	—82,000	10,96,000	2,44,000	...	13,40,000	—24,000
19	...	25,12,000	—3,04,000	28,97,000	18,000	...	24,15,000	—97,000
20	—2,000	54,41,000	+30,16,000	15,76,000	4,08,000	...	19,79,000	—24,62,000
21	—3,000	93,17,000	+26,30,000	50,69,000	6,65,000	...	57,34,000	—35,83,000
22	—12,000	2,99,69,000	—3,28,000	2,68,75,000	30,14,000	...	3,16,69,000	+17,00,000
23	—22,000	76,67,000	+79,000	18,05,000	35,33,000	...	53,38,000	—15,29,000
24	...	6,22,000	—31,69,000	61,40,000	...	...	61,40,000	+55,18,000
25	—34,000	3,64,78,000	—33,18,000	3,66,20,000	65,47,000	...	4,31,67,000	+46,69,000
26	...	...	...	...	...	...	...	...
27	...	1,79,000	—22,13,000	...	...	...	...	—1,79,000
28	...	...	...	...	...	...	...	...
29	...	1,79,000	—22,13,000	...	...	...	...	—1,79,000
30	17,000	33,40,90,000	—77,54,000	33,66,50,000	—47,05,000	...	33,39,45,000	—1,45,000
31	—46,000	1,27,13,03,000	—2,63,26,000	1,23,59,25,000	93,91,000	...	1,24,52,16,000	—3,60,87,000

Rupees at £1=Rs. 13½.

B.—Statement of the Expenditure charged to Revenue

HEADS OF EXPENDITURE.	Accounts, 1931-32.				Revised	
	India.	England.	Exchange.	Total.	India.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	
Direct Demands on the Revenue -						
1.—Customs	88,10,398	2,38,794	1,189	90,49,661	92,07,000	1
2.—Taxes on Income	73,68,243	95,328	608	73,68,379	77,03,000	2
3.—Salt	1,14,84,293	1,03,397	716	1,15,88,246	1,11,85,000	3
4.—Opium	78,92,637	64,014	575	79,57,226	86,08,000	4
5.—Land Revenue	9,21,803	...	...	9,21,803	6,48,000	5
6.—Excise	15,76,049	13,668	—19	15,89,638	15,38,000	6
7.—Stamps	50,119	8,284	100	58,503	14,16,000	7
8.—Forest	30,24,646	1,57,141	845	31,82,631	22,08,000	8
9.—Registration	39,338	...	...	39,338	17,000	9
TOTAL	4,10,55,945	6,68,985	4,194	4,17,59,125	4,24,15,000	10
Forest and other Capital Outlay charged to Revenue—						
3A.—Capital outlay on Salt Works	3,217	...	...	3,217	2,31,000	11
7A.—Capital outlay on Central Stamp Store . . . . .	...	...	...	...	...	12
8A.—Forest Capital outlay	63,024	...	...	63,024	52,000	13
TOTAL	66,241	...	...	66,241	2,83,000	14
Irrigation, etc., Revenue Account—						
14.—Works for which Capital accounts are kept—						
Interest on Debt	12,79,107	...	...	12,79,107	2,68,000	15
15.—Other Revenue Expenditure	6,06,108	49,692	260	6,55,260	2,13,000	16
TOTAL	18,84,215	49,692	260	19,34,367	4,81,000	17
Irrigation, etc., Capital outlay charged to Revenue—						
16.—Construction of Irrigation, etc., Works—						
Financed from Ordinary Revenues	2,17,315	...	...	2,17,315	96,000	18
Posts and Telegraphs Revenue Account—						
17.—Posts and Telegraphs—						
Interest on Debt—						
Indian Posts and Telegraphs Department	77,50,711	...	...	77,50,711	61,38,000	19
Indo-European Telegraph Department . . . . .	...	...	...	...	...	20
TOTAL	77,50,711	...	...	77,50,711	61,38,000	21
Posts and Telegraphs Capital Outlay charged to Revenue—						
18.—Capital outlay on Posts and Telegraphs—						
Indian Posts and Telegraphs Department	10,81,950	...	...	10,81,950	6,88,000	22
Indo-European Telegraph Department	—62,96,459	...	...	—62,96,459	...	23
TOTAL	—52,13,509	...	...	—52,13,509	6,88,000	24
Debt Services—						
19.—Interest on Ordinary Debt	23,66,39,171	30,78,77,418	11,60,479	44,66,87,068	23,08,01,000	25
Debt—Amount chargeable to—						
Railways	20,17,25,479	11,50,94,748	7,33,091	31,78,54,216	30,12,58,000	26
Irrigation	12,79,107	...	...	12,79,107	2,68,000	27
Posts and Telegraphs	78,91,239	...	...	78,91,239	52,88,000	28
Other heads	34,46,933	...	...	34,46,933	25,72,000	29
Provincial Loans Fund	7,25,24,990	...	...	7,25,24,990	8,04,00,000	30
Remainder chargeable to Ordinary Debt	—4,93,38,877	9,27,82,669	4,46,498	4,39,00,560	—6,19,87,000	31
20.—Interest on other Obligations	8,57,98,353	5,15,070	—2,639	8,48,10,744	8,75,11,000	32
21.—Reduction or Avoidance of Debt	6,59,38,000	...	...	6,59,38,000	6,84,21,000	33
TOTAL	10,84,97,776	9,32,97,739	4,43,849	19,72,59,364	9,39,50,000	34
Carried over	14,93,58,504	2,40,46,617	4,46,293	24,27,53,504	14,89,91,000	35

Sterling converted in to

BUDGET FOR 1933-34.

51

of the Central Government, in India and in England.

Item No.	ESTIMATE, 1932-33.			Increase (+) Decrease (-) as compared with Budget, 1932-33.	BUDGET ESTIMATE, 1933-34.				Increase (+) Decrease (-) as compared with Revised, 1932-33.
	England.	Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	1,70,000	-1,000	93,76,000	+3,73,000	98,17,000	1,43,000	...	97,60,000	+9,84,000
2	75,000	...	77,77,000	-5,51,000	83,60,000	1,33,000	...	84,63,000	+7,08,000
3	61,000	...	1,12,46,000	-92,000	1,14,37,000	88,000	...	1,15,20,000	+2,74,000
4	27,000	...	86,36,000	+14,74,000	58,98,000	38,000	...	57,38,000	-29,00,000
5	...	...	5,82,000	+6,000	5,83,000	...	...	5,83,000	+6,000
6	10,000	...	15,38,000	-57,000	15,35,000	10,000	...	15,46,000	+7,000
7	21,000	...	14,37,000	-8,000	17,31,000	88,000	...	17,64,000	+3,27,000
8	1,15,000	-1,000	23,17,000	+1,52,000	20,50,000	1,33,000	...	21,83,000	-1,34,000
9	...	...	17,000	+1,000	20,000	...	...	20,000	+3,000
10	4,78,000	-3,000	4,28,93,000	+13,28,000	4,10,31,000	5,63,000	...	4,16,94,000	-12,98,000
11	...	...	2,31,000	...	1,76,000	...	...	1,76,000	-55,000
12	...	...	...	...	...	...	...	...	...
13	...	...	2,20,000	-33,000	58,000	...	...	58,000	+6,000
14	...	...	2,83,000	-33,000	2,34,000	...	...	2,34,000	-49,000
15	...	...	2,68,000	-3,000	2,79,000	...	...	2,79,000	+11,000
16	16,000	...	2,29,000	+90,000	1,55,000	19,000	...	1,74,000	-55,000
17	16,000	...	4,97,000	+58,000	4,34,000	19,000	...	4,53,000	-44,000
18	...	...	36,000	+13,000	21,000	...	...	21,000	-15,000
19	...	...	81,38,000	-13,80,000	87,61,000	...	...	87,61,000	+6,23,000
20	...	...	...	...	...	...	...	...	...
21	...	...	61,38,000	-13,60,000	87,61,000	...	...	87,61,000	+6,23,000
22	...	...	6,88,000	+81,000	3,61,000	...	...	3,61,000	-3,27,000
23	...	...	...	...	...	...	...	...	...
24	...	...	6,88,000	+81,000	3,61,000	...	...	3,61,000	-3,27,000
25	20,23,63,000	-7,01,000	43,34,83,000	-2,70,06,000	22,06,83,000	20,27,88,000	...	42,34,70,000	-93,13,000
26	11,62,01,000	-3,59,000	21,60,60,000	+7,53,000	20,08,05,000	11,55,84,000	...	21,62,89,000	-2,69,000
27	...	...	2,68,000	+2,000	2,79,000	...	...	2,79,000	-11,000
28	...	...	82,85,000	+13,77,000	89,08,000	...	...	89,08,000	-6,23,000
29	...	...	25,72,000	-95,000	27,48,000	...	...	27,48,000	-1,78,000
30	...	...	8,04,00,000	+10,32,000	8,36,00,000	...	...	8,86,00,000	-83,00,000
31	8,71,83,000	-3,02,000	2,48,98,000	-1,74,37,000	-7,56,58,000	8,72,84,000	...	1,16,06,000	-1,32,92,000
32	5,69,000	-2,000	8,50,73,000	-8,38,000	8,60,23,000	6,61,000	...	8,62,73,000	+61,95,000
33	...	...	6,84,31,000	+2,37,000	6,85,67,000	...	...	6,88,67,000	+4,36,000
34	8,77,61,000	-3,04,000	12,13,97,000	-1,78,38,000	8,88,21,000	8,79,15,000	...	17,67,36,000	-4,61,000
35	8,83,46,000	-3,06,000	23,58,31,000	-1,78,41,000	13,96,83,000	8,84,07,000	...	22,81,60,000	-57,71,000

B.—Statement of the Expenditure charged to Revenue

HEADS OF EXPENDITURE.	ACCOUNTS, 1931-32.				REVISED	
	India.	England.	Exchange.	Total.	India.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	14,92,56,594	9,40,46,617	4,48,293	24,37,53,504	14,50,91,000	
Civil Administration—						
22.—General Administration	1,46,71,534	51,05,013	29,967	1,98,06,414	1,06,44,000	1
23.—Audit	97,70,833	3,45,531	1,813	1,01,21,166	90,50,000	2
24.—Administration of Justice	15,24,841	98,008	774	16,32,321	6,61,000	3
25.—Jails and Convict Settlements	38,37,348	45,199	324	38,72,911	24,55,000	4
26.—Police	85,87,487	2,15,061	1,503	88,04,050	54,54,000	5
27.—Ports and Pilotage	28,10,792	3,15,169	1,689	26,27,660	19,78,000	6
27 (1).—Light Houses and Light Ships	10,54,906	...	...	10,54,905	10,19,000	7
28.—Ecclesiastical	22,81,438	7,41,724	4,091	30,27,243	20,81,000	8
29.—Political	1,51,50,922	12,83,505	4,960	1,64,39,677	1,31,75,000	9
29-A.—Frontier Watch and Ward	3,37,55,899	1,07,840	602	2,38,94,341	2,17,80,000	10
30.—Scientific Departments	76,71,075	9,02,087	4,102	85,77,264	66,71,000	11
31.—Education	61,34,195	51,146	580	62,15,921	34,13,000	12
32.—Medical	27,86,833	2,03,139	1,234	29,91,206	20,71,000	13
33.—Public Health	15,90,589	1,26,518	959	17,18,066	11,26,000	14
34.—Agriculture	32,84,874	1,68,610	1,483	34,54,967	28,74,000	15
35.—Industries	1,89,881	50,250	113	2,30,376	1,83,000	16
36.—Aviation	11,06,026	8,38,393	5,094	20,37,513	9,33,000	17
37.—Miscellaneous Departments	43,49,673	1,34,522	637	43,84,832	19,53,000	18
37-A.—Indian Stores Department	7,37,420	1,35,766	1,073	8,74,269	7,95,000	19
TOTAL	11,07,26,657	1,09,67,399	60,968	12,17,55,022	8,76,12,000	20
Currency and Mint—						
38.—Currency	43,78,420	36,636	911	44,15,467	47,64,000	21
39.—Mint	30,97,841	94,959	1,106	31,93,906	20,32,000	22
TOTAL	74,76,261	1,31,795	1,817	76,09,373	68,16,000	23
Civil Works—						
41.—Civil Works	2,20,07,679	69,740	384	2,20,77,703	1,82,35,000	24
Miscellaneous—						
43.—Famine—						
43.—Famine Relief	18,499	...	...	18,499	...	25
44.—Territorial and Political Pensions	29,98,948	1,14,078	496	31,13,527	30,43,000	26
45.—Superannuation Allowances and Pensions	47,68,464	2,19,29,708	1,20,331	2,68,38,503	67,14,000	27
46.—Stationery and Printing	51,24,779	8,32,137	4,937	67,61,843	33,11,000	28
47.—Miscellaneous	54,47,417	19,15,069	13,322	73,75,807	50,73,000	29
TOTAL	1,83,78,122	2,45,90,961	1,39,076	4,31,08,179	1,71,41,000	30
Miscellaneous capital outlay charged to Revenue—						
46-A.—Committed value of pensions financed from Ordinary Revenue	3,07,111	...	...	3,07,111	8,98,000	31
Defence Services—						
49.—Defence Services—Effective	38,95,80,925	7,17,17,583	2,06,963	46,15,05,470	35,67,17,000	32
49.—Defence Services—Non-effective	3,71,68,765	4,96,36,533	2,20,563	8,70,45,860	5,67,33,000	33
50.—Transfers to Defence Reserve Fund	1,03,22,990	...	...	1,03,22,990	...	34
TOTAL	43,71,02,580	12,13,44,116	4,27,524	55,88,74,220	39,44,70,000	35
Contributions and miscellaneous Adjustments between Central and Provincial Governments—						
51-A.—Miscellaneous Adjustments between the Central and Provincial Governments. . . . .	...	...	...	...	96,35,000	36
Extraordinary Items—						
53.—Extraordinary Payments	2,56,551	11,621	—61	2,98,111	11,63,000	37
53-I.—Transfers to Revenue Reserve Fund . . . . .	...	...	...	...	...	38
TOTAL	2,56,551	11,621	—61	2,98,111	11,63,000	39
Railway Expenditure as per Railway Budget	20,61,97,041	12,90,53,182	8,05,545	33,61,55,768	20,49,65,000	40
TOTAL EXPENDITURE CHARGED TO REVENUE	95,18,40,596	38,02,15,451	18,52,946	1,33,39,33,991	8,10,26,000	41

BUDGET FOR 1933-34.

of the Central Government, in India and in England—contd.

Item No.	ESTIMATE, 1932-33.			Increase (+) Decrease (-) as compared with Budget, 1932-33.	BUDGET ESTIMATE, 1933-34.				Increase (+) Decrease (-) as compared with Revised, 1932-33.
	England.	Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
	8,81,46,000	-3,06,000	23,39,31,000	-1,78,41,000	13,96,63,000	8,84,97,000	—	23,81,60,000	-57,71,000
1	48,22,000	-17,000	1,54,49,000	+1,86,000	1,07,72,000	48,67,000	—	1,57,39,000	+2,90,000
2	3,10,000	-1,000	93,65,000	-3,65,000	97,46,000	3,41,000	—	1,00,87,000	+7,33,000
3	73,000	—	9,33,000	-1,000	7,05,000	97,000	—	8,02,000	-1,31,000
4	61,000	—	25,16,000	-1,17,000	24,73,000	49,000	—	25,31,000	+5,000
5	1,34,000	-1,000	55,67,000	+3,07,000	52,35,000	1,53,000	—	53,90,000	-1,97,000
6	3,15,000	-1,000	23,92,000	-1,66,000	20,33,000	3,37,000	—	23,70,000	+78,000
7	10,000	—	10,29,000	-1,24,000	10,39,000	—	—	10,39,000	+10,000
8	7,63,000	-3,000	26,47,000	-70,000	21,55,000	7,62,000	—	29,17,000	+70,000
9	12,76,000	-4,000	1,44,44,000	+26,000	1,25,67,000	11,05,000	—	1,36,62,000	-7,56,000
10	1,11,000	—	3,15,91,000	-61,000	2,16,46,000	1,03,000	—	2,17,49,000	-1,43,000
11	6,77,000	-2,000	63,46,000	-61,000	68,63,000	7,85,000	—	66,48,000	+3,03,600
12	52,000	—	34,55,000	-15,000	29,53,000	65,000	—	30,18,000	-4,37,000
13	1,61,000	-1,000	22,21,000	-62,000	22,35,000	1,84,000	—	24,19,000	+1,98,000
14	1,39,000	-1,000	13,64,000	-1,13,000	13,67,000	1,33,000	—	14,19,000	+1,55,000
15	1,03,000	—	29,77,000	+7,38,000	32,95,000	1,41,000	—	24,39,000	-5,38,000
16	23,000	—	2,06,000	-13,000	1,90,000	30,000	—	2,20,000	+14,000
17	4,70,000	—	9,78,000	+78,000	9,63,000	31,000	—	9,94,000	+16,000
18	1,64,000	-1,000	21,15,000	+11,000	16,49,000	1,64,000	—	18,13,000	-3,09,000
19	85,000	—	6,83,000	+2,73,000	5,99,000	77,000	—	6,76,000	-2,07,000
20	93,22,000	-31,000	9,66,02,000	+3,09,000	8,64,00,000	95,22,000	—	9,59,22,000	-8,80,000
21	21,000	—	48,05,000	+70,000	45,10,000	27,000	—	45,37,000	-2,68,000
22	67,000	—	20,99,000	-1,66,000	15,68,000	74,000	—	16,87,000	-2,17,000
23	66,000	—	69,01,000	-98,000	63,15,000	1,01,000	—	64,18,000	-4,85,000
24	1,41,000	—	1,63,78,000	-10,43,000	1,92,61,000	1,31,000	—	1,93,92,000	+10,16,000
25	—	—	—	—	—	—	—	—	—
26	1,07,000	—	31,50,000	+5,000	29,83,000	1,07,000	—	30,90,000	-80,000
27	2,17,62,000	-75,000	2,74,01,000	+11,59,000	68,56,000	2,12,00,000	—	2,50,56,000	+4,65,000
28	4,31,000	-3,000	37,41,000	-4,39,000	33,13,000	4,71,000	—	37,83,000	+4,70,000
29	2,19,000	-6,000	72,55,000	+10,03,000	35,97,000	21,00,000	—	59,97,000	-13,58,000
30	2,44,91,000	-65,000	4,15,47,000	+17,38,000	1,70,48,000	2,38,78,000	—	4,09,26,000	-6,21,000
31	—	—	8,98,000	+6,92,000	2,50,000	—	—	2,50,000	-6,48,000
32	6,22,68,000	-2,15,000	43,07,70,000	-31,27,000	35,05,90,000	6,30,68,000	—	41,96,58,000	-11,12,000
33	4,95,27,000	-1,72,000	6,61,08,000	-1,91,000	3,53,33,000	5,01,78,000	—	5,65,09,000	+4,01,000
34	—	—	—	—	—	—	—	—	—
35	11,17,96,000	-3,67,000	50,56,78,000	-33,16,000	39,19,33,000	11,32,44,000	—	50,51,67,000	-7,11,000
36	—	—	94,35,000	-6,65,000	1,00,00,000	—	—	1,00,00,000	+3,65,000
37	4,00,000	-1,000	15,62,000	-6,48,000	6,30,000	2,44,000	—	8,74,000	-6,88,000
38	—	—	—	—	—	—	—	—	—
39	4,00,000	-1,000	15,62,000	-6,48,000	6,30,000	2,44,000	—	8,74,000	-6,88,000
40	12,96,74,000	-4,40,000	33,40,90,000	-77,54,000	30,45,13,000	12,94,32,000	—	33,39,45,000	-1,45,000
41	34,40,57,000	-12,80,000	1,24,94,23,000	-1,58,22,000	67,80,66,000	34,60,49,000	—	1,24,10,55,000	-65,68,000

Excess at 41 - Rs. 134.

BUDGET FOR 1933-34.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1931-32.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Revenue (from Statement A)	1,19,63,12,880	2,02,55,765	1,21,65,68,645
Exchange added to Revenue	-1,02,931	...	-1,02,981
TOTAL	1,19,62,09,949	2,02,55,765	1,21,64,65,714
Railway Capital not charged to Revenue—			
As per Railway Budget	..	...	...
Public Debt Incurred—			
Permanent Debt—			
<i>Sterling Debt—</i>			
New Sterling Loan	...	...	...
6 per cent. Bonds	...	13,39,96,927	...
5½ per cent. Stock	...	4,28,14,598	...
5 per cent. Stocks 1942-47	...	...	...
4½ per cent. Stock	...	20,23,527	...
<i>Rupee Debt—</i>			
New Rupee Loan	...	...	...
6½ per cent. Treasury Bonds, 1935	16,94,65,600	...	...
5½ per cent. Loan 1938-40	...	...	...
5 per cent. Loan 1940-43	...	...	...
4½ per cent. Loan 1960-70	...	...	...
4 per cent. Bonds, 1943	...	...	...
3½ per cent. Loans	3,77,700	...	...
TOTAL	16,98,13,300	17,88,34,962	34,86,78,262
Floating Debt—			
<i>Treasury Bills—</i>			
Issued to Public	2,01,25,50,000	...	...
Issued to Paper Currency Reserve	78,32,90,000	...	...
India Bills	...	...	...
Temporary Loans	21,50,00,000	...	...
TOTAL	3,01,08,40,000	...	3,01,08,40,000
Carried over	4,37,68,93,249	19,90,90,727	

* Sterling converted into

BUDGET FOR 1933-34.

Central Government, in India and in England.

REVISED ESTIMATE, 1932-33.			BUDGET ESTIMATE, 1933-34.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,25,83,38,000 —45,000	1,30,10,000 ...	1,27,13,43,000 —45,000	1,23,59,25,000 ...	92,91,000 ...	1,24,52,16,000 ...
1,25,82,93,000	1,80,10,000	1,27,13,03,000	1,23,59,25,000	92,91,000	1,24,52,16,000
—36,000	1,03,40,000	1,03,04,000	...	...	...
...	...	...	...	8,00,00,000	...
...	5,15,000	...	...	1,73,000	...
...	13,13,000	...	...	13,96,000	...
...	12,69,20,000	...	...	5,27,000	...
...	21,34,000	...	...	22,50,000	...
...	...	...	12,00,00,000	...	...
...
19,13,89,000	...	...	...	...	...
25,18,47,000	...	...	...	...	...
22,00,00,000	...	...	...	...	...
14,97,18,000	...	...	...	...	...
1,86,00,000	...	...	8,57,000	...	...
83,15,54,000	13,08,82,000	96,24,36,000	12,08,57,000	8,43,46,000	20,52,03,000
1,23,58,25,000	...	...	90,00,00,000	...	...
1,34,16,60,000	...	...	35,28,10,000	...	...
...
25,75,00,000	...	...	...	...	...
2,83,49,85,000	..	2,83,49,85,000	1,25,28,10,000	...	1,25,28,10,000
4,92,47,96,000	15,42,32,000	...	2,60,95,92,000	9,36,37,000	...

Rupees at £1 = Rs. 13½.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1931-32.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	4,37,68,93,249	19,90,90,727	
Unfunded Debt—			
Deposits of Service Funds	9,05,852	16,85,313	
Post Office Cash Certificates	14,49,29,348	...	
Savings Bank Deposits	39,93,90,876	...	
TOTAL	54,52,25,576	16,85,313	54,69,10,889
Deposits and Advances—			
Provincial Loans Fund	21,76,02,741	...	
Posts and Telegraphs Depreciation Fund	37,21,244	...	
Deposits of Local Funds—			
District Funds	16,22,92,675	...	
Other Funds	10,06,70,998	...	
Sinking Funds for Central Loans	1,97,28,186	...	
Other appropriations for Reduction or Avoidance of Debt	5,10,31,000	...	
Sinking Fund Investment Account	85,99,154	...	
Sinking Funds for loans granted to local bodies	4,45,159	...	
Gold Standard Reserve	...	86,43,59,250	
Gold Standard Reserve Revenue Equalisation Fund	...	3,37,01,108	
Deposits of Branch Line Companies	6,80,243	...	
Road Development Fund	1,02,00,768	...	
Post Office Cash Certificate Bonus Fund	22,52,394	...	
Departmental and Judicial Deposits	78,21,08,921	...	
Advances	23,68,88,905	7,97,057	
Discount Sinking Fund	48,41,000	...	
Gain or loss on revaluation, sale, transfer, etc., of assets of the Paper Currency Reserve	...	...
Suspense	1,48,93,854	95,80,726	
Exchange on Remittance Accounts	...	...
Miscellaneous	3,57,75,828	2,24,73,317	
Defence Reserve Fund	1,03,22,890	...	
TOTAL	1,71,20,55,960	93,09,11,458	2,64,29,67,418
Railway Depreciation and Reserve Funds as per Railway Budget	13,46,93,940	...	13,46,93,940
Carried over	3,76,88,68,725	1,13,16,87,498	

* Sterling converted into

BUDGET FOR 1933-34.

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Central Government, in India and in England—contd.

REVISED ESTIMATE, 1932-33.			BUDGET ESTIMATE, 1933-34.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
4,92,47,96,000	15,42,32,000		2,60,95,92,000	9,36,37,000	
8,67,000	17,60,000		8,48,000	19,02,000	
14,78,00,000	...		9,00,00,000	...	
43,05,50,000	...		42,81,72,000	...	
57,92,17,000	17,60,000	58,09,77,000	51,93,20,000	19,92,000	52,12,22,000
19,52,00,000	...		15,71,00,000	...	
36,81,000	...		45,27,000	...	
15,12,99,000	...		15,30,31,000	...	
9,82,85,000	...		9,85,70,000	...	
2,01,60,000	...		1,91,61,000	...	
5,05,82,000	...		5,10,86,000	...	
2,86,20,000	...		...	...
4,62,000	...		89,000	...	
...	90,64,64,000		...	67,79,00,000	
...	
7,00,000	...		7,00,000	...	
1,07,00,000	...		1,07,00,000	...	
1,10,00,000	...		1,35,00,000	...	
91,70,75,000	...		75,49,27,000	...	
37,00,92,000	1,17,000		36,76,85,000	2,87,000	
50,85,000	...		74,68,000	...	
5,00,000	...		...	...
4,23,30,000	59,00,000		2,24,36,000	2,87,000	
4,84,000	...		...	...
85,30,000	1,95,67,000		1,57,80,000	1,87,47,000	
...	
1,91,47,86,000	93,20,48,000	2,34,68,34,000	1,67,67,60,000	89,72,21,000	2,57,39,81,000
13,75,00,000	...	13,75,00,000	13,75,00,000	...	13,75,00,000
7,55,62,99,000	1,08,80,40,000		4,54,31,72,000	99,27,60,000	

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1931-32.		
	India.	England.	Total.
	Rs.	Rs.	Rs.
Brought forward	6,76,88,68,725	1,13,16,87,498	
Loans and Advances by the Central Government—			
Advances to Provincial Loans Fund	...	...
Other Loans and Advances	96,53,368	...	
TOTAL	96,53,368	...	96,53,368
Remittances—			
I.—Remittances within India—			
Inland Money Orders	81,74,89,764	...	
Other Local Remittances	...	...
Other Departmental Accounts	...	...
Net Receipts by Civil Treasuries from—			
Railways	2,14,89,436	...	
Posts and Telegraphs	1,76,15,349	...	
Net Receipts from Civil Treasuries by—			
Defence Services	35,77,86,376	...	
II.—Remittances between England and India—			
Remittance Account—			
Iraq drawings	...	85,75,000	
Sale of Sterling	18,73,04,053	...	
Sale of Silver	...	2,85,52,777	
Other transactions	1,76,95,124	2,57,98,955	
Sterling purchased in India	...	53,79,86,666	
Sterling obtained in London	...	...
Transfers through the Gold Standard Reserve	...	27,87,44,000	
TOTAL	1,41,93,80,102	87,95,97,398	2,29,89,77,500
Balances of Provincial Governments	2,52,96,381	...	2,52,96,381
TOTAL RECEIPTS	8,22,31,98,576	2,01,12,84,896	
Opening Balance	17,28,23,746	7,40,43,787	
GRAND TOTAL	8,39,60,22,322	2,08,53,28,683	

* Sterling converted into Rupees at £1 = Rs. 13½.

(a) Of this amount, £ 1,006 represents funds of the Gold Standard Reserve.

BUDGET FOR 1933-34.

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Central Government, in India and in England—*contd.*

REVISED ESTIMATE, 1932-33.			BUDGET ESTIMATE, 1933-34.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
7,55,62,99,000	1,08,60,40,000		4,94,31,72,000	99,27,60,000	
85,45,000	...		1,66,65,000	...	
85,45,000	...	85,45,000	1,66,65,000	...	1,66,65,000
80,82,56,000	...		86,85,00,000	...	
23,35,000	...		22,37,000	...	
3,13,88,000	...		2,96,14,000	...	
9,61,30,000	...		9,82,94,000	...	
9,59,04,000	...		3,84,33,000	...	
32,93,06,000	...		32,53,39,000	...	
...	21,88,000		...	80,00,000	
...	
92,82,000	2,28,80,000		98,77,000	50,00,000	
...	1,62,62,000		...	1,86,07,000	
...	51,76,80,000		...	28,00,00,000	
...	95,33,000		...	...
20,62,14,000	...		50,00,000	...	
1,57,83,19,000	56,85,43,000	2,14,73,62,000	1,37,72,94,000	31,16,07,000	1,68,89,01,000
6,11,22,000	...	6,11,22,000	2,75,74,000	...	2,75,74,000
9,20,17,85,000	1,65,65,83,000		6,36,47,05,000	1,30,43,67,000	
12,69,10,744	(b) 21,15,32,561		11,73,19,744	(b) 17,84,93,561	
33,16,95,744	1,86,81,15,561		6,48,20,24,744	1,48,28,60,561	

* Sterling converted into Rupees at £1=Rs. 13½.

(b) Of this amount, 239 represents funds of the Gold Standard Reserve.

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1931-32.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Expenditure (from Statement B)	95,18,40,596	38,02,15,451	1,33,20,56,047
Exchange	18,82,944	...	18,82,944
TOTAL	95,37,23,540	38,02,15,451	1,33,39,38,991
Irrigation, Posts and Telegraphs and other Capital Outlay not charged to Revenue—			
SECURITY PRINTING PRESS	—3,81,991	...	—3,81,991
IRRIGATION, ETC., WORKS	8,746	...	8,746
POSTS AND TELEGRAPHS	84,18,572	8,73,304	87,91,876
VIZAGAPATAM PORT	85,83,096	1,15,271	86,48,367
LIGHT-HOUSES AND LIGHTSHIPS	—3,694	3,694	...
CURRENCY	—5,813	...	—5,813
INITIAL EXPENDITURE ON NEW CAPITAL AT DELHI	13,37,616	1,23,047	14,60,663
PAYMENTS OF COMMUTED VALUE OF PENSIONS	42,31,942	...	42,31,942
PAYMENTS TO RETRENCHED PERSONNEL	1,45,487	...	1,45,487
TOTAL	1,72,68,931	6,15,816	1,78,99,247
RAILWAY CAPITAL NOT CHARGED TO REVENUE—			
As per Railway Budget	4,13,50,741	2,62,12,722	6,75,63,463
Public Debt Discharged—			
Permanent Debt—			
<i>Sterling Debt—</i>			
6 p. c. Bonds 1932-33	...	1,72,45,333	
Do. 1933-35	...	...
5½ p. c. Stock	...	19,68,12,110	
Redemption of liability assumed in respect of British War Loan 1929-47	...	...
State Railway annuities	...	2,12,99,490	
Do. Do. Sinking Funds	...	26,66,667	
<i>Rupce Debt—</i>			
6 p. c. Bonds, 1933-36	...	...
Do. Do. 1932	...	...
Other 6 p. c. Bonds	7,48,07,900	...	
5½ p. c. War Bonds, 1928	1,34,750	...	
Other 5½ p. c. War Bonds	96,525	...	
5 p. c. Loan, 1915-55	2,05,77,400	...	
5 p. c. Loan, 1929-47	1,00,91,225	...	
5 p. c. Loan, 1939-44	45,91,500	...	
5 p. c. Bonds 1933	...	...
4 p. c. Terminable Loan	2,100	...	
4 p. c. Railway Loan from Nawab of Rampur	47,00,000	...	
Other Loans	4,41,957	...	
TOTAL	11,54,43,357	23,80,23,600	85,34,66,967
Carried over	1,12,78,01,569	64,50,67,089	

BUDGET FOR 1933-34.

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Central Government, in India and in England—*contd.*

REVISED ESTIMATE, 1932-33.			BUDGET ESTIMATE, 1933-34.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
88,68,26,000	36,40,57,000	1,25,08,83,000	87,60,06,000	36,50,49,000	1,24,10,55,000
-12,60,000	...	-12,60,000	...	...	...
88,55,66,000	36,40,57,000	1,24,96,23,000	87,60,06,000	36,50,49,000	1,24,10,55,000
4,000	...	4,000	-1,11,000	...	-1,11,000
...
19,66,000	...	19,66,000	15,80,000	...	15,80,000
51,00,000	3,00,000	54,00,000	43,80,000	1,00,000	49,80,000
-1,000	1,000	...	-2,000	2,000	...
1,000	...	1,000	-78,000	...	-78,000
...
65,76,000	...	65,76,000	60,65,000	...	60,65,000
12,41,000	...	12,41,000	-1,27,000	...	-1,27,000
1,48,87,000	3,01,000	1,51,88,000	1,22,07,000	1,02,000	1,23,09,000
29,85,000	1,54,47,000	1,84,32,000	2,00,00,000	1,30,00,000	3,30,00,000
...	6,27,55,000	...	...	...	...
...	4,03,13,000	...	...	5,24,13,000	...
...	5,92,000	...	...	...	...
...	...	...	...	78,84,000	...
...	2,20,40,000	...	...	2,28,07,000	...
...	26,67,000	...	...	26,67,000	...
17,52,12,000	...	...	12,10,00,000	...	...
14,50,00,000	...	...	6,50,000	...	...
10,60,000	...	...	7,05,000	...	...
70,000	...	...	65,000	...	...
68,000	...	...	65,000	...	...
4,08,000	...	...	...	...	...
9,05,49,000	...	...	10,44,00,000	...	...
44,73,000	...	...	...	...	...
15,07,15,000	...	...	6,25,00,000	...	...
3,000	...	...	2,000	...	...
...
2,17,03,000	...	...	10,60,000	...	...
68,92,61,000	12,83,67,000	71,76,28,000	29,03,87,000	8,57,71,000	37,61,58,000
1,49,26,99,000	50,81,72,000		1,19,86,00,000	46,39,22,000	

BUDGET FOR 1933-34.

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1931-32.		
	India.	England.	Total.
	Rs.	Rs.	Rs.
Brought forward	1,12,78,01,569	64,50,67,089	
Floating Debt—			
Treasury Bills—			
Issued to Public	2,09,10,05,000	...	
Do. Paper Currency Reserve	34,55,00,000	...	
India Bills . . . . .	...	5,39,59,452	
Temporary Loans	12,00,00,000	...	
TOTAL	2,55,65,05,000	5,39,59,452	2,61,04,64,452
Unfunded Debt—			
Special Loans	30,408	...	
Deposits of Service Funds	13,00,660	1,75,713	
Post Office Cash Certificates	8,34,32,544	...	
Savings Bank Deposits	36,01,63,400	...	
TOTAL	44,40,27,012	1,75,713	44,51,02,725
Deposits and Advances—			
Provincial Loans Fund	21,71,18,990	...	
Posts and Telegraphs Depreciation Fund	14,44,697	...	
Deposits of Local Funds—			
District Funds	16,50,27,444	...	
Other Funds	10,14,48,707	...	
Sinking Funds for Central Loans	3,42,90,521	...	
Other Appropriations for Reduction or Avoidance of Debt . . . . .	...	...
Sinking Fund Investment Account	68,27,328	...	
Gold Standard Reserve . . . . .	...	86,43,73,329	
Gold Standard Reserve Revenue Equalisation Fund . . . . .	...	3,37,05,807	
Deposits of Branch Line Companies	4,23,054	...	
Road Development Fund	54,87,015	...	
Departmental and Judicial Deposits	79,03,76,145	...	
Advances	28,96,90,279	5,80,550	
Discount Sinking Fund . . . . .	...	...
Gain or loss on revaluation, sale, transfer, etc., of assets of the Paper Currency Reserve	7,39,14,964	...	
Suspense	3,25,47,173	96,23,616	
Exchange on Remittance Account . . . . .	...	...
Miscellaneous	7,11,071	2,37,14,399	
Defence Reserve Fund . . . . .	...	...
TOTAL	1,71,93,07,388	93,19,97,101	2,65,13,04,489
— Railway Depreciation and Reserve Funds as per Railway Budget	17,47,18,361	...	17,47,18,361
Carried over	6,02,32,59,330	1,63,11,99,355	

* Sterling converted into

BUDGET FOR 1933-34.

63

Central Government, in India and in England—*contd.*

REVISED ESTIMATE, 1932-33.			BUDGET ESTIMATE, 1933-34.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,49,26,99,000	50,81,72,000		1,19,86,00,000	46,39,22,000	
1,43,11,50,000	...		98,00,00,000	...	
1,48,55,10,000	...		35,28,10,000	...	
...	
85,25,00,000	...		...	...
3,26,91,60,000	...	3,26,91,60,000	1,33,28,10,000	...	1,33,28,10,000
44,000	...		44,000	...	
13,31,000	2,40,000		12,61,000	2,86,000	
4,78,00,000	...		4,00,00,000	...	
85,13,23,000	...		34,59,88,000	...	
40,84,98,000	2,40,000	40,07,38,000	38,72,93,000	2,86,000	38,75,79,000
19,47,00,000	...		15,59,00,000	...	
2,37,000	...		6,39,000	...	
15,18,99,000	...		15,32,71,000	...	
9,70,65,000	...		9,71,50,000	...	
51,76,000	...		1,58,87,000	...	
8,00,000	...		...	...
2,08,49,000	...		...	...
...	...		90,86,000	...	
...	90,64,64,000		...	87,79,00,000	
...	
3,50,000	...		4,50,000	...	
1,00,00,000	...		1,00,00,000	...	
92,44,45,000	...		75,59,90,000	...	
36,43,22,000	3,28,000		36,12,89,000	4,19,000	
3,35,50,000	...		...	...
4,73,00,000	...		...	...
2,40,01,000	2,25,000		2,30,28,000	57,99,000	
4,84,000	...		...	...
...	1,95,67,000		...	1,87,47,000	
6,22,000	...		61,40,000	...	
1,87,58,00,000	92,65,64,000	2,80,23,64,000	1,58,85,60,000	90,28,65,000	2,49,14,25,000
14,94,16,000	..	14,94,16,000	13,72,12,000	...	13,72,12,000
7,18,75,73,000	1,43,49,96,000		4,84,44,75,000	1,36,70,73,000	

Rupees at £1 = Rs. 13½.

BUDGET FOR 1933-34.

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1931-32.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	6,02,32,59,330	1,63,11,9,355	
Loans and Advances by the Central Government—			
Advances to Provincial Loans Fund	11,79,42,000	...	
Other Loans and Advances	1,80,58,913	...	
TOTAL	13,60,00,913	...	13,60,00,913
Remittances—			
I.—Remittances within India—			
Inland Money Orders	81,85,98,883	...	
Other Local Remittances	45,64,873	...	
Other Departmental Accounts	1,37,720	...	
Net Payments into Civil Treasuries by—			
Railways	2,79,24,544	...	
Posts and Telegraphs	1,76,76,247	...	
Net Issues from Civil Treasuries to—			
Defence Services	35,68,37,892	...	
II.—Remittances between England and India—			
Remittance Account—			
Iraq drawings	85,75,000	...	
Sale of Sterling	...	18,73,04,053	
Sale of Silver	2,85,52,777	...	
Other transactions	3,02,52,733	1,40,28,763	
Sterling purchased in India	53,79,86,666	...	
Sterling obtained in London	...	...
Transfers through the Gold Standard Reserve	27,87,44,000	...	
TOTAL	2,10,98,51,335	20,13,32,816	2,31,11,84,151
Balances of Provincial Governments	...	4,12,63,951	4,12,63,951
TOTAL DISBURSEMENTS	8,26,91,11,573	1,87,37,96,122	
Closing Balance	12,60,10,744	(b) 21,15,32,561	
GRAND TOTAL	8,39,60,22,322	2,08,53,28,683	

* Sterling converted into

(b) Of this amount, 23,718 represents the

BUDGET FOR 1933-34.

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Central Government, in India and in England—*concl'd.*

REVISED ESTIMATE, 1932-33.			BUDGET ESTIMATE, 1933-34.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
7,18,75,73,000	1,43,49,96,000		4,64,44,75,000	1,36,70,73,000	
8,15,00,000	...		3,91,00,000	...	
1,61,92,000	...		1,47,37,000	...	
9,76,92,000	...	9,76,92,000	5,38,37,000	...	5,38,37,000
80,83,56,000	...		86,80,00,000	...	
21,93,000	...		21,38,000	...	
3,16,62,000	...		2,97,73,000	...	
9,61,30,000	...		9,82,94,000	...	
9,59,08,000	...		3,84,33,000	...	
32,93,06,000	...		32,53,39,000	...	
21,88,000	...		80,00,000	...	
2,28,80,000	...		50,00,000	...	
1,32,75,000	1,23,90,000		1,58,05,000	1,29,98,000	
51,76,80,000	...		28,00,00,000	...	
95,33,000	...		...	...
...	20,62,14,000		...	50,00,000	
1,92,91,11,000	21,86,04,000	2,14,77,15,000	1,67,07,82,000	1,79,98,000	1,68,87,80,000
...	3,60,22,000	3,60,22,000	...	3,21,74,000	3,21,74,000
9,21,43,76,000	1,68,96,22,000		6,36,90,94,000	1,41,72,45,000	
11,73,19,744	(b) 17,84,93,561		11,29,30,744	(b) 6,56,15,561	
9,33,16,95,744	1,86,81,15,561		6,48,20,24,744	1,48,28,60,561	

Rupees at £1 = R. 13½.
funds of the Gold Standard Reserve.

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

Revenue and Expenditure.	ACCOUNTS, 1931-32.		REVISED ESTIMATE, 1933-34.		BUDGET ESTIMATE, 1933-34.	
	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Principal Heads of Revenue—						
Customs	45,53,16,668	...	51,34,79,000	...	50,27,00,000	...
Taxes on Income	15,74,58,695	...	16,92,33,000	...	17,38,17,000	...
Salt	7,42,24,053	...	8,28,54,000	...	7,58,80,000	...
Opium	1,87,84,307	...	8,56,000	...	62,00,000	...
Other Heads	1,61,44,937	...	1,32,17,000	...	1,38,98,000	...
TOTAL	72,59,38,656	...	78,93,29,000	...	77,16,84,000	...
Forest and other Capital Outlay charged to Revenue . . . . .	...	66,241	...	2,83,000	...	2,34,000
Irrigation . . . . .	...	8,72,111	...	3,96,000	...	4,88,000
Railways . . . . .	...	...	...	...	...	...
Posts and Telegraphs . . . . .	...	41,70,889	...	78,61,000	...	60,81,000
Debt Services . . . . .	...	17,31,44,393	...	16,31,30,000	...	15,98,56,000
Civil Administration . . . . .	...	11,28,10,499	...	8,77,50,000	...	8,76,60,000
Currency and Mint	1,02,52,532	...	1,71,71,000	...	1,10,40,000	...
Civil Works . . . . .	...	1,96,25,958	...	1,62,84,000	...	1,72,37,000
Miscellaneous . . . . .	...	2,77,24,277	...	2,31,38,000	...	3,54,42,000
Defence Services . . . . .	...	51,76,00,000	...	46,74,00,000	...	46,30,00,000
Provincial Contributions and Miscellaneous Adjustments between Central and Provincial Governments. . . . .	...	...	...	96,35,000	...	1,00,00,000
Extraordinary Items	18,80,103	...	...	13,98,000	...	8,74,000
TOTAL	73,80,41,090	88,55,14,367	80,66,00,000	78,46,30,000	78,37,13,000	77,85,82,000

D.—Abstract Statement of the Receipts and Disbursements of the Central Government, in India and in England—*concl'd.*

Revenue and Expenditure.	ACCOUNTS, 1931-32.		REVISED ESTIMATE, 1932-33.		BUDGET ESTIMATE, 1933-34.	
	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Surplus or deficit	---	11,74,73,777	2,16,80,000	---	41,61,000	---
Capital Account—						
Capital outlay on Security Printing Press	---	—3,51,991	---	4,000	---	—1,11,000
Railway Capital not charged to Revenue	---	6,75,63,463	---	81,38,000	---	3,30,00,000
Construction of Irrigation, etc., Works	---	8,746	---	---	---	---
Capital outlay on Posts and Telegraphs	---	87,91,576	---	19,66,000	---	15,80,000
Capital outlay on Vizagapatam Port	---	38,48,367	---	54,00,000	---	49,80,000
Capital outlay on Light-houses and Light-ships	---	---	---	---	---	---
Currency Capital outlay	---	—5,843	---	1,000	---	—78,000
Initial expenditure on New Capital at Delhi	---	14,60,663	---	---	---	---
Payment of commuted value of pensions	---	42,31,942	---	65,78,000	---	60,65,000
Payments to Retrenched Personnel	---	1,45,487	---	12,41,000	---	—1,27,000
Debt, Deposits, Advances and Remittances—						
Permanent Debt	---	47,88,895	24,48,08,000	---	---	17,08,56,000
Floating Debt	40,08,76,548	---	---	43,41,75,000	---	8,00,00,000
Unfunded Debt	10,18,08,164	---	18,02,39,000	---	13,36,48,000	---
Deposits and Advances	---	4,23,61,493	3,25,34,000	---	8,28,44,000	---
Loans and Advances by Central Government	---	12,63,47,645	---	8,91,47,000	---	3,71,71,000
Remittances	---	1,22,08,651	---	3,53,000	1,21,000	---
Balances of Provincial Governments	---	1,59,67,570	2,51,00,000	---	---	46,00,000
Opening Balance	24,68,67,833	---	33,84,43,305	---	28,58,12,305	---
Closing Balance	---	33,64,43,305	---	29,58,12,305	---	17,65,46,305
TOTAL	74,90,51,245	74,90,51,245	64,28,04,305	84,28,04,305	51,06,62,305	51,65,62,305

THE INDIAN FINANCE BILL.

INTRODUCED IN THE LEGISLATIVE ASSEMBLY ON THE 28TH FEBRUARY 1933.

A Bill to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, further to amend the Indian Stamp Act, 1899, to fix rates of income-tax and super-tax, and further to amend the Indian Paper Currency Act, 1923.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage VIII of 1894, under the Indian Post Office Act, 1898, further to amend the Indian Stamp VI of 1898, Act, 1899, to fix rates of income-tax and super-tax, and further to amend the II of 1899, Indian Paper Currency Act, 1923; It is hereby enacted as follows:— X of 1923.

Short title and extent. I. (1) This Act may be called the Indian Finance Act, 1933.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

2. The provisions of section 7 of the Indian Salt Act, 1882, shall, in so XII of 1882.

Fixation of salt duty. far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in or imported into, any part of British India other than Burma or Aden, be construed as if, for the year beginning on the 1st day of April, 1933, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section.

Amendment of 3. (1) In the Second Schedule to the Indian VIII of 1894
Schedule II to Act VIII Tariff Act, 1894,—

(a) after Item No. 41B the following item shall be inserted, namely:—

" 41C	UPPERS for boots and shoes unless entirely made of leather.	Ad valorem	20 per cent. or two annas per pair, whichever is higher."
-------	---	------------	---

(b) after Item No. 44 the following item shall be inserted, namely:—

" 45	SILK OR ARTIFICIAL SILK PIECE-GOODS other than fents of not more than nine yards in length.	Ad valorem	50 per cent. or four annas per square yard, whichever is higher."
------	---	------------	---

(c) in Item No. 45A,—

(i) for the entries in the fourth column against sub-items (a) and (b), the following shall be substituted, namely :—

“ 35 per cent. or two annas and three pies per square yard, whichever is higher.”, and

(ii) for the entry in the fourth column against sub-item (c), the following shall be substituted, namely :—

“ 35 per cent.”; and

(d) for Item No. 133, the following item shall be substituted, namely :—

“ 133 | MANUFACTURES of silk or artificial silk not otherwise specified.”

(2) Notwithstanding anything contained in section 4 of the Indian Finance Act, 1931, or in section 4 of the Indian Finance (Supplementary and Extending) Act, 1931, the additional duties imposed by those sections shall not be levied on any articles chargeable with duty under Item No. 45 or No. 45-A of the VIII of 1894. Second Schedule to the Indian Tariff Act, 1894, as amended by this section.

VI of 1898. 4. For the year beginning on the 1st day of April, 1933, the Schedule Inland postage rate: contained in the First Schedule to this Act shall be inserted in the Indian Post Office Act, 1898, as the First Schedule to that Act.

II of 1899. 5. With effect on and after the 1st day of July, 1933, and for three years thereafter, the Indian Stamp Act, 1899, shall be deemed to be amended in the manner specified in the Temporary amendment of Act II of 1899. Second Schedule.

6. (1) Income-tax for the year beginning on the 1st day of April, 1933, shall be charged at the rates specified in Part I of the Third Schedule, increased in each case, except in the case of total incomes of less than two thousand rupees, by one-fourth of the amount of the rate. Income-tax and super-tax.

XI of 1922. (2) The rates of super-tax for the year beginning on the 1st day of April, 1933; shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, be those specified in Part II of the Third Schedule, increased in each case by one-fourth of the amount of the rate.

XI of 1922. (3) For the purposes of the Third Schedule “total income” means total income as determined for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Indian Income-tax Act, 1922.

XI of 1922. (4) For the purpose of assessing and collecting income-tax on total incomes of less than two thousand rupees the Indian Income-tax Act, 1922, shall be deemed to be subject to the adaptations set out in Part III of the Third Schedule.

X of 1923. 7. In sub-section (7) of section 19 of the Indian Paper Currency Act, 1923, for the figures “1933” the figures “1934” shall be substituted. Amendment of section 19, Act X of 1923.

XVI of 1931. It is hereby declared that it is expedient in the public interest that the provisions of clause 3 of this Bill should have immediate effect under the provisions of the Provisional Collection of Taxes Act, 1931.

SCHEDULE I.

Schedule to be inserted in the Indian Post Office Act, 1898.

[See section 4.]

"THE FIRST SCHEDULE.

INLAND POSTAGE RATES.

[See section 7.]

Letters.

For a weight not exceeding two and a half tolas One anna and three pies.

For every two and a half tolas, or fraction thereof, exceeding two and a half tolas One anna and three pies.

Postcards.

Single Nine pies.

Reply One and a half annas.

Book, Pattern and Sample Packets.

For every five tolas or fraction thereof Half an anna.

Registered Newspapers.

For a weight not exceeding eight tolas Quarter of an anna.

For a weight exceeding eight tolas and not exceeding twenty tolas Half an anna.

For every twenty tolas, or fraction thereof, exceeding twenty tolas Half an anna.

Parcels.

For a weight not exceeding twenty tolas Two annas.

For a weight exceeding twenty tolas and not exceeding forty tolas Four annas.

For every forty tolas, or fraction thereof, exceeding forty tolas Four annas.

SCHEDULE II.

Temporary amendments to be made in the Indian Stamp Act, 1899.

[See section 5.]

1. In section 3,—

(a) in clause (b), for the words "payable otherwise than on demand" the word "cheque" shall be substituted; and

(b) in clause (c), after the words "bill of exchange," the word "cheque" shall be inserted.

2. In clause (b) of section 11, after the words "bills of exchange," the word "cheques" shall be inserted.

3. In sub-section (1) of section 18, after the words "bill of exchange," the word "cheque" shall be inserted.

4. In section 19,—

(a) for the words “payable otherwise than on demand,” the word “cheque” shall be substituted; and

(b) in clause (a) of the proviso, after the words “any such bill of exchange,” the word “cheque” shall be inserted.

5. In section 47, for the words “or promissory note” the words “, promissory note or cheque” shall be substituted, and for the words “or note” wherever they occur thereafter, the words “, note or cheque” shall be substituted.

6. In clause (c) of section 49,—

(a) for the words “payable otherwise than on demand” the word “, cheques” shall be substituted;

(b) in sub-clause (1), for the words “any such bill of exchange” the words “any bill of exchange or cheque” shall be substituted and after the words “the acceptance of any bill of exchange” the words “or cheque” shall be inserted; and

(c) in sub-clause (3), for the words “any such bill of exchange” the words “any bill of exchange, cheque” shall be substituted, after the words “a bill of exchange” the words “or cheque” shall be inserted, and after the words “duly stamped bill of exchange,” and the words “with the spoiled bill,” the word “cheque” shall be inserted.

7. In clause (a) of sub-section (1) of section 62, for the words “payable otherwise than on demand” the word “, cheque” shall be substituted.

8. In section 67, the words “payable otherwise than on demand” shall be omitted.

9. In article No. 13 of Schedule I, after the words, figures and brackets “as defined by section 2 (2)” the word, figure and brackets “and (3)” shall be inserted, and before clause (b) the following clause shall be inserted, namely:—

“ (a) where payable on demand | One anna.”

10. After article No. 20 of Schedule I the following article shall be inserted, namely:—

“ 21. Cheque as defined by section 2 (7) | One anna.”

SCHEDULE III.

[See section 6.]

PART I.

Rates of Income-tax.

A. In the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—

	Rate.
(1) When the total income is Rs. 1,000 or upwards, but is less than Rs. 2,000.	Four pias in the rupee.
(2) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000.	Six pias in the rupee.

	Rate.
(3) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000.	Nine pies in the rupee.
(4) When the total income is Rs. 10,000 or upwards, but is less than Rs. 15,000.	One anna in the rupee.
(5) When the total income is Rs. 15,000 or upwards, but is less than Rs. 20,000.	One anna and four pies in the rupee.
(6) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000.	One anna and seven pies in the rupee.
(7) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000.	One anna and eleven pies in the rupee.
(8) When the total income is Rs. 40,000 or upwards, but is less than Rs. 1,00,000.	Two annas and one pie in the rupee.
(9) When the total income is Rs. 1,00,000 or upwards	Two annas and two pies in the rupee.
B. In the case of every company and registered firm, whatever its total income.	Two annas and two pies in the rupee.

PART II.

Rates of Super-tax.

In respect of the excess over thirty thousand rupees of total income—

	Rate.
(1) in the case of every company—	
(a) in respect of the first twenty thousand rupees of such excess	Nil.
(b) for every rupee of the remainder of such excess	One anna in the rupee.
(2) (a) in the case of every Hindu undivided family—	
(i) in respect of the first forty-five thousand rupees of such excess.	Nil.
(ii) for every rupee of the next twenty-five thousand rupees of such excess.	One anna and three pies in the rupee.
(b) in the case of every individual, unregistered firm and other association of individuals not being a registered firm or a company—	
(i) for every rupee of the first twenty thousand rupees of such excess.	Nine pies in the rupee.
(ii) for every rupee of the next fifty thousand rupees of such excess	One anna and three pies in the rupee.
(c) in the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—	
(i) for every rupee of the next fifty thousand rupees of such excess	One anna and nine pies in the rupee.
(ii) for every rupee of the next fifty thousand rupees of such excess	Two annas and three pies in the rupee.
(iii) for every rupee of the next fifty thousand rupees of such excess	Two annas and nine pies in the rupee.

	Rate.
(iv) for every rupee of the next fifty thousand rupees of such excess	Three annas and three pies in the rupee.
(v) for every rupee of the next fifty thousand rupees of such excess	Three annas and nine pies in the rupee.
(vi) for every rupee of the next fifty thousand rupees of such excess	Four annas and three pies in the rupee.
(vii) for every rupee of the next fifty thousand rupees of such excess	Four annas and nine pies in the rupee.
(viii) for every rupee of the next fifty thousand rupees of such excess	Five annas and three pies in the rupee.
(ix) for every rupee of the next fifty thousand rupees of such excess	Five annas and nine pies in the rupee.
(x) for every rupee of the remainder of such excess	Six annas and three pies in the rupee.

PART III.

Adaptations of the Indian Income-tax Act, 1922, to provide for the summary assessments of income-tax on total incomes of less than Rs. 2,000.

1. The Income-tax Officer may, save where he has served a notice under sub-section (2) of section 22 of the Indian Income-tax Act, 1922, make a summary assessment of the income of an assessee to the best of his judgment, and shall serve on the assessee a notice of demand in a form to be prescribed by the Central Board of Revenue; and such notice shall be deemed to be a notice of demand under section 29 of that Act.

2. Any assessee in respect of whom such summary assessment has been made may, within thirty days of receipt of the notice of demand, make an application to the Income-tax Officer for the cancellation or revision of the assessment, and the Income-tax Officer shall, after examining any accounts and documents and hearing any evidence which the assessee may produce, and such other evidence as the Income-tax Officer may require, determine, by order in writing, the amount of the tax, if any, payable by the assessee, and such determination shall be final:

Provided that, if any assessee making such application files therewith a return of his income under sub-section (2) of section 22 of the Indian Income-tax Act, 1922, the application shall be deemed to be a return under that sub-section and shall be dealt with accordingly.

3. A copy of an order under paragraph 2 shall be served on the assessee to whom it relates and shall be deemed to be a notice of demand under section 29 of the Indian Income-tax Act, 1922.

4. The above procedure shall apply also to the assessment and collection during the financial year 1933-34 of incomes of Rs. 1,000 and upward and less than Rs. 2,000 which have escaped assessment in the financial year 1932-33.

STATEMENT OF OBJECTS AND REASONS.

The object of this Bill is to continue for a further period of one year certain duties and taxes imposed under the Indian Finance Act, 1931, read with the Indian Finance (Supplementary and Extending) Act, 1931.

2. Clauses 2, 4, 6 and 7 provide for the continuance for a further period of one year of the existing provisions regarding salt duty, inland postage rates, rates of income-tax and super-tax and the credit to revenue of interest on securities forming part of the Paper Currency Reserve. The duty of one rupee four annas per maund on salt remains liable to the additional duty imposed by section 5 of the Indian Finance (Supplementary and Extending) Act, 1931.

As it is proposed to retain the tax on incomes of Rs. 1,000 and upwards and below Rs. 2,000 per annum, clause 6 (4) provides for the continuance of the existing procedure for the assessment of such incomes, which has already been approved by the Legislature.

3. Clause 3 provides for the following alterations in customs tariff :—

- (i) it fixes a minimum specific duty of 2½ annas including surcharge on uppers of boots and shoes not made entirely of leather ;
- (ii) it fixes minimum specific duties of 4 annas per square yard and 2 annas and three pies per square yard respectively, with no surcharge, on artificial silk piece-goods and artificial silk mixtures and rounds off the existing *ad valorem* duty, including surcharge, of 34⅓ths per cent. on artificial silk mixtures to 35 per cent. with no surcharge.

The reasons for making these changes have been fully explained in my budget speech.

4. Clause 5 provides for the re-imposition of the stamp duty on cheque^s and on bills of exchange which are payable on demand for a limited period of three years from the 1st July, 1933. The object of this provision is also explained in my budget speech.

GEORGE SCHUSTER.

NEW DELHI ;

The 28th February 1933.

Speech of the Financial Secretary in the Council of State on the 28th February 1933.

THE HONOURABLE MR. J. B. TAYLOR (Finance Secretary) : Sir, I rise to present the Statement of estimated expenditure and revenue of the Governor General in Council for the year 1933-34 in respect of subjects other than Railways.

2. In this Budget we can face the people of India with the consciousness of a difficult situation squarely met. When the Honourable Mr. Brayne rose in this House 12 months ago to present the Budget for 1932-33, the difficulties which he indicated could without exaggeration be described as appalling. The previous year had closed with a deficit of 11½ crores and for 1932-33 he anticipated that the deficit would reach 13·6 crores. The economic fabric of the country had suffered a shock of unparalleled magnitude owing to the collapse of commodity prices and there was no real indication or even any prospect of their recovery within any period which could be forecasted. An emergency budget with drastic measures of retrenchment has been placed before the Legislature some months before, but even in that short time it appeared as if the calculations on which it was based were to be falsified by the continued deterioration in the international situation.

3. Today, though it would be rash to predict any improvement in the international position, though commodity prices are lower even than they were 12 months ago, the Government of India are in the fortunate position of being able to put before this House their revised estimates for the current year, which show that the surplus of 2,15 lakhs which was budgeted for has been most accurately fulfilled: the actual surplus which we hope to have at the end of the year on our latest estimates being 2,17 lakhs. As I shall show later, this does not mean that every one of our estimates hit the mark so accurately; the total is the result of various opposing factors, some of which represent windfalls which we cannot expect to have repeated next year.

4. I shall now extract from the published statements the salient figures showing how this result was reached. I might first mention that, when we finally compiled the accounts for 1931-32 the results were nearly 2 crores better than were anticipated in the Budget speech, and the accounts for the year showed a deficit of 11½ crores as against the estimate of 13·6 crores.

5. As regards our revenue during the current year, the revised estimates of our most important receipt, that of customs, corresponded almost exactly with the budget estimate. In the Budget we had taken a figure of 52,31 lakhs, and so far as we can see we will realise 52,29 lakhs. Here again increases in some of our estimates balanced decreases in others. The largest increase was under cotton piecegoods where we estimated that we would receive 3·79 lakhs and actually received 6·40. Against this we had a falling off in the receipts from sugar; we received 7·1 crores as compared with our estimate of 8·9. The import duty on silver and on motor cars and cycles, liquors and tobacco also failed to reach our expectations.

6. As regards cotton piecegoods, I think that we must consider the large imports during the past year as somewhat abnormal. To a certain extent the waning of the boycott movement contributed to the improvement and this is shown by the fact that British goods also shared in the recovery. The most important factor was, however, undoubtedly the stimulus to Japanese imports afforded by the depreciation of the *yen*.

7. In this connection, interesting statistics have been prepared by Dr. Meek, the Director General of Commercial Intelligence, regarding the

imports of piecegoods and other necessities. These statistics are being published with the documents connected with the Budget, and I would invite the particular attention of this House to them. They show that the standard of living of the masses is being maintained in a most remarkable manner in spite of the fall in the prices of their own produce. It seems impossible to resist the conclusion that this remarkable maintenance of consumption power by the people of India is due primarily to exports of gold—an important question which I shall discuss later. In any case, it has helped to maintain our customs receipts in a most satisfactory manner.

8. I now turn to the other items in our revenue. In our estimate of income-tax we slightly overshot the mark, budgetting for 18,73 lakhs, and receiving according to our latest estimates, 17,70; salt gave us 10,38 lakhs as compared with our estimate of 9,43, though here it is to be noted that the receipts were enhanced to a greater extent than we anticipated by the extension of the salt credit system which was one of the features of our emergency budget of September, 1931 and which produced a special addition to our Budget during the current year of 150 lakhs. The other items of revenue call for no special comments, the net result being that we expect to realise 127.13 crores as against a budget estimate of 129.96—a drop of 2,83 lakhs.

9. As regards expenditure, the estimated result for the year is 124.96 crores as compared with a budget of 127.81, a saving of 2.85 crores. I propose to deal with expenditure under four heads: first, civil; second, defence; third, commercial departments; and fourth, general financial heads such as service of debt, currency and exchange.

10. On civil heads we budgeted for an expenditure of 20,65 lakhs, and our revised estimates show that that figure will be almost exactly realised. The revised estimate is 20,89 lakhs, showing an apparent increase of 24 lakhs 61 lakhs of this may, however, be regarded as either technical expenditure which involves no loss to Government or expenditure which is definitely non-recurring. Among the technical excesses I would quote for instance 16 lakhs for extra payments under opium, the yield of the crop being unexpectedly high: the opium has of course to be purchased from the cultivators but the cost will all be subsequently recovered. Among the non-recurring items I would include the increased charges for pensions due to the continuation of retrenchment and for the commutation of pensions; these items amounted to 13 lakhs. Taking all the items together, we calculate that in our ordinary working costs we will have achieved during the year economies of 41 lakhs more than we anticipated. Here it might be convenient to make a comparison with the recommendations of the four civil retrenchment sub-committees. They recommended retrenchments in expenditure totalling 499 lakhs; against this in the last Budget Government announced that they had achieved economies of 433 lakhs; this we have now raised to 474 or nearly 95 per cent. of the amount recommended by the committees.

11. Next year we hope to do even better. The estimates for civil expenditure in 1933-34 are 20,53 lakhs as compared with the revised estimate of 20,89 lakhs for the current year, that is to say, a reduction of 36 lakhs. This economy is being effected even after making allowance for the reduction of the cut in pay to 5 per cent. which will involve an extra charge of 27 lakhs on the civil side, and the normal increments in time-scale pay which we calculate will amount to approximately 16 lakhs. In addition, there are various other items of new unavoidable expenditure which will amount to 14 lakhs. As these three factors account for 57 lakhs, it will be seen that the

reduction which we hope to effect in our normal expenditure next year is no less than 93 lakhs. I am giving these counterbalancing items in addition to the net result because though naturally it is only the net result—the economy of 36 lakhs—which Members of this House will look to, it is important to show how continuous and unrelenting must be the scrutiny of existing expenditure if the burden on the taxpayer is not to grow because of the inclusion of unavoidable new items.

12. As regards the Defence budget, the retrenchment has been even more drastic. In the current year after allowing for the full effects of the 10 per cent. cut in pay, the net budgetary allotment was 46·74 crores. For 1933-34, in spite of the partial restoration of the cut which involves an additional expenditure of 52½ lakhs, the net provision is 46·20 crores, that is to say, a further net reduction of 54 lakhs. It is true that the army has to a certain extent benefited by the fall in the prices of commodities, but the difference made in their budget between 1928-29 and now on this account is only approximately 1 crore, and the Army budget has been reduced in the last three years from 55·10 crores to 46·20 crores, that is to say, by nearly 9 crores. This has been due to the pursuit of a policy of drastic economy by the army authorities and it is obvious that curtailment on this scale must have involved a very considerable retrenchment and paring down of the margin of safety which could only be justified on account of overwhelming financial necessity.

13. As regards the commercial departments, I have little comment to make. The Honourable Sir Guthrie Russell presented the House with the picture of the railways some days ago, and though I agree with him that the position in our railways compared favourably with that in other countries, there can be no prospect of material relief until trade improves. The same may be said of posts and telegraphs where, after allowing for the extra 27½ lakhs on account of the reduction in the cut in pay and 15 lakhs on account of increments, and setting off against this economies of 25 lakhs which we hope to achieve in other directions, the net loss next year will we estimate be 57 lakhs as compared with 48 lakhs this year.

14. I now turn to the finance heads, that is to say, the administration of debt, currency and exchange, and here I am glad to say that the picture is decidedly more cheerful. Members of this House need not be reminded of the sensational improvement in our position since we jointly with England unpegged gold in September, 1931, and allowed it to soar untrammelled. Exchange was very steady throughout the year, and from the middle of August we have been able to effect large purchases of sterling, which we estimate for the year at nearly £40 millions, at an average rate of 1s. 6-5/32d. As we budgeted for a rate of 1s. 6d., this has given us a profit of 30 lakhs. But that is by no means the whole story. Our requirements for the year were £24 millions, so that the balance of approximately £15½ millions has been available for strengthening our currency reserves. In addition, we hope to close the year with a balance in London of £13,400,000 as compared with £15,800,000 last year. In 1933-34 we have estimated for a reduction of the closing balance to £4,920,000 on the 31st March, 1934. On the assumption that we float a sterling loan for £5 millions in 1933-34, this means that the sterling which we will have to purchase next year will be £21 million only as compared with our actual purchases in the current year of £40 millions. If there is any surplus, we will probably find it best to devote it, as in this year, to a further strengthening of our sterling currency reserves.

15. The strength of exchange is primarily due to one cause—the large exports of gold. In the fifteen months between September, 1931 and December, 1932 India, on balance, exported gold of the value of 107·08 crores. In his Budget speech the Honourable Finance Member has analysed the various aspects of this phenomenon which has amazed and confuted those western critics with whom it had become an article of their monetary creed that India was and would always remain a sink of the precious metals. I propose now to deal only with two of the more important criticisms which have been made against Government, which I consider to be primarily due to a misunderstanding of the essence of the problem. In the first place, our critics say that by allowing our gold to go in this unfettered manner we are dangerously depleting the reserves of the country.

16. I would first point out that the volume of our exports is somewhat exaggerated by the fact that they are generally quoted in terms of value and not in weight. The price of gold in terms of rupees has varied widely in the past 20 years, so that calculations based on price are misleading. Many of our critics forget that the gold which has been exported in the last 18 months has been sold at a profit of between 25 and 30 per cent. If I take the figures in ounces, the strength of India's position becomes extraordinarily striking. The weight in ounces of our net exports from September, 1931 to December, 1932, is 14,110,000 ; the net imports from April, 1926, up to the date when exports began on a large scale is no less than 15,120,000 ; that is to say, that in spite of all that we have exported, we are still only back where we were in June, 1926 ; and if we go back to April, 1922, we find that in those four years India's net imports amounted to 28,279,000 ounces, in other words, we could export twice as much as we have already exported and still be where we were eleven years ago. If we go still further back, though the figures can only be regarded as very approximate, certain statisticians have calculated that India up to the end of the war had amassed a stack of more than a 100,000,000 ounces of which 50 had been imported since 1900, that is to say, that at present prices there should be still about a 1,000 crores worth of gold in India. However that may be, and I do not wish to attach importance to these early estimates it is obvious that the exports so far have only scratched the surface of the gold mine

17. The next criticism that is made is that we should in some way or other have contrived to secure this gold for the Indian currency reserves with a view to rendering possible the creation of a reserve bank at an early date. Here again there is a great deal of misunderstanding. In his Budget speech the Honourable Finance Member has conclusively proved a fact that is obvious when explained, that is to say, that it would have been impossible for us to have acquired more gold than we have at present secured sterling, unless we were prepared either to attract it by maintaining artificially high rates of money, or to grab it by placing an embargo on its export and thus compelling the holders to sell it to us at less than the world price. We were not prepared to consider either of these courses, so that under open market conditions it is obvious that we could not get more gold than we have bought sterling. During the period in question we have built up our reserves to the extent of £30 million sterling, so that the question narrows down to a clear and definite issue : would it have been better for us to have bought gold to this amount instead of buying sterling ? I will first of all deal with the criticism that the retention of this gold would have helped towards the creation of a reserve bank to a greater extent than acquisition of sterling. Here we are on quite clear ground and can say definitely that this is a mistake. Though there was much dispute five years ago as to the directorate of the proposed reserve bank, there was

fairly general agreement as to the composition of the reserves, as embodied in the Reserve Bank Bill in the final form in which it was presented in January, 1928. The stipulations were, first, that before Government handed over the responsibility for the currency to the new institution the total amount of gold coin and bullion and securities should not be less than one-half of the whole amount transferred; second, that the amount of gold coin and gold bullion should not at any time be less than 30 crores of rupees in value; third, that it should not be less than one-fifth of the total amount of the reserve after the end of the fifth year; and fourth, that 17/20ths of the actual gold should be held in India. How does our position compare with this? Our liabilities on the 31st January of this year on the basis of the calculations of the Reserve Bank Bill would be 214 crores—174 for outstanding notes and 40 for the rupee redemption fund. One-fifth of this is 43 crores. We actually have gold to the amount of 44.36 crores of which all except 3 crores is held in India. We are thus not only 14 crores in advance of our initial requirement of 30 crores, but 1 crore in advance of the amount which we are expected to reach after five years. On the other hand, as regards external securities, we require 63 crores, and at present we only have 35. It is therefore obvious that it is our external securities which require building up rather than our gold. We are ahead of our programme as regards gold, but as regards securities we still have a leeway of approximately 28 crores to make up.

18. I wish to make it quite clear that here I am merely answering the particular criticism that our policy is not that which is best directed to the early creation of a reserve bank, in order to show that we are following strictly the lines laid down by common consent, and the scheme which still holds the field to meet that object. With the separation of gold from sterling and the rupee, however, it is obvious that entirely new problems have been created which must be judged in the circumstances as they arise, and that though we are at present following the programme laid down for us, we are in no way committing ourselves blindly for the future should it seem to require modification in the interests of the country; that is to say, though for the present it seems to us not only to suit our programme but to be in the interests of the country to buy securities, rather than gold, we are not committing ourselves in any way to go on doing so indefinitely.

19. With this caution I would now like to take the House further afield and to survey the international aspect of the problem. Here there can be no doubt whatever that our policy is in the best interests of the economic reconstruction of the world as a whole. In fact, in the complete absence of any approach to any alternative system which would replace gold as the basis of the world's currency systems, I might go further and say that Indian gold exports are the only promising feature in the situation. So long as gold forms the international medium of currency, so long must prices in the long run depend on the amount of it available for currency purposes, and though the gold which we are sending abroad is being at present, as we think, uselessly bottled up elsewhere, India is taking her profit on it and turning that profit to good uses, and later on the force of circumstances will inevitably compel those who are now hoarding it to release it. When they do I trust that India will have sufficient commonsense to insist that the price which she pays to take it back if she does want it back is a price much more in accordance with its secular value and not the fancy level to which a panic-stricken world has now pushed it. When the time comes for the release of the world's hoarded gold stocks, as come sooner or later it must, India, as one of the largest exporters of raw materials, will benefit beyond all reckoning by the increased world purchasing power which she is now creating.

20. Apart also from the international benefits which are not yet apparent. India itself in the meantime is benefitting directly by these sales. As I pointed out earlier in my speech, it has enabled the country to continue its consumption of the primary necessities of a decent life practically unabated while other countries have had to tighten their belts and do without.

21. In addition, the funds so released have contributed to what I may describe without exaggeration as a complete transformation of India's credit position. Eighteen months ago our $3\frac{1}{2}$ per cent. paper stood at 53; now it is about 83; our sterling $3\frac{1}{2}$ per cents. stood at 46, they are now 89. The bank rate was then 8 per cent., it is now $3\frac{1}{2}$. Our securities now stand higher than those of any important country except the United Kingdom and the United States of America. The continuous and rapid improvement in our credit enabled us to float one sterling and four rupee loans. The rupee loan which we issued in May gave a yield to the investor of $5\frac{1}{2}$ per cent.; the 4 per cent. 10-year bonds which we issued in January at a price of 98 gave a yield of less than $4\frac{1}{2}$ per cent. Twelve months ago it would have been unthinkable for us to have floated a loan with a maturity of more than a few years; we are now concluding a successful re-issue of the 1960-70 4 per cent. loan giving a gross yield of approximately $4\frac{1}{2}$ per cent. In the last Budget we anticipated that we might be able to reduce the treasury bills held by the public to the extent of approximately $7\frac{1}{2}$ crores; in reality we have reduced them by $19\frac{1}{2}$. We have also reduced the treasury bills in the currency reserve by $14\frac{1}{2}$ crores and replaced them by sterling securities. We estimated that we could discharge $26\frac{1}{2}$ crores of public debt during the year; we have actually discharged more than 80. This means that, taking maturing loans, treasury bills and ways and means advances from the Imperial Bank together, during the year we have disposed of immediate liabilities to the extent of more than 123 crores. In addition, we have been able to cheapen money rates by progressive reductions in the yield of our treasury bills. Twelve months ago we were paying nearly 7 per cent.; now we are paying less than 2. The yield of our post office cash certificates has been progressively reduced from 6 per cent. to $4\frac{1}{2}$ per cent., and we have realised 14,35 lakhs from cash certificates and deposits in post office savings banks as compared with the budget anticipation of 7 crores and an average of less than $5\frac{1}{2}$ crores for the five years 1926 to 1931.

22. For next year our capital programme has been framed on cautious lines. The railway capital outlay we are putting at 3,30 lakhs as compared with the budget estimate of 4,15 lakhs and a revised estimate of 81 lakhs for the current year. The loans to Provincial Governments we are putting at 4,24 lakhs. On this basis we should be able to effect a further reduction of 8 crores in our outstanding treasury bills and still have approximately 17 crores available to meet our maturing loan liabilities. We have framed our estimate for the receipts from post office cash certificates and savings bank deposits on conservative lines, budgetting for 840 lakhs as against the final estimate of 14,35 in the current year. We have done this because of the reduction of the yield to $4\frac{1}{2}$ per cent., but the investment habit in the country is now developing to such an extent that it is quite possible that this estimate may be substantially exceeded. Against these resources our actual maturing liabilities are not large. As regards our rupee loans we shall have to meet that portion of the 1929-47, 1933 and 1933-36 loans which remain unconverted after the closing of the present conversion issue. The final figures of that issue are not yet available, but those which have already come in show that we shall convert more than 32 crores. On that assumption we shall require to raise less than 2 crores to meet the balance. As regards sterling, we should require

to raise 8 crores in London to pay off the balance of the 6 per cent. loan which we have the option of repaying in June. These figures of course are merely to illustrate our position; they do not indicate our policy. We shall buy as much sterling as we can and fund as many of our loans as we can and use the proceeds to strengthen our reserves and our credit position generally.

23. We can now complete the picture of next year's Budget. As you will have gathered, we propose no material alterations in taxation. As regards customs, we have carefully considered, particularly with regard to the so-called luxury taxes, whether the point of diminishing returns has been reached, but we are satisfied that there is no class of ordinary imports where a reduction in the duty would increase the demand to such an extent as to produce an increase of revenue. We also regret that we are unable to make any alleviations in the emergency taxes on income. All we can say is that they will be removed as soon as possible, and that until they are removed all possible steps will be taken to curtail expenditure. Two minor alterations are being effected in the tariff, with regard to import duties on boots and shoes and artificial silk goods, with which I need not detain the House. We are also re-imposing the stamp duty on cheques with effect from the 1st July, 1933. The legislation will be central but the proceeds will be divided among the provinces as was the case before the tax was removed in July, 1927. The net result of these various adjustments is that we anticipate a revenue surplus of 42 lakhs as compared with an estimated surplus of 217 in the current year. This is undoubtedly small in view of the uncertainty of world conditions and prices, but it is based on the expectation of a continuance of present conditions without any improvement, and we do not consider that this is unduly optimistic.

24. I may summarise the position as follows :

Revenue.	Lakhs.	
	Better.	Worse.
<i>Customs.</i> —Reduction allowed for in imports of sugar and cotton piecegoods		104
<i>Income-tax.</i> —Increase due to removal of exemption from surcharge of Government servants	53	
<i>Salt.</i> —Reduction mainly due to temporary decrease in receipts on the termination of the credit system		163
<i>Opium</i> better	25	
<i>Finance heads</i> including temporary loss on account of funding of treasury bills at a lower rate of interest into loans at a somewhat higher rate		15
<i>Commercial departments</i> worse		11
<i>Miscellaneous.</i> —Reduction due to no provision for gain by exchange		45
(I might explain that this item is based on the assumption that all remittances will be effected at 1s. 6d. If we can secure better rates, we will regard the gain as a windfall.)		
<i>Expenditure.</i>		
Net reduction under civil and military heads, in spite of the partial restoration of pay	85	
Total betterness	163	
Total worseness		338
Net deterioration	175	

Net effect 42 lakhs surplus compared with 217 this year.

25. There is one feature in the Budget in which Members of this House have already shown an active interest. I refer, Sir, to the partial restoration of the cut in pay.

26. First let us examine its financial effects. We have already seen the effect on the railways in the Railway Budget. As regards the other Central Government civil services including the posts and telegraphs department, a restoration of the full cut in pay for 12 months would have cost 122 lakhs, and for the army 114 lakhs. As, however, March pay is paid on the 1st of April and as the 10 per cent. cut continues to apply to all pay earned up to March, 31, 1933, the recent decision of Government affects only 11 months pay in the next Budget and not 12. A 5 per cent. reduction for 11 months therefore means 55 lakhs on the civil side and 52½ lakhs on the army—a total of 108 lakhs. As against this the central budget will recover, as the result of the withdrawal of the exemption from income-tax surcharges and the tax on incomes below Rs. 2,000 from Government officials, a net increase in income-tax receipts of 53 lakhs. The net cost of the proposal to the Central Government is thus 55 lakhs.

27. This is not the whole picture. The income-tax made recoverable from railway officers by the present decision amounts to 14 lakhs. When we extended the full 10 per cent. cut to the railways we made the railway administration pay us this amount though it was not levying it from its officers, on the ground that, as they were a separate commercial department, there was no reason why we should in effect pay our income-tax to them. As this amount is now being raised from railway officers, it is obvious that it is now something which we are getting which we were not getting before, so that from the point of view of the taxpayer, taking the railway budget and the Government budget together, the net cost of the proposal to the Central Government is reduced to 41 lakhs.

28. There is, however, a set off which in certain circumstances we may have to make. When we made the cut last year and exempted Government officers from the surcharges on income-tax, one result was that Provincial Governments profited at the expense of the Central Government in respect of the income-tax which would have accrued to us if it had been levied from their officers. Now that this income-tax exemption has been removed, the proceeds accrue to us and this clearly is as it ought to be. It would be a most dangerous precedent to admit that the Central Government might have to give up the proceeds of taxation on the ground that they were borne by officers serving under Provincial Governments. At the same time, both the cut and the exemption from taxation were definite emergency measures, and it could be argued that so long as the cut persists even in part so long we must admit that this exceptional emergency continues, and that looking at the sequence of events Provincial Governments can be sympathised with if they ask that a certain amount of this should be returned to them. We estimate that the total amount involved will be about 36 lakhs. The Government of India desire to meet these considerations so far as they can and it has therefore been decided that if the financial results for this year make it possible proposals will be placed before the Legislature in due course to make special grants to those Provincial Governments which satisfy us that they are in unavoidable deficit, to compensate them for the emergency income-tax increases now to be levied for the first time on the salaries of such of their officers as are still subjected to a cut in pay. If therefore our budget estimates are realised, we hope to be in a position to make grants towards this object.

29. Before leaving this part of the question I would like to point out that the principal benefit of this partial restoration will be felt in the lower grades. Officers on the highest rates of pay benefit hardly at all from the present proposal ; in general it may be held that for officers earning Rs. 1,500 a month and over the surcharges mean a reduction of from $2\frac{1}{2}$ to nearly $4\frac{1}{2}$ per cent.

30. I have now explained to the House the effects of this partial restoration on Government's finances and on the officers themselves. I shall now proceed to explain our reasons for acting as we did. The whole question is being thoroughly examined in the speech of the Honourable Finance Member in the other House, and here I merely wish to state what we consider the root of the matter. The essential point is that when a general reduction of salaries was introduced as part of the emergency financial plan in September, 1931, its only justification was the existence of an exceptional emergency of extreme gravity ; the step was one which could only have been contemplated after the effects of all other measures had been exhausted. It was, as you will remember, a time when the British Government and we were faced with the momentous decision whether we could any longer adhere to a fixed gold standard, and it was obvious that taxation and retrenchment alone would not tide over the crisis. In a storm something has to be jettisoned to save the whole, and we were faced with the unpleasant task of deciding what it was to be. In face of a similar predicament some countries repudiated their debts either openly by a moratorium or indirectly by refusing to send the proceeds to the investors abroad. We refused to contemplate any measures of this sort, and I think that everybody will admit that we were right in doing so. But the fact that in preference to undertaking such measures of direct or indirect repudiation we decided that we could rely on the loyalty of our Government servants and call on them temporarily to forego rights which really fall in the same class as the obligations which I have just mentioned, does not mean that we under-estimated the gravity of the step which we were taking and still less that we were admitting as a principle that the pay of Government servants was optional expenditure which could be raised or lowered each year in the same way as taxation. That the position of Government may be quite clear in this matter I venture to repeat what the Honourable Finance Member said when introducing the original proposals in September, 1931. The first condition was that

" the cut should be of a temporary nature not extending beyond the needs of the present exceptional emergency. Its justification is in the need for common sacrifice in a national emergency ",
and then

" it is perhaps forecasting events too much to say in what order restoration should be made, but there are certain principles which we consider must be observed. Relief must come first in restoring the emergency cuts in pay, and secondly in taking off the surcharges on income-tax now to be imposed ".

31. I have now placed before the House the main features of the Budget, and though it is not altogether a pleasant Budget, it seems impossible for the Finance Department of this or any other government to be pleasant if it is to be honest in the world of today. Though I am confident that eventually the commonsense of the world will find a way out of the present difficulties, and though I feel that the troubles from which we are suffering can be regarded more truly as the growing pains of a new order of things than the agony of a dying civilization, we have to be practical, and the only practical course is to avoid easy optimism and to be prepared for a continuance of present conditions or some time longer still. On the other hand, there are strong reasons for

optimism as to the eventual outcome, India's power of resistance to the world depression has been extraordinary, and even more encouraging has been the strong commonsense of the Indian people in overcoming a fetish worship of gold and turning their gold reserves to profit when they were most needed. In this respect India has proved itself to be in advance of many countries which pride themselves on the modernity of their outlook. I am also convinced that when the tide turns, as turn it must, India's position is so inherently sound that she will be among the first to profit by it. Above all, we have the satisfaction of being able to present you with what is almost unique in the world today—an honestly balanced budget and one which looks like staying balanced.

Details of voted and non-voted amounts included in the Demands for Grants for expenditure of the Central Government (Excluding Railways) for the year 1933-34.

Number of demand.	Service, Administration or Area to which demand relates.	Head of Account.	Amount.		
			Voted.	Non-voted.	Total.
			Rs	Rs.	Rs.
A.—Expenditure charged to Revenue.					
16	Customs	Customs	63,75,000	32,48,000	96,23,000
17	Taxes on Income	Taxes on Income	81,24,000	2,36,000	83,60,000
18	Salt	Salt	72,03,000	44,10,000	1,16,13,000
19	Opium	Opium	55,87,000	1,49,000	57,36,000
19A	Excise	Excise	4,68,000	2,22,000	6,90,000
20	Stamps	Stamps	18,43,000	65,000	17,08,000
21	Forest	Forest	5,11,000	1,60,000	6,61,000
22	Irrigation (including Working Expenses), Navigation, Embankment and Drainage Works.	Works for which capital accounts are kept, Miscellaneous Irrigation Expenditure, Construction of Irrigation, etc., Works.	3,24,000	3,29,000	6,53,000
23	Indian Posts and Telegraphs Department (including Working Expenses).	Posts and Telegraphs.	10,44,09,000	1,02,36,000	11,46,45,000
25	Interest on Debt and Reduction or Avoidance of Debt.	Interest on Ordinary Debt.	2,14,88,000	5,89,75,000	8,04,63,000
26	Interest on Miscellaneous Obligations.	Interest on other Obligations.	50,42,000	9,12,31,000	9,62,73,000
27	Staff, Household and allowances of the Governor General.	General Administration.	4,36,000	9,63,000	13,99,000
28	Executive Council		77,000	4,48,000	5,25,000
29	Council of State		1,04,000	8,000	1,12,000
30	Legislative Assembly and Legislative Assembly Department.		6,92,000	78,000	7,70,000
31	Foreign and Political Department.		7,63,000	1,99,000	9,62,000
32	Home Department		5,70,000	7,75,000	13,45,000
33	Public Service Commission		1,51,000	2,01,000	3,52,000
34	Legislative Department		3,04,000	1,91,000	4,95,000
35	Department of Education, Health and Lands.		5,43,000	1,63,000	7,06,000
36	Finance Department		9,32,000	2,17,000	11,49,000
33	Commerce Department	3,51,000	1,02,000	4,53,000	
39	Army Department	4,09,000	87,000	5,06,000	
40	Department of Industries and Labour.	4,69,000	1,17,000	5,86,000	
41	Central Board of Revenue	1,71,000	95,000	2,66,000	
42	Payments to Provincial Governments on account of Administration of Agency subjects.		1,54,000	1,33,000	2,87,000
43	Audit	Audit.	88,52,000	8,94,000	97,46,000
44	Administration of Justice	Administration of Justice.	58,000	..	58,000
45	Police	Police	1,88,000	2,000	1,90,000
46	Ports and Pilotage	Ports and Pilotage	10,78,000	9,66,000	20,34,000
47	Lighthouses and Lightships	Lighthouses and Lightships.	10,19,000	30,000	10,39,000
48	Survey of India	Scientific Departments.	15,24,000	5,36,000	20,60,000
49	Meteorology	Scientific Departments.	17,09,000	86,000	17,95,000
50	Geological Survey	Scientific Departments.	1,73,000	2,13,000	3,86,000
51	Botanical Survey	Scientific Departments.	1,34,000	30,000	1,64,000
52	Zoological Survey	Scientific Departments.	83,000	46,000	1,29,000
53	Archæology	Scientific Departments.	9,08,000	1,27,000	10,35,000
54	Mines	Scientific Departments.	1,20,000	1,10,000	2,30,000
55	Other Scientific Departments.	Scientific Departments.	2,66,000	..	2,66,000
	Carried over		18,34,12,000	17,60,58,000	35,94,70,000

Details of voted and non-voted amounts included in the Demands for Grants for expenditure of the Central Government (Excluding Railways) for the year 1933-34—*contd.*

Number of Demand.	Service, Administration or Area to which demand relates.	Head of Account.	Amount.		
			Voted.	Non-voted.	Total.
			Rs.	Rs.	Rs.
		Brought forward	18,34,12,000	17,80,33,000	35,94,70,000
	A.—Expenditure charged to Revenue—<i>contd.</i>				
56	Education	Education	5,84,000	31,000	6,15,000
57	Medical Services	Medical	6,17,000	2,13,000	8,35,000
58	Public Health	Public Health	6,58,000	1,86,000	8,44,000
59	Agriculture	Agriculture	9,15,000	1,56,000	10,71,000
60	Imperial Council of Agricultural Research Department.	Do.	3,08,000	67,000	3,75,000
61	Civil Veterinary Services	Do.	5,73,000	73,000	6,56,000
62	Industries	Industries	1,63,000	3,000	1,62,000
63	Aviation	Aviation	9,63,000		9,63,000
64	Commercial Intelligence and Statistics	Miscellaneous Departments.	4,83,000	53,000	5,16,000
65	Census	Do.	73,000	30,000	1,03,000
66	Emigration—Internal	Do.	25,000	4,000	29,000
67	External	Do.	1,89,000	55,000	2,44,000
68	Joint-Stock Companies	Do.	1,15,000	16,000	1,31,000
69	Miscellaneous Departments	Do.	5,37,000	59,000	5,96,000
70	Indian Stores Department.	Indian Stores Department.	4,87,000	1,33,000	6,00,000
71	Currency	Currency	43,39,000	1,72,000	45,11,000
72	Mint	Mint	17,66,000	83,000	18,54,000
73	Civil Works	Civil Works	1,82,33,000	11,59,000	1,93,92,000
74	Superannuation Allowances and Pensions.	Superannuation Allowances and Pensions.	75,27,000	2,07,35,000	2,82,62,000
75	Stationery and Printing	Stationery and Printing.	35,22,000	64,000	35,86,000
76	Miscellaneous	Miscellaneous	6,10,000	26,62,000	32,72,000
76A	Expenditure on retrenched personnel charged to revenue.	Extraordinary charges.	6,45,000	2,29,000	8,74,000
76 B	Miscellaneous Adjustments between the Central and Provincial Governments.	Miscellaneous Adjustments between the Central and Provincial Governments.	..	1,00,00,000	1,00,00,000
77	Refunds	Distributed over respective heads of account.	93,25,000	2,24,71,000	3,17,96,000
79	Baluchistan		27,25,000	43,03,000	70,33,000
80	Delhi		42,25,000	2,70,000	44,95,000
81	Ajmer-Merwara		13,87,000	1,10,000	14,77,000
82	Andamans and Nicobar Islands.		31,80,000	2,27,000	33,87,000
83	Rajputana		4,26,000	7,23,000	11,54,000
84	Central India		3,43,000	6,19,000	9,62,000
85	Hyderabad		2,63,000	6,65,000	9,31,000
85A	Aden		7,05,000	1,79,000	8,84,000
86	Expenditure in England—Secretary of State for India.			22,09,000	17,41,000	39,50,000
87	Expenditure in England—High Commissioner for India.	..	24,57,000	37,63,000	62,20,000
	TOTAL (Carried over)		25,39,11,000	24,72,39,000	50,11,50,000

BUDGET FOR 1933-34.

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Details of voted and non-voted amounts included in the Demands for Grants for expenditure of the Central Government (Excluding Railways) for the year 1933-34—concl'd.

Number of Demand.	Service, Administration or Area to which demand relates.	Head of Account.	Amount.			
			Voted.	Non-voted.	Total.	
			Rs.	Rs.	Rs.	
		Brought forward.	25,39,11,000	24,72,39,000	50,11,50,000	
Non-voted	A.—Expenditure charged to Revenue—concl'd.					
	Ecclesiastical	Ecclesiastical	..	27,37,000	27,37,000	
	Political	Political	..	1,03,51,000	1,03,51,000	
	Frontier Watch and Ward	Frontier Watch and Ward	..	1,91,72,000	1,91,72,000	
	Territorial and Political Pensions.	Territorial and Political Pensions	..	30,90,000	30,90,000	
	Bangalore	Distributed over respective heads of account.	..	14,47,000	14,47,000	
	Western India States Agency	Defence Services	..	14,95,000	14,95,000	
	Defence Services		..	50,51,67,000	50,51,67,000	
	TOTAL			25,39,11,000	79,06,98,000	1,04,46,09,000
		B.—Expenditure charged to Capital.				
88	Capital outlay on Security Printing.	Capital outlay on Security Printing Press.	1,000	..	1,000	
89	Forest Capital outlay	Capital outlay on Forests.	1,000	..	1,000	
90	Irrigation	Construction of Irrigation Works.	1,000	..	1,000	
91	Indian Posts and Telegraphs	Capital outlay on Posts and Telegraphs.	15,78,000	2,000	15,80,000	
93	Capital outlay on Currency Note Press.	Currency Capital outlay not charged to Revenue.	1,000	..	1,000	
94	Capital outlay on Vizagapatam Harbour.	Capital outlay on Vizagapatam Port.	32,14,000	17,66,000	49,80,000	
95	Capital outlay on Lighthouses and Lightships.	Capital outlay on Lighthouses and Lightships.	1,000	..	1,000	
96	Commuted value of Pensions	Payment of Commuted Value of Pensions.	35,51,000	25,14,000	60,65,000	
96A	Expenditure on retrenched personnel charged to capital.	Payments to retrenched personnel.	1,000	..	1,000	
	TOTAL		83,49,000	42,82,000	1,26,31,000	
	C.—Disbursements of Loans and Advances.					
98	Interest-free advances	..	64,53,000	..	64,53,000	
99	Loans and advances bearing interest.	..	5,38,37,000	..	5,38,37,000	
	TOTAL		6,02,90,000	..	6,02,90,000	
	GRAND TOTAL		32,25,50,000	79,49,80,000	1,11,75,30,000	

(a) This figure is arrived at from the Budget Statement as follows:—

	Rs.
As per Statement B of the Budget Statement	1,24,10,55,000
Add—Working Expenses—	
Posts and Telegraphs	10,50,98,000
Irrigation	1,80,000
Refunds	3,22,26,000
	1,37,85,54,000
Deduct—Railway Expenditure	33,39,45,000
	1,04,46,09,000

GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

The following Act* of the Indian Legislature received the assent of the Governor General on the 31st March, 1933, and is hereby promulgated for general information :—

ACT No. VII of 1933.

An Act to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax and super-tax, and further to amend the Indian Paper Currency Act, 1923.

WHEREAS it is expedient to fix the duty on salt manufactured in, or imported by land into, certain parts of British India, to vary certain duties leviable under the Indian Tariff Act, 1894, to fix maximum rates of postage under the Indian Post Office Act, 1898, to fix rates of income-tax and super-tax, and further to amend the Indian Paper Currency Act, 1923; It is hereby enacted as follows :—

Short title and extent. 1. (1) This Act may be called the Indian Finance Act, 1933.

(2) It extends to the whole of British India, including British Baluchistan and the Sonthal Parganas.

XII of 1882. 2. The provisions of section 7 of the Indian Salt Act, 1882, shall, in so far as they enable the Governor General in Council to impose by rule made under that section a duty on salt manufactured in, or imported into, any part of British India other than Burma or Aden, be construed as if, for the year beginning on the 1st day of April, 1933, they imposed such duty at the rate of one rupee and four annas per maund of eighty-two and two-sevenths pounds avoirdupois of salt manufactured in, or imported by land into, any such part, and such duty shall, for all the purposes of the said Act, be deemed to have been imposed by rule made under that section.

VIII of 1894. Amendment of 1894. Schedule II to Act VIII of 1894. 3. (1) In the Second Schedule to the Indian Tariff Act, 1894,—

(a) after Item No. 41B the following item shall be inserted, namely :—

" 41C	UPPERS for boots and shoes unless entirely made of leather.	Ad valorem .	20 per cent. or two annas per pair, whichever is higher."
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(b) after Item No. 44 the following item shall be inserted, namely :—

" 45	ARTIFICIAL SILK PIECE-GOODS other than fents of not more than nine yards in length.	Ad valorem .	50 per cent. or four annas per square yard, whichever is higher."
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*The Indian Finance Bill, 1933, was passed in this form by the Legislative Assembly on the 28th March, 1933, and by the Council of State on the 31st *idem*.

(c) in Item No. 45A,—

(i) for the entries in the fourth column against sub-items (a) and (b), the following shall be substituted, namely :—

“ 35 per cent. or two annas and three pies per square yard, whichever is higher.”

(ii) for the entry in the fourth column against sub-item (c), the following shall be substituted, namely :—

“ 35 per cent.”, and

(iii) after sub-item (c) the following proviso shall be inserted in the second column, namely :—

“ Provided that the duty on fents of not more than nine yards in length of fabrics specified in sub-items (a) and (b) shall be 35 per cent. *ad valorem*.”; and

(d) for Item No. 133, the following item shall be substituted, namely :—

“ 133 | MANUFACTURES of silk or artificial silk not otherwise specified.”

(2) Notwithstanding anything contained in section 4 of the Indian Finance Act, 1931, or in section 4 of the Indian Finance (Supplementary and Extending) Act, 1931, the additional duties imposed by those sections shall not be levied on any articles chargeable with duty under Item No. 45 or No. 45-A of the Second Schedule to the Indian Tariff Act, 1894, as amended by this section. VIII of 1894.

4. For the year beginning on the 1st day of April, 1933, the Schedule contained in the First Schedule to this Act shall be inserted in the Indian Post Office Act, 1893, as VI of 1898. the First Schedule to that Act.

5. (1) Income-tax for the year beginning on the 1st day of April, 1933, shall be charged at the rates specified in Part I of the Second Schedule, increased in each case, except in the case of total incomes of less than two thousand rupees, by one-fourth of the amount of the rate.

(2) The rates of super-tax for the year beginning on the 1st day of April, 1933, shall, for the purposes of section 55 of the Indian Income-tax Act, 1922, XI of 1912, be those specified in Part II of the Second Schedule, increased in each case by one-fourth of the amount of the rate.

(3) For the purposes of the Second Schedule “total income” means total income as determined for the purposes of income-tax or super-tax, as the case may be, in accordance with the provisions of the Indian Income-tax Act, 1922.

XI of 1922.

(4) For the purpose of assessing and collecting income-tax on total incomes of less than two thousand rupees the Indian Income-tax Act, 1922, shall be deemed to be subject to the adaptations set out in Part III of the Second Schedule.

XI of 1922.

6. In sub-section (7) of section 19 of the Indian Paper Currency Act, 1923, for the figures “1933” the figures “1934” shall be substituted.

Amendment of section 19, Act X of 1923.

X of 1923.

SCHEDULE I.

Schedule to be inserted in the Indian Post Office Act, 1898.

[See section 4.]

"THE FIRST SCHEDULE.

INLAND POSTAGE RATES.

[See section 7.]

Letters.

For a weight not exceeding two and a half tolas	One anna and three pies.
For every two and a half tolas, or fraction thereof, exceeding two and a half tolas	One anna and three pies

Postcards.

Single	Nine pies.
Reply	One and a half annas.

Book, Pattern and Sample Packets.

For every five tolas or fraction thereof	Half an anna.
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Registered Newspapers.

For a weight not exceeding eight tolas	Quarter of an anna.
For a weight exceeding eight tolas and not exceeding twenty tolas	Half an anna.
For every twenty tolas, or fraction thereof, exceeding twenty tolas	Half an anna.

Parcels.

For a weight not exceeding twenty tolas	Two annas.
For a weight exceeding twenty tolas and not exceeding forty tolas	Four annas.
For every forty tolas, or fraction thereof, exceeding forty tolas	Four annas.

SCHEDULE II.

[See section 5.]

PART I.

Rates of Income-tax.

A. In the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—

- (1) When the total income is Rs. 1,000 or upwards but is less than Rs. 1,500

Rate.

Two pies in the rupee: (Provided that for the purpose of any assessment to be made for the year ending 31st March, 1934, the rate of income-tax applicable to such part of the total income of an assessee as is derived from salaries or from interest on securities paid in the financial year 1932-33 shall be four pies in the rupee, and for the purposes of refunds under sub-section(1) or sub-section (3) of section 48 in respect of dividends declared in the year ending 31st March, 1933, or of payments made in the said year of interest on securities or salaries, the rate applicable to the total income of the person claiming refund shall be at the rate of four pies.)

	Rate.
(2) When the total income is Rs. 1,500 or upwards, but is less than Rs. 2,000.	Four pies in the rupee.
(3) When the total income is Rs. 2,000 or upwards, but is less than Rs. 5,000.	Six pies in the rupee.
(4) When the total income is Rs. 5,000 or upwards, but is less than Rs. 10,000.	Nine pies in the rupee.
(5) When the total income is Rs. 10,000 or upwards, but is less than Rs. 15,000.	One anna in the rupee.
(6) When the total income is Rs. 15,000 or upwards, but is less than Rs. 20,000.	One anna and four pies in the rupee.
(7) When the total income is Rs. 20,000 or upwards, but is less than Rs. 30,000.	One anna and seven pies in the rupee.
(8) When the total income is Rs. 30,000 or upwards, but is less than Rs. 40,000.	One anna and eleven pies in the rupee.
(9) When the total income is Rs. 40,000 or upwards, but is less than Rs. 1,00,000.	Two annas and one pie in the rupee.
(10) When the total income is Rs. 1,00,000 or upwards	Two annas and two pies in the rupee.
B. In the case of every company and registered firm, whatever its total income.	Two annas and two pies in the rupee.

PART II.

Rates of Super-tax.

In respect of the excess over thirty thousand rupees of total income—

	Rate.
(1) in the case of every company—	
(a) in respect of the first twenty thousand rupees of such excess	Nil.
(b) for every rupee of the remainder of such excess	One anna in the rupee.
(2) (a) in the case of every Hindu undivided family—	
(i) in respect of the first forty-five thousand rupees of such excess.	Nil.
(ii) for every rupee of the next twenty-five thousand rupees of such excess.	One anna and three pies in the rupee.
(b) in the case of every individual, unregistered firm and other association of individuals not being a registered firm or a company—	
(i) for every rupee of the first twenty thousand rupees of such excess.	Nine pies in the rupee.
(ii) for every rupee of the next fifty thousand rupees of such excess	One anna and three pies in the rupee.
(c) in the case of every individual, Hindu undivided family, unregistered firm and other association of individuals not being a registered firm or a company—	
(i) for every rupee of the next fifty thousand rupees of such excess	One anna and nine pies in the rupee.
(ii) for every rupee of the next fifty thousand rupees of such excess	Two annas and three pies in the rupee.

	Rate.
(iii) for every rupee of the next fifty thousand rupees of such excess	Two annas and nine pies in the rupee.
(iv) for every rupee of the next fifty thousand rupees of such excess	Three annas and three pies in the rupee.
(v) for every rupee of the next fifty thousand rupees of such excess	Three annas and nine pies in the rupee.
(vi) for every rupee of the next fifty thousand rupees of such excess	Four annas and three pies in the rupee.
(vii) for every rupee of the next fifty thousand rupees of such excess	Four annas and nine pies in the rupee.
(viii) for every rupee of the next fifty thousand rupees of such excess.	Five annas and three pies in the rupee.
(ix) for every rupee of the next fifty thousand rupees of such excess	Five annas and nine pies in the rupee.
(x) for every rupee of the remainder of such excess	Six annas and three pies in the rupee.

PART III.

Adaptations of the Indian Income-tax Act, 1922, to provide for the summary assessments of income-tax on total incomes of less than Rs. 2,000.

1. The Income-tax Officer may, save where he has served a notice under sub-section (2) of section 22 of the Indian Income-tax Act, 1922, make a summary assessment of the income of an assessee to the best of his judgment, and shall serve on the assessee a notice of demand in a form to be prescribed by the Central Board of Revenue; and such notice shall be deemed to be notice of demand under section 29 of that Act.

2. Any assessee in respect of whom such summary assessment has been made may, within thirty days of receipt of the notice of demand, make an application to the Income-tax Officer for the cancellation or revision of the assessment, and the Income-tax Officer shall, after examining any accounts and documents and hearing any evidence which the assessee may produce, and such other evidence as the Income-tax Officer may require, determine, by order in writing, the amount of the tax, if any, payable by the assessee, and such determination shall be final:

Provided that, if any assessee making such application files therewith a return of his income under sub-section (2) of section 22 of the Indian Income-tax Act, 1922, the application shall be deemed to be a return under that sub-section and shall be dealt with accordingly.

3. A copy of an order under paragraph 2 shall be served on the assessee to whom it relates and shall be deemed to be a notice of demand under section 29 of the Indian Income-tax Act, 1922.

4. The above procedure shall apply also to the assessment and collection during the financial year 1933-34 of incomes of Rs. 1,000 and upward and less than Rs. 2,000 which have escaped assessment in the financial year 1932-33, s.

BUDGET FOR 1933-34.

No. 2181-B.

GOVERNMENT OF INDIA.

FINANCE DEPARTMENT.

New Delhi, the 5th April 1933.

RESOLUTION.

The statements relating to the Revised estimates for 1932-33 and the Budget estimates for 1933-34, which were presented to the Legislative Assembly on the 9th and the 28th February 1933, have been reconsidered with reference to the reduction made by the Legislative Assembly in the Demands for Grants and the course of legislation since the latter date. The revised statements are now published as usual for general information.

2. The reduction made by the Legislative Assembly in the Demands presented to them consisted of a token cut of Re. 1 in Demand No. 39—Army Department. This has been accepted so far as the demands are concerned. This does not, however, affect the figures in these statements which are in round thousands of rupees.

3. The Indian Finance Act, 1933, as passed by the Legislature involves a reduction of Rs. 17 lakhs in the income-tax revenue for the year 1933-34 as previously forecasted. This reduction, which has been taken into account in these statements, has the effect of reducing the estimated revenue surplus from Rs. 41,61,000 to Rs. 24,61,000. It has not been considered necessary at this stage to make any alteration in the estimates for the other changes in the Finance Bill as presented to the Legislature, as their effect on the revenue position of the Central Government will be inappreciable.

J. B. TAYLOR,

Offg. Secretary to the Government of India.

BUDGET
of the
Governor-General in Council,
April 1933.

FINANCE DEPARTMENT ;
New Delhi, the 5th April 1933.



J. B. TAYLOR,
Secretary to the Govt. of India.

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

	For details, see Statement.	Accounts, 1931-32.	Budget Estimate, 1932-33.	Revised Estimate, 1932-33.	Budget Estimate, 1933-34.
		Rs.	Rs.	Rs.	Rs.
Revenue—					
Principal Heads of Revenue—					
Customs	A	46,43,66,536	52,31,27,000	52,28,55,000	51,24,60,000
Taxes on Income	"	17,48,73,074	18,73,38,000	17,70,00,000	18,06,00,000
Salt	"	8,57,91,398	9,41,40,000	10,38,00,000	8,75,00,000
Opium	"	2,07,41,533	1,32,63,000	64,52,000	1,30,05,000
Other Heads	"	2,19,24,350	1,79,39,000	1,90,74,000	1,89,63,000
TOTAL PRINCIPAL HEADS		76,76,97,781	83,60,07,000	83,32,21,000	81,18,56,000
Railways; Net Receipts (as per Railway Budget)	A	33,61,55,769	34,18,44,000	33,40,90,000	33,39,45,000
Irrigation; Net Receipts	"	13,79,401	1,88,000	1,07,000	—14,000
Posts and Telegraphs; Net Receipts	"	—10,33,607	78,99,000	83,03,000	80,41,000
Interest Receipts	"	2,40,94,989	1,60,12,000	1,82,67,000	1,52,00,000
Civil Administration	"	94,44,523	90,11,000	90,52,000	82,03,000
Currency and Mint	"	1,78,61,705	2,31,17,000	2,40,75,000	1,74,66,000
Civil Works	"	24,51,743	26,79,000	20,92,000	21,55,000
Miscellaneous	"	1,86,91,019	66,87,000	80,17,000	57,34,000
Defence Receipts	"	4,12,74,220	4,17,96,000	3,84,78,000	4,31,67,000
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments	"	—	—	—	—
Extraordinary Items	"	21,48,913	23,91,000	1,79,000	—
TOTAL REVENUE		1,21,64,65,714	1,29,99,29,000	1,27,13,08,000	1,24,34,16,000
Deduct		11,74,73,977	—	—	—
TOTAL		1,09,89,91,737	1,29,99,29,000	1,27,13,08,000	1,24,34,16,000

BUDGET FOR 1933-34.

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

	For details, vide Statement.	Accounts, 1931-32.	Budget Estimate, 1932-33.	Revised Estimate, 1932-33.	Budget Estimate, 1933-34.
		Rs.	Rs.	Rs.	Rs.
Expenditure—					
Direct Demands on the Revenue	B	4,17,59,175	4,16,64,000	4,28,92,000	4,15,94,000
Forest and other Capital outlay charged to Revenue	"	66,241	3,16,000	3,63,000	3,34,000
Railways: Interest and Miscellaneous Charges (as per Railway Budget)	"	33,61,55,768	34,18,44,000	33,40,36,000	33,39,45,000
Irrigation	"	21,51,572	4,32,000	5,33,000	4,74,000
Posts and Telegraphs	"	25,37,202	1,01,25,000	68,26,000	61,32,000
Debt Services	"	19,72,39,364	19,92,35,000	18,13,97,000	17,67,36,000
Civil Administration	"	12,17,55,023	9,24,93,000	9,66,02,000	9,59,32,000
Currency and Mint	"	76,08,573	76,02,000	69,04,000	64,19,000
Civil Works	"	2,30,77,703	1,84,19,000	1,83,78,000	1,93,92,000
Miscellaneous	"	4,34,15,290	4,00,09,000	4,24,45,000	4,11,76,000
Defence Services	"	55,88,74,220	50,61,96,000	50,58,78,000	50,51,67,000
Miscellaneous adjustments between the Central and Provincial Governments	"	...	1,02,00,000	86,35,000	1,00,00,000
Extraordinary Items	"	2,98,111	22,10,000	15,62,000	8,74,000
TOTAL EXPENDITURE CHARGED TO REVENUE		1,33,39,38,991	1,37,61,45,000	1,24,96,23,000	1,24,10,55,000
SURPLUS		...	2,14,54,000	2,16,60,000	24,61,000
TOTAL		1,33,39,38,991	1,39,75,99,000	1,27,12,83,000	1,24,35,16,000

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

	For details, vide Statement.	EXPENDITURE.			
		Accounts, 1931-32.	Budget Estimate, 1932-33.	Revised Estimate, 1932-33.	Budget Estimate, 1933-34.
		Rs.	Rs.	Rs.	Rs.
Surplus		—	2,14,84,000	2,16,80,000	24,61,000
Railway Capital not charged to Revenue—					
Capital contributed by Railway Companies and Indian States towards outlay on State Railways (as per Railway Budget)	C	—	—	1,03,04,000	—
Debt, Deposits and Advances—					
Permanent Debt (net incurred)	"	—	—	24,48,06,000	—
Floating Debt (net incurred)	"	40,06,75,548	40,20,000	—	—
Unfunded Debt (net incurred)	"	10,18,09,164	11,71,03,000	18,02,39,000	18,36,43,000
Deposits and Advances (net)	"	—	6,73,02,000	4,44,80,000	8,26,66,800
Railway Depreciation and Reserve Funds as per Railway Budget (net)	"	—	51,21,000	—	3,00,000
Total Debt, Deposits, and Advances	"	50,24,84,712	18,44,46,000	46,94,97,000	21,64,97,000
Remittances (net)	C	—	4,37,000	—	1,21,000
Balances of Provincial Governments (net)	"	—	1,02,68,000	2,51,00,000	—
Total Receipts	"	50,24,84,712	22,06,35,000	52,65,81,000	21,90,09,000
Opening Balance {					
India	"	17,78,73,746	10,18,90,746	12,60,10,744	11,73,12,744
England	"	2,40,43,787	14,71,50,787	21,18,32,861	17,64,93,861
TOTAL	"	74,90,51,245	47,56,86,533	86,80,24,205	51,48,21,305

A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	ACCOUNTS, 1931-32.				REVISED ESTIMATE,		Item No.
	India.	England.	Exchange.	TOTAL.	India.	England.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Principal Heads of Revenue—							
I.—Customs	44,43,66,526	...	...	44,43,66,526	52,38,85,000	...	1
II.—Taxes on Income	17,48,73,074	80	...	17,48,73,074	17,70,00,000	...	2
III.—Salt	8,57,91,298	...	...	8,57,92,298	10,88,00,000	...	3
IV.—Opium	2,07,41,533	...	...	2,07,41,533	94,92,000	...	4
V.—Land Revenue	33,94,942	...	...	33,94,942	17,68,000	...	5
VI.—Excise	51,17,102	...	...	51,17,102	42,61,000	...	6
VII.—Stamps	23,54,729	8,016	105	23,62,850	86,63,000	...	7
VIII.—Forest	24,04,458	2,650	28	24,09,536	17,31,000	...	8
IX.—Registration	1,52,197	...	...	1,52,197	96,000	...	9
X.—Payments from Indian States	84,88,733	...	...	84,88,733	75,62,000	...	10
TOTAL	76,76,56,932	10,716	133	76,76,97,781	83,22,21,000	...	11
Irrigation, etc.—							
XIII.—Works for which Capital accounts are kept—Gross Receipts	22,28,183	...	...	22,28,183	1,60,000	...	12
Deduct—Working Expenses	9,54,212	...	...	9,54,212	1,52,000	...	13
Net Receipts	12,73,971	...	...	12,73,971	4,000	...	14
XIV.—Works for which no Capital Accounts are kept	4,809	685	—4	5,400	1,63,000	...	15
TOTAL	12,78,790	685	—4	12,79,461	1,67,000	...	16
Posts and Telegraphs—							
XV.—Posts and Telegraphs—India Post and Telegraphs Department—Gross Receipts	10,64,59,863	...	...	10,64,59,863	10,56,98,000	...	17
Deduct—Working Expenses	10,71,40,421	9,49,133	4,001	10,80,93,860	10,11,35,000	11,92,000	18
Net Receipts	—6,80,558	—9,49,138	—4,001	—16,33,697	45,53,000	—11,92,000	19
Indo-European Telegraph Department—Gross Receipts . . . . .	...	...	...	...	...	...	20
Deduct—Working Expenses . . . . .	...	...	...	...	...	...	21
Net Receipts	...	...	...	...	...	...	22
TOTAL	—6,80,558	—9,49,138	—4,001	—16,33,697	45,53,000	—11,92,000	23
Debt Services—							
XVI.—Interest	1,17,33,453	1,24,54,680	—23,150	2,40,94,983	98,92,000	83,14,000	24
Carried over	78,00,06,606	1,15,16,943	—87,022	79,14,36,527	81,62,23,000	71,22,000	25

* Sterling converted into

BUDGET FOR 1933-34.

Government, in India and in England.

1932-33.		BUDGET ESTIMATE, 1933-34.						Increase (+) or Decrease (-) as compared with Revised, 1932-33.
Item No.	Exchange.	TOTAL.	Increase (+) or Decrease (-) as compared with Budget, 1932-33.	India.	England.	Exchange.	TOTAL.	Increase (+) or Decrease (-) as compared with Revised, 1932-33.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
1	...	57,28,55,000	-2,79,000	51,24,63,000	...	...	61,24,60,000	-1,03,95,000
2	...	17,70,00,000	-1,38,98,000	18,06,00,000	...	...	18,06,00,000	+38,00,000
3	...	10,38,00,000	+24,80,000	8,75,00,000	...	...	8,75,00,000	-1,61,00,000
4	...	94,9,000	-27,71,000	1,20,05,000	...	...	1,20,05,000	+25,13,000
5	...	17,5,000	+3,05,000	17,99,000	...	...	17,59,000	+36,000
6	...	42,61,000	+3,94,000	43,94,000	...	...	43,37,000	-74,000
7	...	88,02,000	+3,21,000	87,97,000	...	...	87,97,000	+1,5,000
8	...	17,81,000	-5,000	16,90,000	...	...	16,90,000	-41,000
9	...	86,000	+9,000	92,000	...	...	93,000	-3,000
10	...	75,62,000	+1,24,000	73,78,000	...	...	73,78,000	-1,84,000
11	...	83,22,21,000	-37,86,000	81,15,58,000	...	...	81,15,58,000	-2,06,63,000
12
13	...	1,58,000	+3,000	1,63,000	...	...	1,63,000	-24,000
13	...	1,52,000	-80,000	1,80,000	...	...	1,80,000	+2,000
14	...	4,000	-27,000	-18,000	...	...	-18,900	-22,000
15	...	1,63,000	+8,000	4,000	...	...	4,000	-1,59,000
16	...	1,67,000	-19,000	-14,000	...	...	-14,000	-1,51,000
17	...	10,56,88,000	-68,65,000	10,81,34,000	...	...	10,51,34,000	+24,46,000
18	-4,000	22,22,23,000	+48,51,000	10,42,46,000	8,47,000	...	10,50,93,000	-27,70,000
19	4,000	33,68,000	-45,34,000	38,88,000	-8,47,000	...	30,41,000	-3,24,000
20
21
22
23	4,000	33,68,000	-45,34,000	38,88,000	-8,47,000	...	30,41,000	-3,24,000
24	-20,000	1,82,67,000	+2,53,000	1,08,83,000	75,17,000	...	1,82,00,000	-67,000
25	-5,000	66,40,20,000	-80,84,000	82,61,15,000	66,76,000	...	68,37,85,000	-2,12,35,000

A.—Statement of the Revenue of the Central

HEADS OF REVENUE.	ACCOUNTS, 1931-32.				REVISED ESTIMATE.		Item No.
	India.	England.	Exchange.	TOTAL.	India.	England.	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	78,00,08,608	1,15,16,943	—87,032	79,14,38,527	84,69,23,000	71,23,000	
Civil Administration—							
XVII.—Administration of Justice	1,96,023	2,158	29	2,98,304	1,43,000	—	1
XVIII.—Jails and Convict Settlements.	2,85,189	—	—	2,85,189	2,83,000	—	2
XIX.—Police	4,09,908	—	—	4,09,908	8,41,000	1,07,000	3
XX.—Ports and Pilotage	19,19,958	186	2	19,20,146	19,46,000	—	4
XX(1).—Light Houses and Light Ships	13,98,809	—	—	13,98,809	10,19,000	—	5
XXI.—Education	2,63,192	—	—	2,63,192	2,07,000	—	6
XXII.—Medical	3,28,283	1,072	11	3,29,366	2,18,000	—	7
XXIII.—Public Health	3,76,337	648	—3	3,76,882	1,68,000	—	8
XXIV.—Agriculture	18,37,231	143	2	18,37,375	19,76,000	—	9
XXV.—Industries	22,906	—	—	22,906	16,000	—	10
XXVI.—Miscellaneous Departments	20,94,935	1,07,045	—678	22,61,302	18,56,000	41,000	11
XXVI-A.—Indian Stores Department	2,61,445	—	—	2,61,445	2,20,000	—	12
TOTAL	93,74,018	1,71,161	—643	94,41,535	89,04,000	1,48,000	13
Currency and Mint—							
XXVII.—Currency	1,68,76,571	—	—	1,68,76,571	2,04,04,000	—	14
XXVIII.—Mint	9,85,178	20	—	9,85,204	36,81,000	—	15
TOTAL	1,78,61,679	20	—	1,78,61,705	2,40,76,000	—	16
Civil Works—							
XXX.—Civil Works	24,51,748	—	—	24,51,748	20,97,000	—	17
Miscellaneous—							
XXXIII.—Receipts in aid of Superannuation	11,36,068	2,67,068	1,995	14,05,129	10,99,000	2,66,000	18
XXXIV.—Stationery and Printing	30,46,030	36,213	—25	30,82,218	34,90,000	32,000	19
XXXV.—Miscellaneous	1,08,28,068	5,76,283	1,293	1,12,03,668	80,16,000	4,27,000	20
TOTAL	1,48,89,214	6, 9,536	8,263	1,56,91,013	86,95,000	7,25,000	21
Defence Receipts—							
XXXVI.—Defence Services—Effective.	2,76,04,569	41,97,328	15,093	3,18,17,007	2,64,74,000	35,37,000	22
XXXVII.—Defence Services—Non-effective	16,26,436	78,43,418	—11,843	94,67,313	15,43,000	63,46,000	23
XXXVIII.—Transfers from Defence Reserve Fund.	—	—	—	—	6,22,000	—	24
TOTAL	2,92,31,007	1,20,39,745	2,450	4,12,74,220	2,86,39,000	98,73,000	25
Provincial Contributions and miscellaneous adjustments between Central and Provincial Governments—							
XXXIX-A.—Miscellaneous adjustments between the Central and Provincial Governments	—	—	—	—	—	—	26
Extraordinary Items—							
XI.—Extraordinary Receipts	13,60,831	7,56,508	8,878	21,44,313	1,76,000	2,000	27
II-A.—Transfers from Reserve Fund	—	—	—	—	—	—	28
TOTAL	13,60,831	7, 56,508	8,878	21,44,313	1,76,000	2,000	29
Railway Revenues as per Railway Budget	84,12,96,763	—51,10,140	—30,855	83,61,56,768	82,69,4,000	—48,61,000	30
TOTAL REVENUE	1,19,63,17,660	1,02,84,766	—1,02,931	1,21,64,06,714	1,25,88,34,000	1,30,10,000	31

* Sterling converted into

Government, in India and in England—contd.

Item No.	1932-33.		Increase (+) Decrease (-) as compared with Budget, 1932-33.	BUDGET ESTIMATE, 1933-34.				Increase (+) Decrease (-) as compared with Revised, 1932-33.
	Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
	Rs. —35,000	Rs. 65,61,20,000		Rs. —60,64,000	Rs. 63,61,15,000	Rs. 66,70,000	Rs. —		Rs. 63,37,65,000	Rs. —2,12,36,000
1	---	1,43,000	+ 28,000	1,25,000	---	---	1,25,000	- 18,000
2	---	2,83,000	- 15,000	2,88,000	---	---	2,88,000	+ 5,000
3	---	9,48,000	- 19,000	8,35,000	1,07,000	---	9,43,000	- 6,000
4	---	19,40,000	- 70,000	19,30,000	---	---	19,30,000	- 10,000
5	---	10,19,000	- 1,44,000	10,29,000	---	---	10,39,000	+ 20,000
6	---	2,07,000	+ 27,000	1,94,000	---	---	1,94,000	- 13,000
7	---	2,18,000	+ 3,000	1,65,000	---	---	1,65,000	- 63,000
8	---	1,96,000	- 1,90,000	1,67,000	---	---	1,67,000	- 19,000
9	---	19,76,000	+ 2,58,000	13,52,000	---	---	13,52,000	- 7,24,000
10	---	15,000	---	15,000	---	---	15,000	---
11	---	18,97,000	+ 1,93,000	18,50,000	7,000	---	18,66,000	- 31,000
12	---	2,20,000	- 60,000	2,79,000	---	---	2,79,000	+ 59,000
13	---	90,62,000	+ 41,000	1,42,000	1,14,000	---	92,62,000	- 7,90,000
14	---	2,01,94,000	- 1,23,98,000	1,39,11,000	---	---	1,39,11,000	- 65,83,000
15	---	35,41,000	+ 32,56,000	35,67,000	---	---	35,57,000	- 24,000
16	---	2,40,75,000	- 90,43,000	1,74,68,000	---	---	1,74,68,000	- 66,07,000
17	---	20,92,000	- 5,67,000	21,15,000	---	---	21,55,000	+ 63,000
18	- 1,000	13,64,000	- 83,000	10,96,000	2,44,000	---	13,42,000	- 31,000
19	---	25,12,000	- 3,04,000	23,97,000	18,000	---	24,15,000	- 97,000
20	- 7,300	54,41,000	+ 30,16,000	15,78,000	4,08,000	---	19,79,000	- 4,63,000
21	- 3,000	93,17,000	+ 26,30,000	60,69,000	6,95,000	---	67,54,000	- 35,63,000
22	- 12,000	2,99,69,000	- 3,78,000	2,66,75,000	20,19,000	---	2,16,99,000	+ 17,69,000
23	- 32,000	75,67,000	+ 79,000	18,05,000	35,35,000	---	63,38,000	- 25,29,000
24	---	6,22,000	- 31,66,000	61,40,000	---	---	61,40,000	+ 55,18,000
25	- 34,000	2,64,78,000	- 33,18,000	2,68,20,000	65,47,000	---	4,31,67,000	+ 46,89,000
26	---	---	---	---	---	---	---	---
27	---	1,79,000	- 23,12,000	---	---	---	---	- 1,79,000
28	---	---	---	---	---	---	---	---
29	---	1,79,000	- 23,12,000	---	---	---	---	- 1,79,000
30	17,000	22,40,90,000	- 77,54,000	23,56,50,000	- 47,05,000	---	23,59,45,000	- 1,45,000
31	- 45,000	1,57,12,00,000	- 2,83,26,000	1,23,42,75,000	9,91,000	---	1,24,35,16,000	- 3,77,57,000

{ pages at 21—Rs. 13 }

B.—Statement of the Expenditure charged to Revenue

HEADS OF EXPENDITURE.	ACCOUNTS, 1931-32.				REVISED	
	India.	England.	Exchange.	TOTAL.	India.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	
Direct Demands on the Revenue—						
1.—Customs	88,10,299	2,38,394	1,100	90,48,793	92,07,000	1
2.—Taxes on Income	7,28,243	96,326	208	73,43,779	77,03,000	2
3.—Salt	1,14,64,293	1,03,237	716	1,15,68,246	1,11,85,000	3
4.—Opium	78,92,637	84,014	675	79,77,326	86,09,000	4
5.—Land Revenue	9,21,303	...	...	9,11,803	8,48,000	5
6.—Excise	15,78,110	13,568	—19	15,87,638	15,28,000	6
7.—Stamps	50,119	8,24	100	58,708	14,16,000	7
8.—Forest	30,24,635	1,87,141	845	31,80,621	32,08,000	8
9.—Registration	29,338	...	...	29,338	17,000	9
TOTAL	4,14,65,945	6,18,983	4,194	4,17,89,123	4,43,15,000	10
Forest and other Capital Outlay charged to Revenue—						
3A.—Capital outlay on Salt Works	3,217	...	...	3,217	2,31,000	11
7A.—Capital outlay on Central Stamp Store . . . . .	...	...	...	...	...	12
8A.—Forest Capital outlay	63,024	...	...	63,024	82,000	13
TOTAL	68,241	...	...	66,241	2,83,000	14
Irrigation, etc., Revenue Account—						
14.—Works for which Capital accounts are kept—						
Interest on Debt	12,73,107	...	...	12,70,107	2,69,000	15
15.—Other Revenue Expenditure	6,06,108	49,692	250	6,55,050	2,13,000	16
TOTAL	18,79,215	49,692	250	19,29,157	4,82,000	17
Irrigation, etc., Capital outlay charged to Revenue—						
16.—Construction of Irrigation, etc., Works— Financed from Ordinary Revenues	2,17,315	...	...	2,17,315	36,000	18
Posts and Telegraphs Revenue Account—						
17.—Posts and Telegraphs— Interest on Debt—						
Indian Posts and Telegraphs Department	77,50,711	...	...	77,50,711	81,38,000	19
Indo-European Telegraph Department . . . . .	...	...	...	...	...	20
TOTAL	77,50,711	...	...	77,50,711	81,38,000	21
Posts and Telegraphs Capital Outlay charged to Revenue—						
18.—Capital outlay on Posts and Telegraphs—						
Indian Posts and Telegraphs Department	10,81,950	...	...	10,81,950	6,88,000	22
Indo-European Telegraph Department	—62,95,459	...	...	—62,95,459	...	23
TOTAL	—52,13,509	...	...	—52,13,509	6,88,000	24
Debt Services—						
19.—Interest on Ordinary Debt	23,66,29,171	30,78,77,415	11,60,479	44,56,87,065	23,08,01,000	25
Deduct—Amount chargeable to—						
Railways	20,17,25,479	11,60,94,740	7,33,601	31,78,54,216	20,12,58,000	26
Irrigation	12,79,107	...	...	12,79,107	2,69,000	27
Posts and Telegraphs	78,91,239	...	...	78,91,239	82,88,000	28
Other heads	24,46,933	...	...	24,46,933	23,72,000	29
Provincial Loans Fund	7,25,24,950	...	...	7,25,24,950	8,04,00,000	30
Remainder chargeable to Ordinary Debt	—4,91,38,577	8,77,82,669	4,46,158	4,79,60,860	—4,19,69,000	31
20.—Interest on other Obligations	8,37,98,351	5,15,070	—3,639	8,43,10,782	8,75,11,000	32
21.—Reduction or Avoidance of Debt	6,29,38,000	...	...	6,60,28,000	6,81,21,000	33
TOTAL	10,24,07,776	9,32,97,739	4,43,619	10,77,50,364	9,39,50,000	34
Carried over	14,92,58,594	9,40,46,617	4,44,293	24,37,53,504	14,59,91,000	35

* Sterling converted into

BUDGET FOR 1933-34.

of the Central Government, in India and in England.

Item No.	ESTIMATE, 1932-33.				BUDGET ESTIMATE, 1933-34.				Increase (+) Decrease (-) as compared with Revised, 1932-33.
	England.	Exchange.	TOTAL.	Increase (+) Decrease (-) as compared with Budget, 1932-33.	India.	England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.		Rs.
1	1,70,000	-1,000	93,76,000	+ 73,000	96,17,000	1,43,000	...	97,60,000	+ 3,64,000
2	76,000	...	77,77,000	- 51,000	83,40,000	1,23,000	...	84,83,000	+ 7,00,000
3	61,000	...	1,14,46,000	- 92,000	1,14,37,000	38,000	...	1,15,30,000	+ 2,74,000
4	37,000	...	66,30,000	+14,74,000	56,96,000	38,000	...	67,38,000	-20,00,000
5	...	...	6,85,000	+ 2,000	6,88,000	...	...	6,88,000	+ 30,000
6	10,000	...	15,30,000	- 57,000	15,35,000	10,000	...	15,45,000	+ 7,000
7	21,000	...	14,37,000	- 6,000	17,31,000	33,000	...	17,64,000	+ 3,27,000
8	1,15,000	-1,000	20,17,000	+1,62,000	20,50,000	1,33,000	...	21,53,000	-1,54,000
9	...	...	17,000	+1,000	20,000	...	...	20,000	+ 3,000
10	4,78,000	...	4,89,000	+13,38,000	4,10,31,000	5,64,000	...	4,15,91,000	-12,95,000
11	...	...	2,31,000	...	1,76,000	...	...	1,76,000	- 55,000
12	...	...	62,000	- 33,000	68,000	...	...	68,000	+ 6,000
13	...	...	2,81,000	- 31,000	2,54,000	...	...	2,54,000	- 49,000
14	...	...	2,68,000	- 2,000	2,79,000	...	...	2,79,000	+ 11,000
15	16,000	...	2,38,000	+ 90,000	1,65,000	19,000	...	1,74,000	- 55,000
16	16,000	...	4,97,000	+ 68,000	4,74,000	19,000	...	4,53,000	- 44,000
17	...	...	6,000	+ 13,000	21,000	...	...	21,000	- 15,000
18	...	...	81,35,000	-13,80,000	67,61,000	...	...	67,61,000	+ 6,23,000
19	...	...	81,00,000	-13,60,000	67,61,000	...	...	67,61,000	+ 6,23,000
20	...	...	6,88,000	+ 81,000	3,61,000	...	...	3,61,000	- 3,27,000
21	...	...	6,88,000	+ 81,000	3,61,000	...	...	3,61,000	- 3,27,000
22	...	...	6,88,000	+ 81,000	3,61,000	...	...	3,61,000	- 3,27,000
23	10,23,53,000	-7,01,000	43,24,83,000	-2,70,06,000	22,06,57,000	20,37,88,000	...	42,34,70,000	- 90,13,000
24	11,52,81,000	- 2,99,000	21,69,00,000	+7,53,000	20,08,05,000	11,53,84,000	...	21,63,29,000	- 2,09,000
25	...	...	2,64,000	+ 2,000	2,70,000	...	...	2,70,000	- 11,000
26	...	...	89,45,000	+ 1,77,000	84,08,000	...	...	89,98,000	- 6,71,000
27	...	...	26,72,000	- 95,000	27,48,000	...	...	27,48,000	- 1,77,000
28	...	...	8,04,00,000	+10,32,000	8,36,00,000	...	...	8,36,00,000	- 23,00,000
29	8,71,80,000	- 3,00,000	2,48,99,000	-1,74,27,000	7,86,58,000	8,73,04,000	...	1,16,00,000	-1,39,07,000
30	5,09,000	- 2,000	6,44,70,000	- 2,38,000	6,56,20,000	6,61,000	...	6,62,73,000	+ 61,05,000
31	...	...	7,54,10,000	+ 2,30,000	6,58,57,000	...	...	7,54,57,000	+ 4,76,000
32	8,77,51,000	- 2,00,000	1,00,07,000	-1,75,38,000	8,78,21,000	8,74,50,000	...	1,00,00,000	- 46,61,000
33	8,67,40,000	- 9,00,000	23,59,31,000	-1,78,41,000	12,06,03,000	8,84,07,000	...	23,61,00,000	- 47,71,000

B.—Statement of the Expenditure charged to Revenue

HEADS OF EXPENDITURE.	ACCOUNTS, 1931-32.				REVISED	
	India.	England.	Exchange.	Total.	India.	Item No.
	Rs.	Rs.	Rs.	Rs.	Rs.	
Brought forward	14,92,56,496	9,80,46,617	4,63,323	25,37,63,504	14,80,91,000	
Civil Administration—						
21.—General Administration	1,95,71,534	81,05,013	39,667	1,98,06,474	1,04,44,000	1
22.—Audit	97,70,838	3,43,531	1,813	1,01,21,166	90,66,000	2
24.—Administration of Justice	15,24,941	96,606	774	16,32,321	8,60,000	3
25.—Jails and Convict Settlements	38,27,349	46,199	384	38,73,931	24,55,000	4
26.—Police	85,87,457	2,16,001	1,502	88,04,960	54,54,000	5
27.—Ports and Pilotage	23,10,792	3,16,169	1,099	26,27,660	19,78,000	6
27 (1).—Light Houses and Light Ships	10,54,905	...	...	10,54,905	10,19,000	7
28.—Ecclesiastical	22,61,428	7,41,724	4,091	30,27,243	20,61,000	8
29.—Political	1,51,60,922	12,83,805	4,900	1,64,39,627	1,31,76,000	9
29-A.—Frontier Watch and Ward	3,37,55,699	1,07,840	603	3,38,94,341	2,17,60,000	10
30.—Scientific Departments	76,71,076	9,02,087	4,102	85,77,264	66,71,000	11
31.—Education	61,34,195	61,146	630	62,15,971	34,03,000	12
32.—Medical	27,86,833	2,03,139	1,234	29,91,206	20,71,000	13
33.—Public Health	15,90,589	1,26,518	959	17,18,066	11,20,000	14
34.—Agriculture	32,94,874	1,88,610	1,483	34,84,967	28,74,000	15
35.—Industries	1,69,887	50,280	113	2,20,276	1,83,000	16
36.—Aviation	11,08,026	2,28,393	5,094	13,37,513	9,33,000	17
37.—Miscellaneous Departments	4,149,673	1,34,522	637	43,84,832	19,53,000	18
37-A.—Indian Stores Department	7,37,470	1,56,766	1,073	8,74,369	7,95,000	19
TOTAL	11,07,26,657	1,08,07,399	60,968	12,17,55,022	8,76,12,000	20
Currency and Mint—						
36.—Currency	43,78,420	36,836	211	44,15,467	47,84,000	21
39.—Mint	30,97,391	94,959	1,108	31,93,458	20,32,000	22
TOTAL	74,76,261	1,31,795	1,317	76,09,375	68,16,000	23
Civil Works—						
41.—Civil Works	2,30,07,679	69,740	384	2,30,77,708	1,62,35,000	24
Miscellaneous—						
43.—Famine—						
A.—Famine Relief	18,499	...	...	18,499	...	25
44.—Territorial and Political Pensions	29,98,938	1,14,078	466	31,13,527	30,43,000	26
45.—Superannuation Allowances and Pensions	47,85,464	2,19,29,708	1,20,331	2,68,35,503	57,14,000	27
46.—Stationery and Printing	51,24,779	6,32,137	4,937	57,61,843	35,11,000	28
47.—Miscellaneous	54,47,417	19,15,068	13,322	73,75,807	60,73,000	29
TOTAL	1,63,78,123	2,45,90,961	1,39,076	4,11,08,179	1,71,41,000	30
Miscellaneous capital outlay charged to Revenue—						
46-A.—Committed value of pensions financed from Ordinary Revenue	3,07,111	...	...	3,07,111	3,98,000	31
Defence Services—						
43.—Defence Services—Effective	38,95,80,925	7,17,17,583	2,06,963	46,15,05,470	35,57,17,000	32
44.—Defence Services—Non-effective	3,71,94,765	4,96,36,638	2,20,563	8,70,45,966	5,67,23,000	33
50.—Transfers to Defence Reserve Fund	1,03,22,990	...	...	1,03,22,990	...	34
TOTAL	43,71,02,680	12,13,54,116	4,27,524	55,88,74,220	39,44,70,000	35
Contributions and miscellaneous Adjustments between Central and Provincial Governments—						
51-A.—Miscellaneous Adjustments between the Central and Provincial Governments	...	...	...	...	96,35,000	36
Extraordinary Items—						
52.—Extraordinary Payments	2,98,551	11,631	—61	2,98,111	11,63,000	37
53-L.—Transfers to Revenue Reserve Fund	...	...	...	...	...	38
TOTAL	2,98,551	11,631	—61	2,98,111	11,63,000	39
Railway Expenditure as per Railway Budget	20,61,97,041	13,90,53,183	8,98,848	33,61,55,768	20,46,65,000	40
TOTAL EXPENDITURE CHARGED TO REVENUE	95,18,40,598	33,02,15,451	18,52,944	1,33,39,33,991	87,68,26,000	41

* Sterling converted into

BUDGET FOR 1933-34.

of the Central Government, in India and in England—contd.

Item No.	ESTIMATE, 1932-33.			Increase (+) Decrease (-) as compared with Budget, 1932-33.	BUDGET ESTIMATE, 1933-34.				Increase (+) Decrease (-) as compared with Revised, 1932-33.
	England.	Exchange.	TOTAL.		India.	England.	Exchange.	TOTAL.	
	Rs.	Rs.	Rs.		Rs.	Rs.	Rs.	Rs.	
	8,82,46,000	-3,06,000	23,39,31,000	-1,78,41,000	13,96,68,000	8,84,97,000	...	22,81,60,000	-57,71,000
1	49,22,900	-17,000	1,54,49,000	+1,86,000	1,07,72,000	49,67,000	...	1,57,39,000	+2,90,000
2	3,10,000	-1,000	93,65,000	-3,68,000	97,46,000	3,41,000	...	1,00,87,000	+7,94,000
3	71,000	...	9,33,000	-1,000	7,05,000	97,000	...	8,03,000	-1,31,000
4	61,000	...	26,16,000	-1,17,000	24,72,000	49,000	...	25,21,000	+5,000
5	1,84,000	-1,000	55,87,000	+2,67,000	52,38,000	1,82,000	...	53,90,000	-1,97,000
6	3,15,000	-1,000	22,92,000	-1,86,000	20,33,000	3,37,000	...	23,70,000	+78,000
7	10,000	...	10,29,000	-1,24,000	10,39,000	...	...	10,39,000	+10,000
8	7,69,000	-3,000	28,47,000	-70,000	21,55,000	7,62,000	...	29,17,000	+70,000
9	12,78,000	-4,000	1,44,44,000	+36,000	1,25,67,000	11,05,000	...	1,36,62,000	-7,66,000
10	1,11,000	...	3,18,91,000	-51,000	2,10,46,000	1,07,000	...	2,17,49,000	-1,43,000
11	6,77,000	-2,000	63,46,000	-91,000	59,63,000	7,85,000	...	66,48,000	+4,82,000
12	52,000	...	34,55,000	-15,000	29,53,000	65,000	...	30,18,000	-4,37,000
13	1,51,000	-1,000	22,91,000	-52,000	22,35,000	1,84,000	...	24,19,000	+1,98,000
14	1,39,000	-1,000	13,64,000	-1,13,000	12,87,000	1,37,000	...	14,14,000	+1,55,000
15	1,03,000	...	29,77,000	+7,38,000	22,93,000	1,41,000	...	24,39,000	-5,38,000
16	23,000	...	2,06,000	-3,000	1,90,000	30,000	...	2,20,000	+14,000
17	45,000	...	9,78,000	+78,000	9,63,000	31,000	...	9,94,000	+16,000
18	1,64,000	-1,000	21,15,000	+11,000	16,49,000	1,64,000	...	18,3,000	-3,07,000
19	69,000	...	8,83,000	+2,74,000	5,99,000	77,000	...	6,78,000	-2,07,000
20	93,32,000	-32,000	9,68,03,000	+3,09,000	8,64,00,000	95,22,000	...	9,59,23,000	-8,80,000
21	21,000	...	48,05,000	+70,000	45,10,000	37,000	...	45,37,000	-2,68,000
22	67,000	...	20,99,000	-1,68,000	18,08,000	74,000	...	18,82,000	-2,17,000
23	58,000	...	69,01,000	-98,000	63,18,000	1,01,000	...	64,19,000	-4,85,000
24	1,41,000	...	1,83,76,000	-10,43,000	1,62,61,000	1,31,000	...	1,93,92,000	+10,16,000
25	...	...	...	...	...	...	...	...	...
26	1,07,000	...	31,50,000	+5,000	29,83,000	1,07,000	...	30,90,000	-80,000
27	2,17,62,000	-75,000	2,74,01,000	+11,69,000	68,54,000	2,12,00,000	...	2,69,58,000	+6,55,000
28	4,32,000	-3,000	37,41,000	-4,39,000	33,12,000	4,71,000	...	37,83,000	+4,71,000
29	2,90,000	-8,000	73,55,000	+10,03,000	35,97,000	21,00,000	...	59,97,000	-1,58,000
30	2,44,91,000	-65,000	4,15,47,000	+17,39,000	1,70,48,000	2,38,78,000	...	4,09,26,000	-6,21,000
31	...	...	8,98,000	+6,98,000	3,50,000	...	...	2,50,000	-6,48,000
32	6,22,68,000	-2,15,000	43,07,70,000	-31,37,000	35,65,90,000	6,30,68,000	...	41,96,58,000	-11,12,000
33	4,95,37,000	-1,72,000	8,61,08,000	-1,91,000	3,53,33,000	5,01,76,000	...	8,55,09,000	+4,01,000
34	...	...	...	...	...	...	...	...	...
35	11,17,95,000	-3,87,000	60,58,78,000	-33,18,000	39,19,23,000	11,32,44,000	...	60,51,67,000	-7,11,000
36	...	...	96,36,000	-5,65,000	1,00,00,000	...	...	1,00,00,000	+3,65,000
37	4,00,000	-1,000	15,62,000	-6,48,000	6,30,000	2,44,000	...	8,74,000	-6,88,000
38	...	...	...	...	...	...	...	...	...
39	4,00,000	-1,000	15,62,000	-6,48,000	6,30,000	2,44,000	...	8,74,000	-6,88,000
40	12,95,74,000	-4,49,000	33,40,90,000	-77,54,000	20,48,13,000	12,94,32,000	...	33,39,45,000	-1,45,000
41	34,40,67,000	-12,60,000	1,24,96,33,000	-2,85,32,000	67,80,08,000	36,50,49,000	...	1,24,10,55,000	-65,65,000

BUDGET FOR 1933-34.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1931-32.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Revenue (from Statement A)	1,19,68,12,850	2,02,55,765	1,21,65,68,645
Exchange added to Revenue.	-1,02,931	...	-1,02,931
TOTAL	1,19,62,09,949	2,02,55,765	1,21,64,65,714
Railway Capital not charged to Revenue—			
As per Railway Budget . . . . .	..	...	...
Public Debt Incurred—			
Permanent Debt—			
<i>Sterling Debt—</i>			
New Sterling Loan . . . . .	...	...	...
6 per cent. Bonds . . . . .	...	13,39,96,927	...
5½ per cent. Stock . . . . .	...	4,28,14,508	...
5 per cent. Stocks 1942-47 . . . . .	...	...	...
4½ per cent. Stock . . . . .	...	20,23,527	...
<i>Rupee Debt—</i>			
New Rupee Loan . . . . .	...	...	...
6½ per cent. Treasury Bonds, 1935	16,94,65,600	...	...
5½ per cent. Loan 1938-40 . . . . .	...	...	...
5 per cent. Loan 1910-43 . . . . .	...	...	...
4½ per cent. Loan 1960-70 . . . . .	...	...	...
4 per cent. Bonds, 1913 . . . . .	...	...	...
3½ per cent. Loans	3,77,700	...	...
TOTAL	16,98,18,300	17,58,34,922	34,86,74,262
Floating Debt—			
Treasury Bills—			
Issued to Public	2,01,25,50,000	...	...
Issued to Paper Currency Reserve	78,32,90,000	...	...
India Bills . . . . .	...	...	...
Temporary Loans	21,50,00,000	...	...
TOTAL	3,01,08,40,000	...	3,01,08,40,000
Carried over	4,37,68,93,249	16,90,10,727	

* Sterling converted into

BUDGET FOR 1933-34.

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Central Government, in India and in England.

REVISED ESTIMATE, 1933-33.			BUDGET ESTIMATE, 1933-34.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,25,83,38,000 —45,000	1,30,10,000 ...	1,27,13,43,000 —45,000	1,23,42,25,000 ...	92,91,000 ...	1,24,35,16,000 ...
1,25,82,93,000	1,30,10,000	1,27,13,03,000	1,23,42,25,000	92,91,000	1,24,35,16,000
—36,000	1,03,40,000	1,03,04,000	...	...	...
...	...	...	...	8,00,00,000	...
...	5,15,000	...	...	1,73,000	...
...	13,13,000	...	...	13,96,000	...
...	12,9,20,000	...	...	5,27,000	...
...	21,34,000	...	...	22,50,000	...
...	...	...	12,00,00,000	...	...
...
19,13,89,000	...	...	...	...	...
25,18,47,000	...	...	...	...	...
22,00,00,000	...	...	...	...	...
14,97,18,000	...	...	...	...	...
1,86,00,900	...	...	8,57,000	...	...
63,15,54,000	13,08,82,000	96,24,36,000	12,08,57,000	8,43,16,000	20,52,03,000
1,23,58,25,000	...	...	90,00,00,000	...	...
1,34,16,60,000	...	...	35,28,10,000	...	...
...
25,75,00,000	...	...	...	...	...
2,83,49,85,000	..	2,83,49,85,000	1,25,28,10,000	...	1,25,28,10,000
4,92,47,96,000	15,42,32,000		2,60,78,92,000	9,36,37,000	

Rspees at £1 = Rs. 13½.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1931-32.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	4,37,68,93,249	19,90,90,727	
Unfunded Debt—			
Deposits of Service Funds	9,05,352	16,85,313	
Post Office Cash Certificates	14,49,29,348	...	
Savings Bank Deposits	39,93,90,876	...	
TOTAL	54,52,25,576	16,85,313	54,69,10,889
Deposits and Advances—			
Provincial Loans Fund	21,76,02,741	...	
Posts and Telegraphs Depreciation Fund	37,21,244	...	
Deposits of Local Funds—			
District Funds	16,22,92,675	...	
Other Funds	10,06,70,998	...	
Sinking Funds for Central Loans	1,97,28,186	...	
Other appropriations for Reduction or Avoidance of Debt	5,10,31,000	...	
Sinking Fund Investment Account	85,99,154	...	
Sinking Funds for loans granted to local bodies	4,45,159	...	
Gold Standard Reserve . . . . .	...	86,48,59,250	
Gold Standard Reserve Revenue Equalisation Fund . . . . .	...	3,37,01,108	
Deposits of Branch Line Companies	6,80,243	...	
Road Development Fund	1,02,00,768	...	
Post Office Cash Certificate Bonus Fund	22,52,394	...	
Departmental and Judicial Deposits	78,21,08,921	...	
Advances	28,68,88,905	7,97,057	
Discount Sinking Fund	48,41,000	...	
Gain or loss on revaluation, sale, transfer, etc., of assets of the Paper Currency Reserve . . . . .	...	...
Suspense	1,48,93,854	95,80,726	
Exchange on Remittance Accounts . . . . .	...	...
Miscellaneous	3,57,75,828	2,24,73,317	
Defence Reserve Fund	1,08,22,890	...	
TOTAL	1,71,20,55,960	93,09,11,458	2,64,29,67,418
Railway Depreciation and Reserve Funds as per Railway Budget	13,46,93,940	...	13,46,93,940
Carried over	6,76,88,68,725	1,13,16,87,498	

* Sterling converted into

BUDGET FOR 1933-34.

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Central Government, in India and in England—*contd.*

REVISED ESTIMATE, 1932-33.			BUDGET ESTIMATE, 1933-34.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
4,92,47,96,000	15,42,32,000		2,60,78,92,000	9,36,37,000	
8,67,000	17,60,000		8,48,000	19,02,000	
14,78,00,000	...		9,00,00,000	...	
43,05,50,000	...		42,84,72,000	...	
57,92,17,000	17,60,000	58,09,77,000	51,93,20,000	19,02,000	52,12,22,000
19,52,00,000	...		15,71,00,000	...	
36,81,000	...		45,27,000	...	
15,12,99,000	...		15,30,31,000	...	
9,82,85,000	...		9,85,70,000	...	
2,01,60,000	...		1,91,61,000	...	
5,05,82,000	...		5,10,86,000	...	
2,86,20,000	...		...	...
4,63,000	...		89,000	...	
...	90,64,64,000		...	87,79,00,000	
...	
7,00,000	...		7,00,000	...	
1,07,00,000	...		1,07,00,000	...	
1,10,00,000	...		1,35,00,000	...	
91,70,75,000	...		75,49,27,000	...	
37,00,92,000	1,17,000		86,76,85,000	2,87,000	
50,85,000	...		74,68,000	...	
5,00,000	...		...	...
4,23,30,000	59,00,000		2,24,36,000	2,87,000	
4,84,000	...		...	...
85,30,000	1,95,67,000		1,57,80,000	1,87,47,000	
...	
1,91,47,86,000	93,20,48,000	2,34,68,34,000	1,67,67,60,000	89,72,21,000	2,57,39,81,000
13,75,00,000	...	13,75,00,000	13,75,00,000	...	13,75,00,000
7,55,62,99,000	1,08,60,40,000		4,54,14,72,000	99,27,60,000	

Rupees at 21 = Rs. 131.

C.—Statement of Receipts and Disbursements of the

	Accounts, 1931-32.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	6,76,88,68,725	1,13,16,87,498	
Loans and Advances by the Central Government—			
Advances to Provincial Loans Fund	...	...
Other Loans and Advances	96,53,368	...	
TOTAL	96,53,368	..	96,53,368
Remittances—			
I.—Remittances within India—			
Inland Money Orders	81,74,89,764	...	
Other Local Remittances	...	...
Other Departmental Accounts	...	...
Net Receipts by Civil Treasuries from—			
Railways	2,14,89,436	...	
Posts and Telegraphs	1,76,15,849	...	
Net Receipts from Civil Treasuries by—			
Defence Services	35,77,86,376	...	
II.—Remittances between England and India—			
Remittance Account—			
Iraq drawings	...	85,75,000	
Sale of Sterling	18,73,04,053	...	
Sale of Silver	...	2,85,52,777	
Other transactions	1,76,95,124	2,57,88,955	
Sterling purchased in India	...	53,79,86,666	
Sterling obtained in London	...	...
Transfers through the Gold Standard Reserve	...	27,87,44,000	
TOTAL	1,41,93,80,102	87,95,97,398	2,29,89,77,500
Balances of Provincial Governments	2,52,96,381	...	2,52,96,381
TOTAL RECEIPTS	8,22,31,98,576	2,01,12,84,896	
Opening Balance	17,28,23,746	(a) 7,40,43,787	
GRAND TOTAL	8,39,60,22,322	2,08,53,28,683	

* Sterling converted into Rupees at £1 = Rs. 13½.

(a) Of this amount, £ 1,095 represents funds of the Gold Standard Reserve.

BUDGET FOR 1933-34.

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Central Government, in India and in England—*contd.*

REVISED ESTIMATE, 1932-33.			BUDGET ESTIMATE, 1933-34.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
7,55,62,99,000	1,68,80,40,000		4,94,14,72,000	99,27,60,000	
85,45,000	...		1,66,65,000	...	
85,45,000	...	85,45,000	1,66,65,000	...	1,66,65,000
80,82,56,000	...		86,85,00,000	...	
23,35,000	...		22,37,000	...	
3,13,88,000	...		2,96,14,000	...	
9,61,30,000	...		9,82,94,000	...	
9,59,08,000	...		3,84,33,000	...	
32,93,06,000	...		32,53,39,000	...	
...	21,88,000		...	80,00,000	
...	2,28,80,000		...	50,00,000	
92,82,000	1,62,62,000		98,77,000	1,86,07,000	
...	51,76,80,000		...	28,00,00,000	
...	95,33,000		...	...
20,62,14,000	...		50,00,000	...	
1,57,88,19,000	56,85,43,000	2,14,73,62,000	1,37,72,94,000	31,16,07,000	1,68,89,01,000
6,11,22,000	...	6,11,22,000	2,75,74,000	...	2,75,74,000
9,20,47,85,000	1,65,65,83,000		6,36,30,05,000	1,30,43,67,000	
- 12,69,10,744	(b) 21,15,32,561		11,73,12,744	(b) 17,84,93,561	
9,33,16,95,744	1,86,81,15,561		6,48,03,21,744	1,48,28,60,561	

* Sterling converted into Rupees at £1=Rs. 13½.
(b) Of this amount, £20 represents funds of the Gold Standard Reserve.

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1931-32.		
	Indis.	England.	TOTAL.
	Rs.	Rs.	Rs.
Expenditure (from Statement B)	95,18,40,596	38,02,15,451	1,33,20,56,047
Exchange	18,82,944	...	18,82,944
TOTAL	95,37,23,540	38,02,15,451	1,33,39,38,991
Irrigation, Posts and Tele- graphs and other Capital Out- lay not charged to Revenue—			
SECURITY PRINTING PRESS	—3,81,991	...	—3,81,991
IRRIGATION, ETC., WORKS	8,746	...	8,746
POSTS AND TELEGRAPHS	84,18,572	3,73,304	87,91,876
VIZAGAPATAM PORT	35,33,096	1,15,271	36,48,367
LIGHT-HOUSES AND LIGHT-SHIPS	—3,694	3,694	...
CURRENCY	—5,843	...	—5,843
INITIAL EXPENDITURE ON NEW CAPITAL AT DELHI	13,37,616	1,23,047	14,60,663
PAYMENTS OF COMMUTED VALUE OF PENSIONS	42,31,942	...	42,31,942
PAYMENTS TO RETRENCHED PERSONNEL	1,45,487	...	1,45,487
TOTAL	1,72,83,931	6,15,818	1,78,99,247
RAILWAY CAPITAL NOT CHARGED TO REVENUE—			
As per Railway Budget	4,13,50,741	2,62,12,722	6,75,63,463
Public Debt Discharged—			
Permanent Debt—			
<i>Sterling Debt—</i>			
6 p. c. Bonds, 1932-33	...	1,72,45,333	
Do. 1933-35	...	...
5½ p. c. Stock	...	19,68,12,110	
Redemption of liability assumed in respect of British War Loan, 1929-47	...	...
State Railway annuities	...	2,12,99,490	
Do. do. Sinking Funds	...	26,66,667	
<i>Rupee Debt—</i>			
6 p. c. Bonds, 1933-36	...	...
Do. do. 1932	...	...
Other 6 p. c. Bonds	7,48,07,900	...	
5½ p. c. War Bonds, 1928	1,34,750	...	
Other 5½ p. c. War Bonds	96,525	...	
5 p. c. Loan, 1915-55	2,05,77,400	...	
5 p. c. Loan, 1929-47	1,00,91,225	...	
5 p. c. Loan, 1939-44	45,91,500	...	
5 p. c. Bonds, 1933	...	...
4 p. c. Terminable Loan	2,100	...	
4 p. c. Railway Loan from Nawab of Rampur	47,00,000	...	
Other Loans	4,41,957	...	
TOTAL	11,54,43,357	23,30,23,600	35,34,66,957
Carried over	1,12,78,01,569	64,50,67,089	

* Sterling converted into

BUDGET FOR 1933-34.

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Central Government, in India and in England—*contd.*

REVISED ESTIMATE, 1932-33.			BUDGET ESTIMATE, 1933-34.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
88,68,26,000	36,40,57,000	1,25,08,83,000	87,60,06,000	36,50,49,000	1,24,10,55,000
-12,60,000	...	-12,60,000	...	...	...
88,55,66,000	36,40,57,000	1,24,96,23,000	87,60,06,000	36,50,49,000	1,24,10,55,000
4,000	...	4,000	-1,11,000	...	-1,11,000
...
19,66,000	...	19,66,000	15,80,000	...	15,80,000
51,00,000	3,00,000	54,00,000	48,80,000	1,00,000	49,80,000
-1,000	1,000	...	-2,000	2,000	...
1,000	...	1,000	-78,000	...	-78,000
...
65,76,000	...	65,76,000	60,65,000	...	60,65,000
12,41,000	...	12,41,000	-1,27,000	...	-1,27,000
1,48,87,000	3,01,000	1,51,88,000	1,22,07,000	1,02,000	1,23,09,000
29,85,000	1,54,47,000	1,84,32,000	2,00,00,000	1,30,00,000	3,30,00,000
...	6,27,55,000	...	...	...	...
...	4,03,13,000	...	...	5,24,13,000	...
...	5,92,000	...	...	...	...
...	...	...	...	78,84,000	...
...	2,20,40,000	...	...	2,28,07,000	...
...	26,67,000	...	...	26,67,000	...
17,52,12,000	...	...	12,10,00,000	...	...
14,50,00,000	...	...	6,50,000	...	...
10,60,000	...	...	7,05,000	...	...
70,000	...	...	65,000	...	...
68,000	...	...	65,000	...	...
4,08,000	...	...	...	...	...
9,05,49,000	...	...	10,44,00,000	...	...
44,78,000	...	...	...	...	...
15,07,15,000	...	...	6,25,00,000	...	...
3,000	...	...	2,000	...	...
...
2,17,03,000	...	...	10,00,000	...	...
58,92,61,000	12,83,67,000	71,76,28,000	29,03,87,000	8,57,71,000	37,61,58,000
1,49,26,99,000	50,81,72,000		1,19,86,00,000	46,39,22,000	

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1931-32		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	1,12,78,01,569	64,50,67,089	.
Floating Debt—			
Treasury Bills—			
Issued to Public	2,09,10,05,000	...	
Do. Paper Currency Reserve	84,55,00,000	...	
India Bills	...	5,39,59,452	
Temporary Loans	12,00,00,000	...	
TOTAL	2,55,65,05,000	5,39,59,452	2,61,04,64,452
Unfunded Debt—			
Special Loans	30,408	...	
Deposits of Service Funds	13,00,660	1,75,713	
Post Office Cash Certificates	8,34,32,544	...	
Savings Bank Deposits	86,01,63,400	...	
TOTAL	44,43,27,012	1,75,713	44,51,02,725
Deposits and Advances—			
Provincial Loans Fund	21,71,18,990	...	
Posts and Telegraphs Depreciation Fund	14,44,697	...	
Deposits of Local Funds—			
District Funds	16,50,27,444	...	
Other Funds	10,14,48,707	...	
Sinking Funds for Central Loans	3,42,90,521	...	
Other Appropriations for Reduction or Avoidance of Debt	...	...
Sinking Fund Investment Account	68,27,328	...	
Sinking funds for Loans granted to Local Bodies	...	...
Gold Standard Reserve	...	86,43,73,329	
Gold Standard Reserve Revenue Equalisation Fund	...	3,37,05,807	
Deposits of Branch Line Companies	4,23,054	...	
Road Development Fund	54,87,015	...	
Departmental and Judicial Deposits	79,03,76,145	...	
Advances	28,96,90,279	5,80,550	
Discount Sinking Fund	...	...
Gain or loss on revaluation, sale, transfer, etc., of assets of Paper Currency Reserve	7,39,14,964	...	
Suspense	3,25,47,173	96,23,016	
Exchange on Remittance Account	...	...
Miscellaneous	7,11,071	2,37,14,399	
Defence Reserve Fund	...	...
TOTAL	1,71,93,07,388	93,19,97,101	2,65,13,04,489
Railway Depreciation and Reserve Funds as per Railway Budget	17,47,18,361	...	17,47,18,361
Carried over	6,02,32,59,330	1,63,11,99,855	

Central Government, in India and in England—*contd.*

REVISED ESTIMATE, 1932-33.			BUDGET ESTIMATE, 1933-34.		
India.	England.	TOTAL.	India.	England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1,49,26,99,000	50,81,72,000		1,19,86,00,000	46,39,22,000	
1,43,11,50,000	...		98,00,00,000	...	
1,48,55,10,000	...		35,28,10,000	...	
35,25,00,000	...		...	...
3,26,91,60,000	...	3,26,91,60,000	1,33,28,10,000	...	1,33,28,10,000
44,000	...		44,000	...	
13,31,000	2,40,000		12,61,000	2,86,000	
4,78,00,000	...		4,00,00,000	...	
35,13,23,000	...		34,59,88,000	...	
40,04,98,000	2,40,000	40,07,38,000	38,72,93,000	2,86,000	38,75,79,000
19,47,00,000	...		15,59,00,000	...	
2,37,000	...		6,39,000	...	
15,18,99,000	...		15,32,71,000	...	
9,70,65,000	...		9,71,50,000	...	
51,76,000	...		1,56,37,000	...	
8,00,000	...		...	...
2,08,49,000	...		...	...
...	...		90,86,000	...	
...	90,64,64,000		...	87,79,00,000	
...	
3,50,000	...		4,50,000	...	
1,00,00,000	...		1,00,00,000	...	
92,44,45,000	...		75,59,90,000	...	
86,43,22,000	3,28,000		86,12,69,000	4,19,000	
3,35,50,000	...		...	...
4,73,00,000	...		...	...
2,40,01,000	2,25,000		2,30,28,000	57,99,000	
4,84,000	...		...	...
...	1,95,67,000		...	1,87,47,000	
6,22,000	...		61,40,000	...	
1,87,68,00,000	92,65,84,000	2,80,23,84,000	1,58,85,60,000	90,28,65,000	2,49,14,25,000
14,94,16,000	...	14,94,16,000	13,72,12,000	...	13,72,12,000
7,18,75,73,000	1,43,42,96,000		4,64,44,75,000	1,36,70,73,000	

Rupees at £1 = Rs. 13½.

C.—Statement of Receipts and Disbursements of the

	ACCOUNTS, 1931-32.		
	India.	England.	TOTAL.
	Rs.	Rs.	Rs.
Brought forward	6,02,32,59,330	1,63,11,99,355	
Loans and Advances by the Central Government—			
Advances to Provincial Loans Fund	11,79,42,000	...	
Other Loans and Advances	1,80,58,918	...	
TOTAL	13,60,00,918	...	13,80,00,918
Remittances—			
I.—Remittances within India—			
Inland Money Orders	81,85,98,883	...	
Other Local Remittances	45,64,873	...	
Other Departmental Accounts	1,87,720	...	
Net Payments into Civil Treasuries by—			
Railways	2,79,24,544	...	
Posts and Telegraphs	1,76,76,247	...	
Net Issues from Civil Treasuries to—			
Defence Services	35,68,37,892	...	
II.—Remittances between England and India—			
Remittance Account—			
Iraq drawings	85,75,000	...	
Sale of Sterling	...	18,73,04,058	
Sale of Silver	2,85,52,777	...	
Other transactions	3,02,52,733	1,40,28,763	
Sterling purchased in India	53,79,86,666	...	
Sterling obtained in London	...	...
Transfers through the Gold Standard Reserve	27,87,44,000	...	
TOTAL	2,10,98,51,335	20,13,32,816	2,31,11,84,151
Balances of Provincial Governments	...	4,12,63,951	4,12,63,951
TOTAL DISBURSEMENTS	8,26,91,11,578	1,87,37,96,122	
Closing Balance	12,69,10,744	(b) 21,15,32,561	
GRAND TOTAL	8,39,60,32,322	2,08,53,28,683	

* Sterling converted into
(b) Of this amount, £3,748 represents the

BUDGET FOR 1933-34.

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Central Government, in India and in England—*concl'd.*

REVISED ESTIMATE, 1932-33.			BUDGET ESTIMATE, 1933-34.		
India.	* England.	TOTAL.	India.	* England.	TOTAL.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
7,18,75,73,000	1,43,49,96,000		4,64,44,75,000	1,36,70,73,000	
8,15,00,000	...		3,91,00,000	...	
1,61,92,000	...		1,47,37,000	...	
9,76,92,000	...	9,76,92,000	5,38,37,000	...	5,38,37,000
80,83,56,000	...		86,80,00,000	...	
21,93,000	...		21,38,000	...	
3,16,62,000	...		2,97,73,000	...	
9,61,30,000	...		9,82,94,000	...	
9,59,08,000	...		3,84,33,000	...	
32,93,06,000	...		32,53,39,000	...	
21,88,000	...		80,00,000	...	
...	
2,28,80,000	...		50,00,000	...	
1,32,75,000	1,23,90,000		1,58,05,000	1,29,98,000	
51,76,80,000	...		28,00,00,000	...	
95,33,000	...		...	...
...	20,62,14,000		...	50,00,000	
1,92,91,11,000	21,86,04,000	2,14,77,15,000	1,67,07,82,000	1,79,98,000	1,68,87,80,000
...	3,60,22,000	3,60,22,000	...	3,21,74,000	3,21,74,000
9,21,43,76,000	1,68,96,22,000		6,36,90,94,000	1,41,72,45,000	
11,73,19,744	(b) 17,84,93,561		11,12,30,744	(b) 6,56,15,561	
9,33,16,95,744	1,86,81,15,561		6,48,03,24,744	1,48,28,60,561	

Excess at £1 = Rs. 13½.

Under the Gold Standard Reserve.

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

Revenue and Expenditure.	Accounts, 1931-32.		REVISED ESTIMATE, 1932-33.		BUDGET ESTIMATE, 1933-34.	
	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Principal Heads of Revenue—						
Customs	46,53,16,685	...	51,34,79,000	...	50,37,00,000	...
Taxes on Income	16,74,68,695	...	16,92,38,000	...	17,21,17,000	...
Salt	2,42,24,052	...	2,25,54,000	...	7,59,80,000	...
Opium	1,27,64,307	...	8,58,000	...	62,69,000	...
Other Heads	1,61,44,937	...	1,32,17,000	...	1,28,98,000	...
TOTAL	72,59,38,656	...	78,93,29,000	...	78,99,64,000	...
Forest and other Capital Outlay charged to Revenue . . . . .	...	66,241	...	2,83,000	...	2,34,000
Irrigation . . . . .	...	8,72,111	...	3,66,000	...	4,88,000
Railways . . . . .	...	...	...	...	...	...
Posts and Telegraphs . . . . .	...	41,70,899	...	54,61,000	...	60,61,000
Debt Services . . . . .	...	17,81,44,382	...	16,31,30,000	...	15,65,36,000
Civil Administration . . . . .	...	11,23,10,499	...	8,77,50,000	...	8,76,60,000
Currency and Mint	1,02,52,332	...	1,71,71,000	...	1,10,46,000	...
Civil Works . . . . .	...	1,96,25,958	...	1,62,84,000	...	1,72,37,000
Miscellaneous . . . . .	...	2,77,24,277	...	2,31,28,000	...	2,54,42,000
Defence Services . . . . .	...	51,78,00,000	...	46,74,00,000	...	46,20,00,000
Provincial Contributions and Miscellaneous Adjustments between Central and Provincial Governments . . . . .	...	...	...	96,35,000	...	1,00,00,000
Extraordinary Items	18,50,103	...	...	13,68,000	...	6,74,000
TOTAL	73,80,41,000	66,55,14,847	80,65,00,000	78,48,30,000	78,10,13,000	77,65,53,000

BUDGET FOR 1933-34.

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D.—Abstract Statement of the Receipts and Disbursements of the Central Government, in India and in England—*concl'd.*

Revenue and Expenditure.	ACCOUNTS, 1931-32.		REVISED ESTIMATE, 1932-33.		BUDGET ESTIMATE, 1933-34.	
	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.	Net Receipts.	Net Charges.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Surplus or deficit . . . . .	...	11,74,73,277	2,16,80,000	...	24,61,000	...
Capital Account—						
Capital outlay on Security Printing Press . . . . .	...	—3,61,991	...	4,000	...	—1,11,000
Railway Capital not charged to Revenue . . . . .	...	6,75,63,463	...	81,38,000	...	3,30,00,000
Construction of Irrigation, etc., Works . . . . .	...	8,746	...	...	...	...
Capital outlay on Posts and Telegraphs . . . . .	...	87,91,676	...	19,68,000	...	16,80,000
Capital outlay on Vizagapatam Port . . . . .	...	36,48,367	...	54,00,000	...	49,80,000
Capital outlay on Light-houses and Light-ships . . . . .	...	...	...	...	...	...
Currency Capital outlay . . . . .	...	—5,643	...	1,000	...	—78,000
Initial expenditure on New Capital at Delhi . . . . .	...	14,60,663	...	8	...	...
Payment of commuted value of pensions . . . . .	...	42,31,942	...	65,76,000	...	60,65,000
Payments to Retrenched Personnel . . . . .	...	1,45,467	...	12,41,000	...	—1,27,000
Debt, Deposits, Advances and Remittances—						
Permanent Debt . . . . .	...	47,88,695	24,48,08,000	...	...	17,09,55,000
Floating Debt	40,03,75,548	...	...	43,41,75,000	...	8,00,00,000
Unfunded Debt	10,18,08,164	...	18,02,39,000	...	13,36,43,000	...
Deposits and Advances . . . . .	...	4,23,61,492	3,25,34,000	...	8,38,44,000	...
Loans and Advances by Central Government . . . . .	...	12,63,47,545	...	8,91,47,000	...	3,71,72,000
Remittances . . . . .	...	1,32,06,651	...	3,53,000	1,31,000	...
Balances of Provincial Governments . . . . .	...	1,59,67,570	2,51,00,000	...	...	46,00,000
Opening Balance	24,68,67,633	...	33,84,43,305	...	29,58,13,305	...
Closing Balance . . . . .	...	33,84,43,305	...	29,58,13,305	...	17,68,46,305
TOTAL	74,90,51,245	74,90,51,245	64,28,04,305	64,28,04,305	51,48,62,305	51,46,62,305

Explanatory Memorandum

by the

Financial Secretary.

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INTRODUCTORY.

(Unless otherwise stated, the amounts mentioned are in lakhs of rupees; and the expressions "last year", "current year" and "next year" stand for the financial years 1931-32, 1932-33 and 1933-34 respectively.)

REVENUE AND EXPENDITURE.

1. The following statement gives the revenue and expenditure of the Central Government since 1921-22. The sterling amounts are converted into rupees at the average of the daily rates for telegraphic transfers in Calcutta on London in each year. The rate of conversion has been assumed to be 1s. 6 1/16d. in 1932-33 and as usual 1s. 6d. in 1933-34.

Year.	(1) Revenue excluding transfer from Revenue Reserve Fund.	(2) Expenditure excluding transfer to Revenue Reserve Fund and provision for Reduction or Avoidance of Debt.	(3) Balance of (1) and (2).	(4) Provision for Reduction or Avoidance of Debt and Transfers to or from Revenue Reserve Fund.	(5) Final Surplus (+) Deficit (-).
1921-22	1,15,21	1,38,40	-23,19	4,46	-27,65
1922-23	1,21,41	1,31,88	-10,47	4,55	-15,02
1923-24	1,33,17	1,27,16	+6,01	3,62	+2,39
1924-25	1,38,04	1,28,58	+9,46	3,78	+5,68
1925-26	1,33,33	1,25,05	+8,28	4,97	+3,31
1926-27	1,31,70	1,23,77	+7,93	(a) 7,93	..
1927-28	1,25,04	1,22,22	+2,82	(b) 2,82	..
1928-29	1,28,24	1,23,88	+4,36	(c) 4,68	-32
1929-30	1,32,89	1,26,68	+6,01	5,74	+27
1930-31	1,24,60	1,30,04	-5,44	6,14	-11,58
1931-32	1,20,62	1,25,48	-4,86	6,89	-11,75
1932-33 (Revised)	1,27,13	1,18,12	+9,01	6,84	+2,17
1933-34 (Budget)	1,24,35	1,17,22	+7,13	6,88	+25

(a) After adding 2,96 transferred to Revenue Reserve Fund.

(b) After deducting 2,22 transferred from Revenue Reserve Fund.

(c) After deducting 74 transferred from Revenue Reserve Fund.

2. In these figures above all receipts on revenue account are included in the total of revenue and all outlay in the total of expenditure, with the main exceptions that the working expenses of railways, irrigation works and posts and telegraphs, and the surplus profits paid to certain railway companies, are treated not as expenditure but as a deduction from revenue. The figures of gross revenue thus include the net receipts of railways and other commercial undertakings without any deduction on account of interest charges and also the total receipts under tax revenue without eliminating the cost of collection. Further, military expenditure is shown gross, the military receipts being included under revenue. To present a real picture of the revenue available for administrative purposes and the expenditure on such purposes, an analytical table of the net revenue and expenditure of the Central Government is given below.

TABLE I.

Year.	Tax revenue less cost of collection (a).	Other revenue net excluding Military receipts.	Total net revenue.	Interest on Debt.	Reduction or Avoidance of Debt.	Defence expenditure net.	Other expenditure charged to revenue but omitting cost of collection of tax revenue.	Total expenditure charged to revenue.	Surplus + Deficit—.
1921-22 . .	60,78	20,52	81,30	13,70	4,46	69,81	20,98	1,08,95	-27,65
1922-23 . .	64,41	24,23	88,64	13,87	4,55	65,27	19,97	1,03,66	-15,02
1923-24 . .	66,66	34,03	1,00,69	15,97	3,62	56,23	22,48	98,30	+2,39
1924-25 . .	67,54	31,91	99,45	14,90	3,78	55,63	19,46	93,77	+5,68
1925-26 . .	68,10	28,11	96,21	13,37	4,97	56,00	18,56	92,90	+3,31
1926-27 . .	67,96	27,09	95,05	11,77	4,97	55,97	19,38	92,09	+2,96(b)
1927-28 . .	68,12	19,18	87,30	10,57	5,04	54,79	19,12	89,52	-2,22(c)
1928-29 . .	71,63	16,88	88,51	10,20	5,42	55,10	18,85	89,57	-1,06(d)
1929-30 . .	71,74	20,69	92,43	10,85	5,74	55,10	20,47	92,16	+27
1930-31 . .	66,54	15,31	81,85	11,28	6,14	54,30	21,71	93,43	-11,58
1931-32 . .	69,52	9,33	78,85	12,83	6,89	51,76	19,12	90,60	-11,75
1932-33 (Revised) . .	77,08	7,67	84,75	11,30	6,84	46,74	17,70	82,58	+2,17
1933-34 (Budget) . .	74,61	6,67	81,28	10,79	6,88	46,20	17,16	81,03	+25

(a) Excludes share of additional revenue from import and excise duties on motor spirit payable to Road Development Fund

(b) Accounts figure is nil, as the surplus of 2,96 was transferred to Revenue Reserve Fund.

(c) Accounts figure is nil, as the deficit of 2,22 was met out of transfer from Revenue Reserve Fund.

(d) Accounts figure is -32, as the deficit was met to the extent of 74 by transfer from Revenue Reserve Fund.

3. The figures in the above table are further analysed in the five tables that follow:—

TABLE III.
Analysis of Tax Revenue.

	Revenue from Customs.	Cost of Collection.	Revenue from Taxes on Income.	Cost of Collection.	Revenue from Salt.	Cost of Collection.	Land Revenue.	Cost of Collection.	Revenue from Excise.	Cost of Collection.	Revenue from Stamps.	Cost of Collection.	Revenue from Registration.	Cost of Collection.	Total gross Tax Revenue.	Transfers to Road Development Fund.	Tax revenue retained by Central Government.	Total cost of Collection.	Total net Tax Revenue.
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1921-22	34 41	66	21,89	22	6,34	1,56	33	15	54	3	25	37	2	1	63,78	..	63,78	3,00	60,78
1922-23	41,35	71	17,99	45	6,82	1,51	43	13	52	3	25	13	2	1	67,38	..	67,38	2,97	64,41
1923-24	39,70	71	18,23	63	10,01	1,36	43	11	48	2	28	—35	1	..	69,14	..	69,14	2,48	66,66
1924-25	45,75	77	16,01	61	7,39	1,20	38	11	42	2	27	—1	2	..	70,24	..	70,24	2,70	67,54
1925-26	47,78	82	15,86	59	6,33	1,25	38	12	42	11	27	7	2	..	71,06	..	71,06	2,98	68,10
1926-27	47,38	81	15,65	62	6,70	1,20	41	13	41	10	27	1	1	..	70,83	..	70,83	2,87	67,96
1927-28	48,22	85	15,06	66	6,63	1,27	41	11	52	12	27	..	2	..	71,13	..	71,13	3,01	68,12
1928-29	49,28	94	16,70	69	7,60	1,23	38	12	53	15	31	1	2	..	74,82	5	74,77	3,14	71,63
1929-30	51,28	97	16,71	72	6,76	1,27	38	11	55	17	27	1	2	..	75,97	98	74,99	3,25	71,74
1930-31	46,81	93	16,00	75	6,83	1,26	34	10	47	17	28	1	1	..	70,74	98	69,76	3,22	66,54
1931-32	46,44	90	17,49	74	8,58	1,16	34	9	51	16	23	1	1	..	73,60	1,02	72,58	3,06	69,52
1932-33																			
(Revised)	52,29	94	17,70	78	10,38	1,12	18	6	42	15	36	14	1	..	81,34	1,07	80,27	3,19	77,08
1933-34																			
(Budget)	51,25	98	18,06	85	8,75	1,15	18	6	42	15	38	18	1	..	79,05	1,07	77,98	3,37	74,61

Analysis showing how net Interest figure in Table II is arrived at.

	Gross Interest on Ordinary Debt.	Amounts charged to						Interest on other obligations.										Total Interest on other obligations.	Total Interest payments (Net).		
		Railways.	Irrigation.	Posts and Telegraphs.	Provincial Loans Fund.	Other heads.	Total deductions.	Net Interest on Ordinary Debt.	Bonus on Cash Certificates.	Post Office Savings Bank.	Provident Funds.	Service Funds.	Fixed Deposits of Provincial Governments.	Famine Relief Fund.	Railway Reserve Fund.	Railway Depreciation Fund.	P. & T. Depreciation Fund.			Other items.	
1921-22	30,00	15,84	12	57	2,58	..	18,91	11,09	14	62	1,56	11	..	..	..	..	..	18	2,61	13,70
1922-23	80,88	16,35	12	59	3,02	..	20,08	10,80	48	63	1,58	11	..	2	..	..	..	25	3,07	13,87
1923-24	35,03	17,57	12	64	3,75	..	22,08	12,95	28	67	1,67	11	..	9	..	..	..	20	3,02	15,97
1924-25	37,56	21,23	12	69	4,21	3	26,28	11,28	16	71	1,85	10	..	14	14	7	..	45	3,62	14,90	
1925-26	38,12	23,14	12	51	5,21	6	29,04	9,08	16	74	2,05	10	6	17	34	20	1	46	4,29	13,37	
1926-27	37,31	24,30	12	58	5,35	9	30,44	6,87	16	79	2,27	10	21	18	37	27	2	53	4,90	11,77	
1927-28	37,46	25,75	12	62	5,46	14	32,09	5,37	23	87	2,21	10	21	20	48	33	3	54	5,20	10,57	
1928-29	38,70	27,82	12	70	5,88	15	34,67	4,03	60	98	2,38	10	17	20	65	41	5	63	6,17	10,20	
1929-30	40,34	29,09	12	73	6,20	18	36,32	4,02	73	1,03	2,54	12	23	16	74	53	7	68	6,83	10,85	
1930-31	41,67	31,34	13	84	6,55	21	39,07	2,60	2,00	1,05	2,93	13	22	16	58	74	11	76	8,68	11,28	
1931-32	44,57	31,76	13	79	7,25	24	40,17	4,40	2,06	1,08	3,10	13	7	15	14	79	13	78	8,43	12,83	
1932-33																					
(Revised)	43,25	31,61	3	83	8,04	25	40,76	2,49	2,20	1,18	3,40	13	6	13	..	77	14	80	8,81	11,30	
1933-34																					
(Budget)	42,35	31,63	3	89	8,36	28	41,19	1,16	2,55	1,29	3,77	14	5	11	..	73	16	83	9,63	10,79	

NOTE.—An important point to notice in connection with the amount debited to the Budget during the years included in the above Table is that nothing like a full percentage on the outstanding Post Office Cash Certificates was included until 1930-31. The amounts of Certificates outstanding during these years were:—

Year	Amount of Certificates outstanding (Mean of opening and closing balances).	Provision for bonus.	Percentage to capital outstanding of interest charges actually borne on budget.	Year	Amount of Certificates outstanding (Mean of opening and closing balances).	Provision for bonus.	Percentage to capital outstanding of interest charges actually borne on budget.
1921-22	4,56	14	3.1	1926-27	23,82	16	.7
1922-23	3,73	48	12.9	1927-28	28,69	23	.8
1923-24	5,77	28	4.9	1928-29	31,50	60	1.9
1924-25	10,76	16	1.5	1929-30	33,65	73	2.2
1925-26	17,03	16	.9	1930-31	36,72	2,00	5.4
				1931-32	41,50	2,06	5.0
				1932-33			
				(Estimate)	49,58	2,20	4.4
				1933-34			
				(Estimate)	57,08	2,55	4.5

TABLE V.

Analysis of main heads of 'Other expenditure' Column 18 in Table II.

	Forest Expenditure.	Total Civil Administration.	Miscellaneous.					Total.	Commutation of Pensions.	Civil Works.	Salt, Stamp and Forest Capital outlay charged to revenue.	Total other Central expenditure.
			Famine.	Territorial, etc., Pensions.	Superannuation, etc., allowances.	Stationery and Printing.	Miscellaneous.					
1921-22	47	9,41	3	30	3,44	79	1,03	5,59	..	1,54	..	17,01
1922-23	39	9,94	1	29	3,61	62	68	5,21	..	1,35	..	16,89
1923-24	36	9,34	..	29	2,97	51	69	4,46	..	1,70	..	15,86
1924-25	31	10,13	..	31	2,86	35	83	4,35	..	1,78	18	16,75
1925-26	30	10,77	1	30	2,90	34	71	4,26	..	1,60	7	17,00
1926-27	32	11,14	1	31	2,62	31	71	3,96	..	1,90	7	17,39
1927-28	31	11,21	..	29	2,51	26	65	3,71	5	1,58	13	16,99
1928-29	33	11,44	..	28	2,45	56	73	4,02	4	1,55	4	17,42
1929-30	35	12,66	..	32	2,66	55	88	4,41	4	1,60	5	19,11
1930-31	36	13,34	..	32	2,56	55	81	4,24	6	1,65	4	19,69
1931-32	32	12,17	..	31	2,68	58	74	4,31	3	1,19	1	18,03
1932-33 (Revised)	23	9,68	..	32	2,74	37	73	4,16	9	77	3	(a) 14,98
1933-34 (Budget)	22	9,59	..	31	2,80	38	60	4,09	2	87	2	14,81

(a) Include on account of miscellaneous adjustments between Central and Provincial Governments.

TABLE VI.

Analysis of the total expenditure on Civil Administration in Table V.

	General Administration.		Administration of Justice.	Jails and Convict Settlements.	Police.	Ports and Pilots.	Lighthouses and Lightships.	Ecclesiastical.	Political.	Watch and Ward.	Scientific Departments.	Education.	Medical.	Public Health.	Agriculture.	Industries.	Civil Aviation.	Miscellaneous Departments.	Indian Stores Department.	Total.
1921-22 . . .	1,93	70	10	45	88	24	..	31	2,26	..	1,12	31	31	16	21	1	1	41	..	9,41
1922-23 . . .	2,04	75	11	41	89	23	..	30	3,04	..	91	31	32	16	21	..	..	28	..	9,04
1923-24 . . .	1,56	75	13	36	84	23	..	29	2,98	..	85	31	28	11	24	1	..	40	..	9,34
1924-25 . . .	1,54	78	12	36	94	25	..	31	3,16	..	76	32	26	17	31	61	..	24	..	10,13
1925-26 . . .	1,56	84	13	30	96	32	..	32	3,37	..	80	32	29	13	27	86	1	23	..	10,77
1926-27 . . .	1,66	85	15	37	93	35	..	32	3,32	..	85	38	30	17	27	82	13	11	16	11,14
1927-28 . . .	1,72	89	14	35	89	33	..	32	1,58	2,50	91	48	30	17	29	15	10	12	17	11,21
1928-29 . . .	1,88	97	15	35	74	29	..	32	1,58	2,54	93	45	31	19	30	7	5	13	19	11,44
1929-30 . . .	2,25	1,02	15	42	76	25	14	32	1,62	2,69	94	52	32	21	46	3	20	15	21	12,66
1930-31 . . .	2,13	1,03	15	48	93	26	12	32	1,96	2,78	93	62	32	19	48	3	23	29	9	13,34
1931-32 . . .	1,98	1,01	16	39	88	28	11	30	1,64	2,39	86	62	30	17	35	2	20	44	9	12,17
1932-33 (Revised)	1,54	94	0	25	56	23	10	28	1,45	2,19	63	35	22	13	30	2	10	21	9	9,68
1933-34 (Budget)	1,57	1,01	8	25	54	24	10	29	1,37	2,18	67	30	24	14	24	2	10	16	7	9,59
Savings from out in pay in—																				
1932-33 . . .	8	10	1	1	1	1	..	2	6	1	4	..	1	1	1	..	..	1	2	41
1933-34 . . .	4	5	..	..	1	1	..	1	2	1	2	..	1	..	1	..	..	1	1	22

BUDGET FOR 1933-34.

BUDGET FOR 1933-34.

ACCOUNTS, 1931-32.

4. The Accounts for 1931-32 show a deficit of 11,75 or 1,91 less than the revised estimate. The principal variations in the actuals from the revised estimate are as follows :

<i>Revenue.</i>			
Increases.	Decreases.		
Customs	21	Currency and Mint	7
Taxes on Income	18	Railways	25
Salt	10		
Opium	9		
Posts and Telegraphs	26		
Interest	16		
Defence	6		
Other heads	14		
	88		
Total increase in revenue	88		

<i>Expenditure.</i>			
Increases.	Decreases.		
Defence	6	Posts and Telegraphs	9
Miscellaneous	13	Debt Services	30
		Civil Administration	15
		Currency and Mint	29
		Extraordinary	7
		Railways	25
		Other heads of expenditure	8
			103
		Total decrease in expenditure	103

5. Of the total improvement of 1,91 in the final outturn of the year 1931-32, as compared with the revised estimate, tax revenue and finance heads account for 54 and 68 respectively or 1,22 together. Owing mainly to larger savings from retrenchment and economy, the net loss on the working of the Posts and Telegraphs Department was actually 94 against 1,29 in the revised estimate. The balance of the improvement 34 is chiefly accounted for by reduction in administrative expenditure and is distributed over all the heads of expenditure.

BUDGET FOR 1933-34.

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Revised estimate, 1932-33.

6. As stated in the Explanatory Memorandum of last year an emergency budgetary plan was introduced in September 1931 with the declared object of restoring equilibrium and closing the year 1932-33 with a surplus to set against the deficit for 1931-32. The following table compares the emergency plan with the results now anticipated.

	Revenue.	Expenditure.	Surplus or Deficit.	Proposed reduction in normal provision for reduction or avoidance of debt.	Final Surplus or Deficit.
Emergency budget—					
1931-32	1,26,13	1,33,30	—10,17	2,47	—7,70
1932-33	1,33,06	1,27,83	+5,23	2,47	+7,70
Combined result for both years	2,59,19	2,64,13	—4,94	4,94	..
Estimate at Budget Session, March 1932—					
1931-32 (Revised)	1,20,77	1,34,43	—13,66	..	—13,66
1932-33 (Budget)	1,29,96	1,27,81	+2,15	..	+2,15
Combined result for both years	2,50,73	2,62,24	—11,51	..	—11,51
Present Estimates—					
1931-32 (Actuals)	1,21,64	1,33,39	—11,75	..	—11,75
1932-33 (Revised)	1,27,13	1,24,96	+2,17	..	+2,17
Combined result for both years	2,48,77	2,58,35	—9,58	..	—9,58

7. It will be observed that revenue for the two years is 10,42 less than was forecasted in September 1931, but expenditure is down by 5,78. The reduction in expenditure is accounted for largely by savings in interest charges owing to the period of cheap money which has supervened; but there has also been a realisation of administrative economies beyond what Government felt safe in hoping for last year.

8. The following table shows in detail the variations under the main heads of account and the position is further explained in the section-notes on certain heads of revenue and expenditure.

BUDGET FOR 1933-34.

Revenue.

(In lakhs of Rupees.)

Heads of Account.	1931-32.			1932-33.			1933-34.
	Revised Estimate (Sept. '31).	Revised Estimate (Feb. '32).	Actuals.	Forecast (Sept. '31).	Budget Estimate (Feb. '32).	Present Revised Estimate.	Present Forecast.
<i>Revenue.</i>							
Customs {							
Petrol tax for Road Fund		1,00	1,02		1,14	1,07	1,07
Other items .		45,23	45,42		51,17	51,22	50,18
Taxes on Income		17,30	17,49		18,73	17,70	18,06
Salt		8,48	8,58		9,44	10,38	8,75
Opium		1,98	2,07		1,33	95	1,20
Other principal heads of revenue		2,15	2,19		1,79	1,90	1,89
Irrigation less working expenses		9	13		2	1	..
Interest		2,25	2,41		1,80	1,83	1,82
Civil Administration		95	94		90	90	83
Civil Works		24	24		27	21	22
Currency and Mint		1,85	1,78		3,31	2,41	1,75
Miscellaneous		1,58	1,57		67	93	57
Extraordinary Receipts		16	21		24	2	..
Provincial contributions and miscellaneous adjustments between Central and Provincial Governments . . . . .		..	..		..	..	..
Posts and Telegraphs : Receipts less working expenses		—43	—16		79	34	30
Railways : Receipts less working expenses		33,87	33,62		34,18	33,41	33,39
Defence Receipts		4,07	4,13		4,18	3,85	4,32
TOTAL	1,26,13	1,20,77	1,21,64	1,33,06	1,29,96	1,27,13	1,24,35

BUDGET FOR 1933-34.

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Expenditure.

(In lakhs of Rupees.)

Hheads of Account.	1931-32.			1932-33.			1933-34.
	Revised Estimate (Sept. '31).	Revised Estimate (Feb. '32).	Actuals.	Forecast (Sept. '31).	Budget Estimate (Feb. '32).	Present Revised Estimate.	Present Forecast.
<i>Expenditure.</i>							
Customs		92	90		91	94	98
Taxes on Income		73	74		83	78	85
Salt		1,16	1,16		1,14	1,12	1,15
Opium		81	80		72	86	57
Other heads recording direct demands on the revenue		58	57		57	59	61
Irrigation : Interest and Miscellaneous charges		20	19		4	5	4
Civil Administration		12,32	12,17		9,65	9,68	9,59
Currency and Mint		1,04	76		70	69	64
Civil Works { Transfer to Road Fund		1,00	1,02		1,14	1,07	1,07
{ Other items		1,23	1,19		80	77	87
Superannuation Allowances and Pensions		2,61	2,68		2,62	2,74	2,81
Miscellaneous		1,57	1,63		1,36	1,41	1,28
Extraordinary payments		10	3		22	16	9
Posts and Telegraphs : Interest on Debt		86	78		95	81	88
Railways : Interest and Miscellaneous charges		33,87	33,62		34,18	33,41	33,39
Defence Services		55,83	55,89		50,92	50,59	50,52
Interest		13,14	12,83		13,11	11,30	10,79
Reduction or Avoidance of Debt		6,89	6,89		6,82	6,84	6,88
Miscellaneous adjustment, etc. . . . .		..	..		1,02	96	1,00
Capital expenditure financed from Revenue : Posts and Telegraphs		—48	—52		6	7	4
Other Works		3	3		3	3	3
Commutation of Pensions		2	3		2	9	2
TOTAL	1,36,30	1,34,43	1,33,39	1,27,83	1,27,81	1,24,96	1,24,10

Budget estimate, 1933-34.

9. It is difficult in present conditions to frame any accurate estimate of revenue. The estimates which are now put forward for 1933-34, are based generally, and in particular with regard to customs revenue, on the assumption that conditions in 1933-34 will not differ markedly from those experienced this year; that it would be unsafe to prophesy any large immediate improvement; but that on the other hand it is reasonable to hope that there will be no further deterioration.

10. The estimate of salt revenue has been based on the current figures of consumption and allows for the extra three months' receipts in the current year from the final abolition of the credit system of sales.

11. The revised estimate of Taxes on Income for the current year has been repeated for 1933-34 after making allowance for additional revenue from the imposition of surcharge on official salaries with the partial removal of the cut in pay, and also taking into account the reduction in the rate of taxes on lower incomes carried out in the Indian Finance Act 1933 as finally passed.

12. The total revenue and expenditure figures on this basis are:—

Revenue.	Expenditure.	Surplus.
1,24,35	1,24,10	25

The details under the main heads of account are shown in the table in paragraph 8. It will be observed from that table that even allowing for the partial restoration of the cut in pay the cost of the main services shows no increase for next year as mentioned below, the additions to pay having been offset by other economies.

	1931-32, Actuals.	1932-33, Revised.	1933-34, Forecast.
Defence Services (net)	51,76	46,74	46,20
Civil Administration	12,17	9,68	9,59
Civil Works (excluding Road Fund)	1,19	77	87
Collection of Taxes (Customs, Taxes on Income, Salt and Opium)	3,60	3,70	3,55
Interest	2,83	1 ⁴ ,30	10,7 ⁰
Net loss on Posts and Telegraphs	94	47	58

NOTES ON CERTAIN HEADS OF REVENUE AND EXPENDITURE.

CUSTOMS.

	Revenue (Receipts less Refunds).	Expenditure.	Net revenue.
1929-30	51,27.66	97.51	50,30.15
1930-31	46,80.76	93.39	45,87.37
1931-32	46,43.67	90.50	45,53.17
1932-33 { Budget	52,31.27	91.03	51,40.24
{ Revised	52,28.55	93.76	51,34.79
1933-34 Budget	51,24.60	97.60	50,27.00

13. The details are as follows :—

	Accounts, 1929-30.	Accounts, 1930-31.	Accounts, 1931-32.	1932-33.		Budget, 1933-34.	
				Budget.	Revised.		
REVENUE.							
SEA CUSTOMS.							
IMPORTS.							
<i>Non-protective Special Duties.</i>							
Wheat and wheat flour . . . . .	..	..	2.06	.03	10.00	..
Liquors—							
(a) Ale, beer, porter, cider and other fermented liquors	24.58	23.85	31.55	32.95	35.00	35.00	
(b) Spirits and Liqueurs	2,15.10	2,03.59	1,47.47	1,67.04	1,72.00	1,75.00	
(c) Wines	14.61	13.91	11.28	13.29	13.00	14.00	
Molasses	8.35	10.50	10.00	10.00	4.00	4.00	
Tobacco	2,27.90	1,26.60	1,06.12	1,43.19	1,25.00	1,20.00	
Coal, coke and patent fuel	1.19	.91	.36	.63	.25	.25	
Tim, block	7.13	6.59	6.40	6.16	7.25	7.25	
Oils	1,64.33	1,50.25	1,79.96	1,79.28	1,50.00	1,50.00	
							{ Kerosene
							{ Motor spirit
{ Other mineral oils	28.26	29.33	31.36	32.00	36.00	36.00	
Cotton, raw . . . . .	..	..	23.10	32.30	62.00	62.00

	Accounts, 1929-30.	Accounts, 1930-31.	Accounts, 1931-33.	1932-33.		Budget, 1933-34.
				Budget.	Revised.	
REVENUE—contd.						
SEA CUSTOMS—contd.						
IMPORTS—contd.						
<i>Non-protective Special Duties—contd.</i>						
Boots and shoes . . . . .	..	..	11.53	14.45	27.00	27.00
Arms, ammunition and military stores	5.84	5.12	6.96	8.02	4.50	4.50
Motor cars and cycles	95.01	72.31	63.20	80.63	60.00	65.00
Wireless reception instruments and apparatus . . . . .	..	.56	1.04	.42	2.25	2.25
Silver bullion, coin, sheets and plates not manufactured	17.70	2,33.64	93.58	1,60.00	8.00	25.00
Artificial silk yarn and thread	7.42	6.63	11.47	10.33	19.00	20.00
Cotton yarn and thread	45.16	30.09	37.22	47.05	55.00	48.00
Silk and artificial silk mixtures	7.83	5.26	17.53	26.87	45.00	45.00
Portland Cement (excluding white Portland cement)	10.52	10.00	10.43	16.39	11.50	12.00
Other articles	3.49	5.09	12.38	5.13	6.00	6.00
<i>Duty at 2½ per cent.</i>						
Vinegar and other articles . . . . .	.25	.20	.16	.16	.10	.10
<i>Duty at 10 per cent.</i>						
Dyes and colours . . . . .	..	..	11.05	20.55	18.00	20.00
Machinery . . . . .	..	..	52.80	1,00.00	1,15.00	1,15.00
Metals—Iron and Steel	43.91	35.28	33.41	36.05	30.50	30.50
Railway plant and rolling stock	20.60	16.27	10.85	14.20	6.00	6.00
Other articles . . . . .	.41	.58	1.05	.29	.75	.75
<i>Duty at 15 per cent.</i>						
Articles of food and drink (excluding sugar and vinegar and grain and pulse but including flour, other than wheat flour)	1,77.00	1,50.13	1,25.95	1,47.49	1,31.00	1,40.00
Raw materials and articles mainly unmanufactured	73.64	57.73	71.18	69.03	1,08.00	1,08.00
Articles wholly or mainly manufactured—						
(a) Cutlery, hardware, implements and instruments	1,40.81	1,11.18	1,20.46	1,85.90	1,40.00	1,50.00
(b) Metals, other than Iron and Steel	75.01	66.08	62.17	69.13	1,00.00	1,00.00
(c) Yarn and textile fabrics (including short fents of cotton cloth but excluding artificial silk yarn, cotton yarn and silk and artificial silk manufactures)	1,59.18	98.64	1,10.80	1,20.33	1,42.00	1,50.00
(d) Pneumatic rubber tyres and tubes	37.29	30.83	84.12	40.56	40.00	40.00
(e) All other articles wholly or mainly manufactured	4,36.83	3,42.38	3,81.10	4,08.62	4,35.00	4,40.00
Miscellaneous	63.55	55.88	62.87	74.73	62.00	65.00
<i>Duty at 30 per cent.</i>						
Spices . . . . .	..	..	21.27	24.47	19.00	19.00
Silk and artificial silk piece-goods and other manufactures of the same	79.00	50.16	1,07.49	1,12.77	2,50.00	2,50.00
Cinematograph films exposed . . . . .	..	..	5.29	6.58	6.70	7.00
Detenuts	59.40	62.80	57.00	57.00
Other articles	1,05.27	69.64	91.25	1,11.25	1,25.00	1,25.00

BUDGET FOR 1933-34.

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	Accounts, 1929-30.	Accounts, 1930-31.	Accounts, 1931-32.	1932-33.		Budget, 1933-34.
				Budget.	Revised.	
REVENUE—concl'd.						
SEA CUSTOMS—concl'd.						
IMPORTS—concl'd.						
<i>Protective Special Duties.</i>						
Heavy Chemicals	..	..	2·65	3·77	4·50	4·00
Iron and Steel	2,13·23	1,43·39	1,15·75	1,36·99	1,10·00	1,10·00
(b) Not liable to additional duties						
Silver wire, thread and other manufactures	..	5·63	6·25	6·38	8·00	8·00
Paper and Stationery	29·41	21·32	20·35	25·55	21·00	21·00
Sugar and Sugarcandy excluding confectionary	8,61·35	10,68·47	8,00·07	8,50·00	7,10·00	6,10·00
Cotton piece-goods	5,83·63	3,73·46	3,70·38	3,79·15	6,40·00	6,10·00
Matches, match-splints and veneers	13·94	3·75	1·08	1·75	·60	·60
Wood pulp	..	..	·19	..	8·00	8·00
<i>Government Stores.</i>						
Articles liable to protective duties—						
Iron and Steel	58·73	63·62	45·98	47·43	30·00	30·00
(b) Not liable to additional duties						
Paper and Stationery						
Railway plant and rolling stock (non-protective)						
Others						
TOTAL IMPORTS	40,72·81	37,29·49	36,07·89	41,13·98	42,10·80	41,22·60
Export duties—						
(a) Hides and skins, raw	35·49	24·80	20·23	25·55	14·00	14·00
(b) Jute (raw and manufactured)	4,66·24	3,44·28	3,10·01	3,25·32	3,00·00	3,00·00
(c) Rice	1,20·48	90·61	95·28	90·69	75·00	75·00
(d) Government Stores	..	..	..	..	..	..
Total Exports	6,22·21	4,59·69	4,25·52	4,41·56	3,89·00	3,89·00
Sea Customs—Miscellaneous	12·15	9·77	7·38	8·95	7·00	7·00
Land Customs	1,14·02	1,51·10	1,07·55	1,21·55	80·00	70·00
Excise Duty on Motor Spirit	2,81·13	2,68·33	3,47·61	3,75·51	3,90·00	3,90·00
Excise Duty on Kerosene	95·70	1,43·81	2,43·43	2,63·00	2,75·00	2,70·00
Excise Duty on Silver	..	16·60	22·93	20·00	·75	..
Warehouse and wharf rents and miscellaneous	5·65	5·49	4·46	4·92	4·00	4·00
TOTAL RECEIPTS	52,03·67	47,84·28	47,71·77	53,49·47	53,58·55	52,52·60
Deduct—Refunds	75·01	1,03·52	1,23·10	1,13·20	1,23·00	1,23·00
NET TOTAL REVENUE	51,27·66	46,80·76	46,43·67	52,31·27	52,23·55	51,24·60
EXPENDITURE.						
India	96·13	91·70	88·10	89·55	92·07	96·17
England	1·37	1·67	2·39	1·48	1·70	1·48
Exchange	·01	·02	·01	..	·01	..
Total	97·51	93·39	90·50	91·03	93·78	97·60

14. The revised estimate of net customs revenue (i.e., gross revenue less refunds) is 3 less than the budget for the year. The decrease is the result of variations under a number of tariff heads of which the more important are the following :

	Revised better + worse — than original budget.
(1) Luxury articles—	
(i) Liquors and tobacco	—11
(ii) Motor cars and cycles	—21
(iii) Other articles subject to duty at 30 per cent.	+1,40
(iv) Motor spirit (customs and excise)	—26
(2) Main articles of general consumption—	
(i) Kerosene	—17
(ii) Cotton piece goods	+2,61
(iii) Sugar (including land customs)	—2,22
(3) Other imported articles—	
(i) Silver (customs and excise)	—1,71
(ii) Raw cotton	+30
(iii) Machinery	+15
(iv) Cotton and artificial silk yarn and thread	+17
(v) All other articles	+64
(4) Exports	—52
(5) Refunds	—10
Total	—3

15. It has been assumed that broadly speaking the conditions next year will be similar to those in the current year. But it has been necessary to allow for a reduction of about one crore in the customs revenue owing to the rapid increase which is taking place in the Indian production of sugar under the shelter of the protective duty.

16. Both the revised and budget estimates have been framed on the basis of the duties in the Indian Tariff Act, 1894, as modified by the Indian Finance Act, 1931, and the Indian Finance (Supplementary and Extending) Act, 1931. It is anticipated that the broad effect of the Ottawa legislation will be to leave the results worked out on this basis materially unaffected.

17. The increase in the revised estimate of expenditure as compared with the original budget is due to larger payments to the Travancore and Cochin Durbars on account of their share of the customs revenue collected at the port of Cochin. The increase in the budget estimate for next year as compared with the revised is due to the reduction in the pay cut from 1st April 1933, to larger provision for overtime and holiday allowances and to a further increase in the payments to the two Durbars referred to above.

TAXES ON INCOME.

	Revenue. (Receipts less re- funds and Pro- vincial Govern- ments' share of Income-tax revenue.)	Expenditure.	Net revenue.
1929-30	16,70·61	71·85	15,98·76
1930-31	16,00·33	74·73	15,25·60
1931-32	17,48·73	73·84	16,74·89
1932-33 { Budget	18,73·38	83·28	17,90·10
{ Revised	17,70·00	77·77	16,92·23
1933-34 Budget	18,06·00	84·83	17,21·17

18. The decrease of over a crore in the revised estimate of revenue as compared with the current budget occurs mainly in Bengal and Burma and is due to depressed conditions in 1931-32 on which the assessments of 1932-33 are based.

19. The increase anticipated for 1933-34 is wholly due to allowance made for the imposition of the surcharge and tax on lower incomes on official salaries. The total receipts from the surcharges and the tax on lower incomes are estimated at 3,50 and 53 respectively.

20. As regards expenditure, the saving in the revised is the result of economy in charges for establishment connected with the imposition of the tax on lower incomes and the new surcharge. The increase in the budget for next year as compared with the revised is due mainly to the reduction in the pay cut from the 1st April 1933 and to increments. Provision has also been made for certain additional establishments in the Bombay Circle which were considered essential for safeguarding revenue.

21. The following tables give the usual details :—

	Accounts, 1929-30.	Accounts, 1930-31.	Accounts, 1931-32.	1932-33.		Budget, 1933-34.
				Budget.	Revised.	
REVENUE.						
EXCESS PROFITS DUTY.						
1. Bengal	·01	·01	·01	·01	·01	·01
SUPPER-TAX.						
1. India	4·01	3·06	2·76	2·36	3·30	3·03
2. Baluchistan	·25	·14	·16	·14	·01	·01
3. Madras	21·65	18·04	15·69	20·00	17·00	16·30
4. Bombay	95·30	85·64	91·03	93·00	93·50	94·74
5. Bengal	2,65·94	2,48·08	1,72·06	1,75·00	1,48·00	1,52·00
6. United Provinces	19·33	18·03	18·83	21·50	17·04	18·75
7. Punjab	5·88	4·15	4·99	4·51	4·81	3·74
8. Burma	49·60	57·56	49·14	51·00	41·77	40·50
9. Bihar and Orissa	12·49	11·86	13·31	17·50	15·50	17·00
10. Central Provinces	2·90	3·18	2·93	5·83	4·00	3·66
11. North-West Frontier Province	1·21	·36	·63	·73	·64	·45
12. Assam	3·01	2·25	1·84	1·99	1·43	1·12
TOTAL	4,81·57	4,52·34	3,73·37	3,94·11	3,47·00	3,50·00
INCOME-TAX.						
1. India General—						
Civil	60·27	65·31	98·23	81·80	1,06·55	1,05·29
Non-Civil Departments	69·16	71·80	94·06	1,10·90	1,04·00	1,00·50
2. Baluchistan	1·70	1·56	2·14	1·87	1·89	1·81
3. Madras	1,38·71	1,36·38	1,63·23	1,95·10	1,91·60	1,91·20
4. Bombay	3,16·59	3,04·84	3,77·08	4,40·88	4,33·99	4,47·95
5. Bengal	3,97·57	3,68·43	3,42·45	3,31·25	3,00·34	3,07·00
6. United Provinces	74·55	74·53	94·45	95·60	97·50	1,01·75
7. Punjab	62·39	58·44	75·23	78·89	84·33	86·90
8. Burma	1,73·86	1,40·95	1,56·59	1,73·00	1,32·00	1,40·00
9. Bihar and Orissa	47·74	44·69	56·84	69·75	71·45	69·92
10. Central Provinces	37·54	37·74	45·66	47·13	43·02	47·36
11. North-West Frontier Province	9·82	8·30	11·42	11·69	12·53	12·26
12. Assam	19·46	18·66	20·19	21·15	20·10	20·47
13. Ougor	·25	·31	·29	·26	·31	·26
TOTAL	14,09·61	13,31·98	15,37·91	16,64·27	15,99·61	16,32·67

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	Accounts, 1929-30.	Accounts, 1930-31.	Accounts, 1931-32.	1932-33.		Budget, 1933-34.
				Budget.	Revised.	
REVENUE—contd.						
MISCELLANEOUS.						
1. India	*04	*01	*01	..	..	..
2. Madras	*02	*03	*03	*03	*03	*03
3. Bombay	*04	*12	*07	*12	*01	*05
4. Bengal	*04	..	*01	*03	*02	*02
5. United Provinces	*10	*09	*16	..	..	..
6. Punjab	*05	*03	*09	*04	*04	*04
7. Burma	*03	*50	*25	*02	*12	*02
8. Bihar and Orissa	*04	*03	*03	*03	*07	*07
9. Central Provinces	*08	*09	*04	*20	*08	*08
10. North-West Frontier Province	*01	..	..	*01	*01	*01
11. Assam . . . . .	..	..	..	..	..	..
12. England	*05	..	..	..	..	..
TOTAL	*45	*89	*63	*36	*38	*32
Total Receipts from Taxes on Income	18,91*64	17,85*22	19,11*97	20,56*75	19,47*00	19,83*00
Deduct—Refunds—						
India	1,85*28	1,54*25	1,55*02	1,67*05	1,70*00	1,70*00
England	*01	..	..	..	..	..
Exchange . . . . .	..	..	..	..	..	..
TOTAL REFUNDS	1,85*29	1,54*25	1,55*02	1,67*05	1,70*00	1,70*00
Deduct—Share of Provincial Govern- ments in Income-tax revenue under the Devolution Rules	85*74	80*64	8*22	18*82	7*00	7*00
Total Revenue of the Central Gov- ernment	16,70*61	16,00*33	17,48*73	18,73*38	17,70*00	18,06*00
EXPENDITURE.						
India	70*85	73*73	73*88	82*33	77*02	83*60
England	1*49	*99	*95	*95	*75	1*23
Exchange	*01	*01	*01	..	..	..
TOTAL	71*85	74*73	73*84	83*28	77*77	84*83
Distributed as follows—						
Payments to Provincial Govern- ments	*81	*30	*35	*21	*24	*23
Direct expenditure of Central Gov- ernment	71*64	74*43	73*59	83*07	77*53	84*60

BUDGET FOR 1933-34.

22. Income-tax revenue payable to Provincial Governments on the present basis of taxation is:—

	Accounts, 1929-30.	Accounts, 1930-31.	Accounts, 1931-32.	1933-33.		Budget, 1933-34.
				Budget.	Revised.	
Madras	7.27	6.75	..	4.00	..	
United Provinces	71	1.40	..	..	..
Punjab	3.60	2.00	..	..	2.15	
Burma	11.40	10.36	3.59	7.50	..	
Bihar and Orissa	4.49	3.14	2.13	2.82	2.85	
Central Provinces	2.74	2.65	.08	1.00	..	
Assam	5.53	4.34	2.42	3.00	2.00	
TOTAL	35.74	30.64	8.22	18.32	7.00	70.0

SALT.

	Revenue (Receipts <i>less</i> Refunds and Provin- cial Share).	Expenditure (including Capital Expenditure charged to Revenue).	Net Revenue.	
1929-30	6,76.46	1,28.08	5,48.38	
1930-31	6,83.22	1,26.40	5,56.82	
1931-32	8,57.92	1,15.71	7,42.21	
1932-33	{ Budget	9,43.40	1,15.69	8,27.71
	{ Revised	10,33.00	1,14.77	9,23.23
1933-34 Budget	8,75.00	1,16.96	7,58.04	

23. The relevant details are given below:—

	Accounts, 1929-30.	Accounts, 1930-31.	Accounts, 1931-32.	1932-33.		Budget, 1933-34.
				Budget.	Revised.	
REVENUE.						
Northern India (a)	1,54·46	1,44·29	1,84·84	2,44·65	2,94·05	2,50·64
Madras (a)	1,47·53	1,42·87	1,81·85	2,07·90	2,00·38	1,77·28
Bombay (a)	1,59·25	1,60·95	2,08·56	1,83·09	2,09·16	1,62·79
Bengal (b)	1,84·95	2,08·92	2,61·61	2,82·67	3,14·53	2,87·97
Burma (b)	84·67	33·40	41·32	44·03	47·55	43·56
Bihar and Orissa	·01	..	..	·01	·01	·01
Assam	·01	..	..	..	..	..
TOTAL RECEIPTS	6,80·86	6,90·52	8,73·09	9,62·35	10,74·68	9,02·45
Deduct—Refunds	4·42	7·80	6·17	5·95	15·68	10·65
Deduct—Provincial Share . . . . .	..	..	13·99	13·00	21·00	16·80
TOTAL REVENUE	6,76·46	6,83·22	8,57·92	9,43·40	10,38·00	8,75·00
EXPENDITURE.						
Cost of salt purchased by Govern- ment	8·29	9·33	7·85	8·37	7·61	7·4
Assignments and compensations	39·70	39·13	36·39	38·19	39·02	39·39
Interest	4·38	4·19	4·18	4·29	4·24	4·34
Depreciation	2·76	2·63	2·51	2·52	2·42	2·42
Other charges	70·79	70·13	63·66	59·21	58·47	60·79
Expenditure on retrenched personnel . . . . .	..	..	·05	·09	·09	·03
Capital outlay on salt works	1·12	—·02	·03	2·31	2·31	1·76
Total India	1,27·04	1,25·39	1,14·67	1,14·98	1,14·16	1,16·13
England	1·03	1·00	1·03	·71	·61	·83
Exchange	·01	·01	·01	..	..	..
TOTAL	1,28·08	1,26·40	1,15·71	1,15·69	1,14·77	1,16·96

(a) Chiefly excise on local manufacture.

(b) Chiefly duty on imported salt.

24. The Government of India notified the gradual termination of the system of credit sales by limiting credits to 3 months as from the 1st October 1931, and discontinuing the grant of new credits altogether from the 1st April 1932. The change in the system was expected to give an additional revenue of 1,00 each in 1931-32 and 1932-33. The Supplementary Finance Act, 1931, imposed a surcharge of 25 per cent. on the customs and excise duties on salt.

25. Allowing for the increases on account of the surcharge and the abolition of credit sales the total revenue in 1932-33 was estimated at 9.43 excluding refunds and the share of Provincial Governments in the additional revenue collected under the Salt (Additional Import Duty) Act, 1932. The Revised estimate for the current year is now expected to be 10.38 crores, i.e., 95 more than the budget. This increase is due to enhanced receipts from credit sales during the last quarter of 1931-32, which were more than the average sales during the same period in the three previous years and to the absence of any material fall in consumption during the current year.

26. The estimate for next year allows for the disappearance of the special credit in the current year on account of the abolition of the credit system.

27. The figures of salt consumption are given below for the last five years :

	In lakhs of maunds.
1927-28	5.28
1928-29	5.35
1929-30	5.29
1930-31	5.13
1931-32	5.31
1932-33 (Estimate)	5.25
1933-34 (Estimate)	5.25

28. The increase in the expenditure anticipated for the next year is due partly to the partial removal of the pay cut after the 31st March 1933 and partly to larger provision for royalties and compensations.

OPIUM.

	Provision and medical opium.	Excise opium and mis- cellaneous (less refunds)	Total revenue (Receipts less refunds).	Purchase of opium.	Other charges.	Total expendi- ture.	Net revenue.	
1929-30	2,31.20	72.90	3,04.10	87.01	11.80	48.81	2,55.29	
1930-31	1,81.40	71.87	2,53.27	63.49	10.87	74.36	1,73.91	
1931-32	1,56.70	50.71	2,07.41	70.34	9.43	79.77	1,27.64	
1932-33	Budget	80.28	52.87	1,33.15	63.98	8.66	71.64	61.51
	Revised	46.92	48.00	94.92	78.65	7.71	86.36	86.6
1933-34 Budget	72.71	47.84	1,20.55	49.84	7.52	57.36	62.69	

29. The revenue from opium is derived mainly from exports of what is called provision opium to foreign countries. The rest is sold at roughly cost price to Provincial Governments as excise opium for internal consumption in India and is retailed by them to licensed vendors at rates fixed by them and varying from province to province. Opium is exported to foreign countries only after the prescribed import certificate from the Government

of the importing country is produced. The entire quantity is now dealt with under the system of direct sales to Foreign and Colonial Governments, the old auction sales in Calcutta to traders for export to foreign countries having been stopped with effect from the 7th April 1926.

30. It was assumed in the budget for the current year that 2,004 chests of provision opium would be exported during 1932-33. It is now expected that 1,161 chests will be exported during the period April to December 1932 and none during January to March 1933 out of the quota for 1933. This reduction of 843 chests is responsible for the fall of about 34 in the revised estimate for the current year as compared with the budget under revenue from provision and medical opium. It is assumed that the exports of provision opium during 1933-34 will amount to 1,799 chests made up of 1,399 chests out of the quota for 1933 and 400 chests out of the quota for 1934. An anticipated increase of 638 chests in the exports next year accounts for the increase in revenue in the next year's budget.

31. The fall in the revenue from excise opium and miscellaneous receipts in the revised estimate as compared with the budget reflects reduced demand from local Governments. The budget figure for next year is based upon the revised estimate for the current year.

32. There has been an increase in the current year's expenditure of about 16 under purchase of opium wholly due to excess outturn in Malwa and the United Provinces. The saving under Other Charges in the Revised is mainly due to economy on labour effected in the Ghazipur Opium Factory and to the manufacture and despatch of a smaller number of chests for provision opium. The budget provision for the purchase of opium during the next year has been based upon reduced cultivation and a normal crop outturn.

OTHER PRINCIPAL HEADS OF REVENUE AND DIRECT DEMANDS ON THE REVENUE.

	Revenue.	Expenditure (including capital expenditure).	Net revenue.
1929-30	2,25.60	63.35	1,62.25
1930-31	2,03.22	64.19	1,39.03
1931-32	2,19.24	58.42	1,60.82
1932-33 { Budget	1,79.39	57.33	1,22.06
{ Revised	1,90.74	59.09	1,31.65
1933-34 Budget	1,89.93	61.53	1,28.40

33. These heads comprise Land Revenue, Excise, Stamps, Forest, Registration and Payments from Indian States. The revised estimate of revenue is based on the progress of actuals and includes certain arrear recoveries; the budget estimate for next year follows the revised, after allowing for the arrear recoveries. The increase in the revised estimate of expenditure is due to the non-realisation of the lump cut made in the original budget under Forests. The further increase in the budget is the result partly of the partial restoration of the pay cut from the 1st April 1933 and partly of increased demands for stamps anticipated from local Governments.

BUDGET FOR 1933-34.

IRRIGATION.

	Revenue (Receipts less Working expenses).	Expenditure (including Capital expenditure charged to Revenue).	Net expenditure.
1929-30	9.96	29.98	20.02
1930-31	4.83	35.56	30.73
1931-32	12.79	21.51	8.72
1932-33 { Budget	1.86	4.32	2.46
{ Revised	1.67	5.33	3.66
1933-34 Budget	—14	4.74	4.88

34. Both the budget and revised estimates for the current year include provision for the recovery of an overpayment made to a local Government on account of pensions of officers of the Irrigation Department. The increase in the revised estimate of expenditure as compared with the current budget is due to payment of arrear pensionary charges to another local Government and to flood damages in Baluchistan.

POSTS AND TELEGRAPHS.

	Accounts, 1929-30.	Accounts, 1930-31.	Accounts, 1931-32.	- 1932-33.		Budget, 1933-34.
				Budget.	Revised.	
INDIAN POSTS AND TELE- GRAPHS DEPARTMENT.						
GROSS RECEIPTS	11,29.49	10,77.86	10,64.60	11,50.78	10,56.88	10,81.84
WORKING EXPENSES—						
India	11,18.65	11,27.52	10,71.41	10,63.04	10,11.35	10,42.46
England	7.45	7.61	9.49	8.70	11.02	8.47
Exchange . . . . .	.06	.10	.04	..	— .04	..
TOTAL	11,26.16	11,35.23	10,80.94	10,71.74	10,22.23	10,50.93
NET RECEIPTS	3.33	—57.37	—16.84	78.99	83.65	30.41

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	Accounts, 1929-30.	Accounts, 1930-31.	Accounts, 1931-32.	1932-33.		Budget, 1933-34.
				Budget.	Revised.	
INDIAN POSTS AND TELE- GRAPHS DEPARTMENT—contd.						
EXPENDITURE CHARGED TO REVENUE—						
Interest	65.78	76.13	77.51	95.18	81.38	87.61
NET REVENUE	-62.45	-1,33.49	-93.85	-16.19	-47.73	-57.20
CAPITAL OUTLAY CHARGED TO REVENUE—						
India	11.67	13.06	10.82	6.07	6.68	3.61
England . . . . .	..	..	..	..	..	..
Exchange . . . . .	..	..	..	..	..	..
TOTAL	11.67	13.06	10.82	6.07	6.68	3.61
CAPITAL OUTLAY NOT CHARGED TO REVENUE—						
India	28.25	53.62	29.50	23.15	19.66	15.80
England	5.78	.88	.45	..	..	..
Exchange . . . . .	.05	.01	..	..	..	..
TOTAL	34.08	54.51	29.95	23.15	19.66	15.80
INDO-EUROPEAN TELEGRAPH DEPARTMENT.						
GROSS RECEIPTS—						
India	11.81	9.47	..	..	..	..
England	14.02	11.92	..	..	..	..
Exchange . . . . .	.13	.16	..	..	..	..
TOTAL	25.96	21.55	..	..	..	..
WORKING EXPENSES—						
India	28.02	23.15	..	..	..	..
England	1.76	1.32	..	..	..	..
Exchange . . . . .	.01	.02	..	..	..	..
TOTAL	27.79	24.49	..	..	..	..
NET RECEIPTS	-1.83	-2.94	..	..	..	..
EXPENDITURE CHARGED TO REVENUE—						
Interest	5.52	6.09	..	..	..	..
NET REVENUE	-7.35	-9.03	..	..	..	..
CAPITAL OUTLAY CHARGED TO REVENUE—						
India	-.33	-.28	-62.95	..	..	..
England . . . . .	.04	.04	..	..	..	..
Exchange . . . . .	..	..	..	..	..	..
TOTAL	-.29	-.22	-62.95	..	..	..
CAPITAL OUTLAY NOT CHARGED TO REVENUE—						
India	-2.16	-1.07	54.65	..	..	..
England	1.14	-58.53	3.23	..	..	..
Exchange . . . . .	.01	-.59	.04	..	..	..
TOTAL	-1.01	-58.19	57.97	..	..	..

35. The Indo-European Telegraph Department as such has ceased to exist from the 1st March 1931. The figures in 1931-32 represent adjustments connected with the final winding up of the Department.

36. It was stated in the Financial Secretary's Explanatory Memorandum of last year that the Government of India had not reached a final decision in regard to one of the most important recommendations of the Posts and Telegraphs Accounts Enquiry Committee, viz., the institution of the Depreciation Fund with an initial opening balance of 8.25 crores equivalent to the amount accrued to the Depreciation Fund on the 1st April 1925. It has now been decided, with the concurrence of the Auditor General, that the following arrangements should be made in connection with the working of the Depreciation Fund of the Posts and Telegraphs Department :—

- (1) The amount at charge of capital should remain unchanged except for the alteration in the depreciated value of the block on 1st April 1925 involved in the enhancement of the effective lives of assets as recommended by the Committee ;
- (2) Contributions to the depreciation fund based on the Committee's revised "lives" should be made with effect from 1st April 1933 on the straight line method ;
- (3) The amount by which the closing balance in the fund on 31st March 1933 falls short of the balance that would have been there had the contributions from 1st April 1925 been made on the straight line method should be treated as a debt to be repaid to the fund by the department out of future profits ;
- (4) Excesses of the costs of renewals and replacements over original costs should be charged as fresh capital outlay ;
- (5) The whole cost of renewals and replacements less the amounts referred to in clause (4) should be charged to the depreciation fund.

The loss in the working of the department during the current year was estimated at 16 in the original budget. It is now anticipated that the loss will be 48, i.e., 32 more than the budget estimate. This deterioration is accounted for by a drop of nearly one crore in revenue, partly counterbalanced by reduction in expenditure. There has been a heavy falling off in the sale of letter stamps and post-cards. There has also been a larger saving from retrenchment measures than was allowed for in the original budget, besides a decrease of 14 under interest charges mainly owing to the acceptance with retrospective effect of the recommendations of the Committee referred to above.

37. The budget estimate of gross receipts for 1933-34 includes 16 on account of interest on the balance in the depreciation fund, which, with effect from next year, will be taken to revenue owing to the adoption of the straight line method for calculation of the annual provision for depreciation. If this credit is excluded the revenue for next year is almost the same as the revised estimate for the current year. The increase of 28 in the budget estimate of working expenses for 1933-34, as compared with the revised, is made up as follows :—

	Increase + Decrease —.
(1) Contribution to the Depreciation Fund on the straight line method	+22
(2) Annual increments	+15
(3) Additional provision on account of removal of the pay cut	+28
(4) Further retrenchment	—29
(5) Other items	—8
Net	<u>+28</u>

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38. The annual profit or loss in the working of the Department as shown in the accounts and estimates since it was commercialised is given below:—

	Current. Loss—	Progressive. Profit +.
1925-26	+37·03	+37·03
1926-27	+10·25	+47·28
1927-28	—26·15	+21·13
1928-29	—53·83	—32·79
1929-30	—62·45	—95·15
1930-31	—1,33·49	—2,28·64
1931-32	—93·85	—3,22·49
1932-33 (Revised)	—47·73	—3,70·22
1933-34 (Budget)	—57·20	—4,27·42

39. As a result, however, of the acceptance by Government of certain recommendations of the Posts and Telegraphs Accounts Enquiry Committee, the total progressive loss, arising out of the Commercial activities of the department, as shown in the accounts, up to the end of the year 1930-31, has been reduced by approximately Rs. 1½ crores.

INTEREST RECEIPTS.

	Accounts, 1931-32.	Budget, 1932-33.	Revised, 1932-33.	Budget, 1933-34.	
India	Interest on loans and advances	92·14	96·55	96·23	1,04·62
	Interest on advances to railway companies charged to capital	13·11	..	1·42	..
	Other items	11·98	2·90	2·17	2·21
England	Interest on temporary investment of cash balances, etc.	27·70	20·67	25·82	15·17
	Excess over £40 millions in the Gold Standard Reserve	38·85	60·00	57·32	60·00
Transfer from Gold Standard Reserve Revenue Equalisation Fund	58·00	..	..	..
Exchange	—83	..	—29	..	
TOTAL	2,40·95	1,80·12	1,82·67	1,82·00	

40. The variations in the estimates of the interest on investment of cash balances in England are due to the fact that the amount of the interest earning balance can be foreseen for a portion only of the period covered by the estimates. The fall in the Revised under the head "Excess over £40 million in the Gold Standard Reserve" is due to a fall in discount rates. An increase of 3 is expected in the estimate for 1933-34 as a result of additions in the current year to the interest earning portion of the Reserve held in England. The budget estimate of receipts in India for next year includes 3 representing interest on the value of the assets transferred to the New Delhi Municipality and treated as a loan.

BUDGET FOR 1933-34.

INTEREST PAYMENTS.

	Accounts, 1931-32.	Budget, 1932-33.	Revised, 1932-33.	Budget ^a 1933-34.
<i>Interest on Ordinary Debt—</i>				
<i>Gross payments—</i>				
India	23,66·29	25,78·36	23,08·01	22,06·82
England	20,78·77	20,16·53	20,23·83	20,27·88
Exchange	11·81	..	-7·01	..
Total	44,56·87	45,94·89	43,24·83	42,34·70
<i>Deduct—Amounts charged to—</i>				
Railways	31,75·54	32,33·43	31,60·60	31,63·29
Irrigation	12·79	2·70	2·68	2·79
Posts and Telegraphs	78·91	96·62	82·85	89·08
Other heads	24·47	24·77	25·72	27·48
Provincial Loans Fund	7,25·25	8,14·02	8,04·00	8,36·00
Total deductions	40,16·96	41,71·54	40,75·85	41,18·64
Net	4,39·91	4,23·35	2,48·98	1,16·06
<i>Interest on other Obligations—</i>				
Bonus on Post Office Cash Certificates	2,06·00	2,20·00	2,20·00	2,55·00
Post Office Savings Bank Deposits	1,08·44	1,13·55	1,18·04	1,29·49
Provident Funds	3,10·13	3,42·33	3,40·18	3,76·57
Service Funds	13·05	13·52	13·32	13·92
Fixed Deposits of Provin- cial Governments	6·51	3·50	5·72	5·22
Famine Relief Fund	15·47	15·47	12·92	10·56
Railway Reserve Fund	13·99	..	..	..
.. Depreciation Fund	79·25	85·15	76·99	73·25
Posts and Telegraphs Depre- ciation Fund	12·77	15·02	13·87	16·16
Other items	77·50	78·62	79·74	82·56
Total	8,43·11	8,87·16	8,80·78	9,62·73
Total Interest payments	12,83·02	13,10·51	11,29·76	10,78·79

Interest on Ordinary Debt.

41. Details of payments of Interest on Ordinary Debt will be found in the volume of Demands for Grants. The payments are, as usual, affected by the nature and extent of the ways and means operations, and are broadly summarised below :—

<i>India.</i>			
	Budget, 1932-33.	Revised, 1932-33.	Budget, 1933-34.
(i) Service of new rupee loan	25.00	35.47	40.00
(ii) Management of Debt	7.75	7.88	8.15
(iii) Discount on Treasury Bills—			
(a) Paper Currency Reserve	2,86.96	1,63.05	1,03.45
(b) Public	3,14.06	1,54.86	98.17
(iv) Discount and premium written off to revenue	50.85	50.85	74.68
(v) Interest on temporary loans . . . . .	..	20.00	..
(vi) Interest on all other loans	18,91.84	18,70.15	18,80.05
(vii) Other items	1.90	5.75	2.32
	25,78.36	23,08.01	22,06.82
 <i>England.</i>			
(i) Interest on War Loan liability	55.74	55.74	87.84
(ii) Interest on loans contracted in England	15,24.53	15,56.47	15,50.94
(iii) Interest on Railway annuities	2,31.66	2,31.66	2,23.99
(iv) Interest on outstanding liabilities of railway companies taken over on purchase	1,34.43	1,34.44	1,34.43
(v) Discount on issue of India Bills	56.00	..	..
(vi) Management of Debt	12.52	33.34	27.36
(vii) Other items	1.65	12.18	3.32
	20,16.53	20,23.83	20,27.88

42. The Indian estimates assume the following figures for Treasury Bill outstandings :—

	1st April 1932.	31st March 1933.	31st March 1934.
Bills outstanding with the public	47.53	28.00	20.00
Bills in the Paper Currency Reserve	49.67	35.28	35.28

43. The increase in the Budget estimate for next year in the provision for "Discount, etc., written off" is due to the addition for the first instalment of write-off in respect of the loans floated in the current year. Details of these loans are given in the section dealing with the Ways and Means operations.

44. The provision (£ 658,800) made in the next year's budget for interest on the outstanding liability in respect of the British War Loan allows for a reduction in the rate of interest to $3\frac{1}{2}$ per cent. on the basis of the recent conversion operations of His Majesty's Government and also for instalment repayment of the interest suspended during the period of the Hoover moratorium. The increase in the Revised under 'Interest on loans contracted in England' is due to interest on India 5 per cent. stock issued in June 1932, counterbalanced by savings arising from the purchase and cancellation of a portion of the issue of India 6 per cent. Bonds, 1932, in the closing weeks of 1931-32. Provision is made in 1933-34 for a full year's interest on India 5 per cent. stock and for a half year's interest on an assumed new issue of £6 million. The increase in the Revised under "Management of Debt" is due to the cost of underwriting commission paid and expenses of management of the issue of India 5 per cent. stock.

Interest on Other Obligations.

45. The decrease in Revised in the provision for interest on Railway Depreciation Fund as compared with the Budget for the current year represents a larger withdrawing of the balance to meet the deficit in the working of Railways. Interest on provident fund balances is calculated at $5\frac{1}{2}$ per cent. per annum in Revised and $5\frac{1}{2}$ per cent. in Budget. Interest on Depreciation and Reserve Fund balances is calculated at 5.53 per cent. in current year and 5.48 in next, which are the rates assumed in the estimates for the calculation of interest chargeable to commercial departments on advances for capital outlay.

46. The total net interest charges have varied as follows since 1923-24:—

Actuals, 1923-24	. . . . .	15,97
" 1924-25	. . . . .	14,60
" 1925-26	. . . . .	13,37
" 1926-27	. . . . .	11,77
" 1927-28	. . . . .	10,57
" 1928-29	. . . . .	10,20
" 1929-30	. . . . .	10,85
" 1930-31	. . . . .	11,28
" 1931-32	. . . . .	12,83
Revised, 1932-33	. . . . .	11,30
Budget, 1933-34	. . . . .	10,79

47. The following table shows the provision made from year to year in respect of the liability for bonus payments on postal cash certificates.

Year.	Balance held at close of the year on account of cash certificates.	Bonus paid or provided for from revenue.
1923-24	8,42	28
1924-25	13,12	16
1925-26	20,96	16
1926-27	26,68	16
1927-28	30,70	23
1928-29	32,30	60
1929-30	35,00	73
1930-31	38,43	2,00
1931-32	44,58	2,06
1932-33	54,58	2,20
1933-34	59,58	2,55

APPROPRIATION FOR REDUCTION OR AVOIDANCE OF DEBT.

48. Under the scheme of debt redemption adopted by the Government of India for the five years 1925-26 to 1929-30, the annual charge against the revenues of India for the purpose of making provision for the reduction or avoidance of debt consisted of—

(a) a sum of 4 crores, and

(b) such additional sum as is equal to one-eightieth of any excess shown in the total of the debt outstanding on the 31st of March of the preceding year over the total outstanding on the 31st March 1923, sterling debt being converted into rupees at Rs. 15 per £ for this purpose.

It was decided that, pending further consideration of the scheme along with the Railway Convention, provision from the year 1930-31 onwards should be made on the same lines, except that, for the purposes of (b) above, sterling debt should be converted into rupees at Rs. 13½ per £.

On this basis, the estimates for the current year and the next work out as follows:—

	(In lakhs of rupees, sterling amounts being converted at Rs. 13½ per £.)		
	31st March 1923.	31st March 1932.	31st March 1933.
Rupee Debt exclusive of Treasury Bills in the Paper Currency Reserve	3,61,42	4,79,72	4,74,91
Sterling Debt	3,23,51	4,40,42	4,43,12
Unfunded Debt	62,56	1,56,89	1,74,91
Capital value of the liabilities undergoing redemption by way of Terminable Railway Annuities	81,75	64,96	62,75
	<u>8,29,24</u>	<u>11,41,99</u>	<u>11,55,69</u>

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(In lakhs of rupees, sterling amounts being converted at Rs. 13½ per £.)

	31st March 1923.	31st March 1932.	31st March, 1933.
<i>Deduct—</i>			
Discount included above but separately provided for	7,32	16,55	13,26
Advances to Provincial Governments other than those representing pre-Reform Irrigation debt	24,89	1,01,04	1,09,54
	<u>32,21</u>	<u>1,17,59</u>	<u>1,27,80</u>
NET	7,97,03	10,24,40	10,27,89
Excess over outstanding debt on 31st March 1923		2,27,37	2,30,86
½th of above		2,84.21	2,89.57
Add—basis provision		4,00.00	4,00.00
TOTAL		<u>6,84.21</u>	<u>6,88.57</u>

49. These figures include the following specific items :—

	Revised, 1932-33.	Budget, 1933-34.
Sinking fund provision for 5 per cent. rupee loans	1,78.39	1,77.71
Capital portion of railway annuities	2,19.64	2,28.07
Railway sinking funds	28.58	26.67
Capital portion of liabilities assumed in respect of British 5 per cent. War Loan 1929-47 . . . . .	..	78.34
TOTAL	<u>4,24.61</u>	<u>5,11.29</u>

50. The sums provided from revenue on this account from year to year are indicated below :—

1923-24	3,62
1924-25	3,78
1925-26	4,97
1926-27	4,97
1927-28	5,04
1928-29	5,42
1929-30	5,74
1930-31	6,14
1931-32	6,89
1932-33	6,84
1933-34	6,88

CIVIL ADMINISTRATION.

	Revenue.	Expenditure.	Net expenditure.	
1929-30	1,16·59	12,65·91	11,49·32	
1930-31	96·87	13,33·80	12,36·93	
1931-32	94·45	12,17·55	11,23·10	
1932-33	{ Budget	90·11	9,64·93	8,74·82
	{ Revised	90·52	9,68·02	8,77·50
1933-34 Budget	82·62	9,59·22	8,76·60	

51. The increase in the revised estimate of revenue as compared with the original Budget is due to heavier fumigation receipts in consequence of the importation of a larger number of bales of American cotton partly counterbalanced by a drop in receipts under the head 'Public Health' on account of a decrease in the demand and reduction in the price of cholera vaccines.

52. As regards expenditure, the revised estimate includes a provision of 5 on account of the North-West Frontier Province for the first seventeen days of April 1932. There is a corresponding saving in the subvention to the province. The budget estimate for next year does not reflect the increase due to the partial removal of the cut in pay, because balancing savings have been made in other directions. The chief items of savings are :—

- (i) Reduction in the provision for Census 6
- (ii) Completion of non-recurring grants to the Aligarh University . 6
- (iii) Completion of the Agency buildings in the Punjab States . . . 2
- (iv) Other savings under 'Political' (including discontinuance of the payment of the annual contribution of £12,000 towards Diplomatic Services in China) 3
- (v) Reduction in the contribution towards the cost of the Assam Rifles 2
- (vi) Lesser expenditure on the fumigation of American Cotton 4
- (vii) Omission of provision for the N.-W. F. Province 5

CURRENCY AND MINT.

	Revenue.	Expenditure.	Net revenue.	
1929-30	2,73·69	74·21	1,99·48	
1930-31	1,24·30	96·96	27·34	
1931-32	1,78·62	76·09	1,02·53	
1932-33	{ Budget	3,31·17	70·02	2,61·15
	{ Revised	2,40·75	69·04	1,71·71
1933-34 Budget	1,74·68	64·19	1,10·49	

53. The estimates of revenue under this group depend largely upon the transactions connected with the securities in the Paper Currency Reserve

and are subject to wide fluctuations. The receipts on account of the profit on note circulation included in the estimates are :

	Revised, 1932-33.	Budget, 1933-34.
(i) Interest on rupee securities	17.23	16.66
(ii) Discount on treasury bills issued to the Paper Currency Reserve	1,63.05	1,03.45
(iii) Interest on loans against internal bills of exchange or on the issue of currency against Government securities purchased temporarily from the Imperial Bank of India and placed in the Reserve	11.01	8.00
	<u>1,91.29</u>	<u>1,28.11</u>

The revised estimate of revenue in the current year includes 26.65 on account of profit on circulation of nickel and bronze coin; the corresponding provision in the budget for next year is 29.70. A slight fall in the receipts on account of the Currency Note Printing Press is assumed in the budget for the next year owing to re-issue of notes.

54. The reduction in the budget estimate of expenditure is due so far as the head 'Mint' is concerned, to the decommercialisation of the department thereby obviating the necessity for any book entry on account of the rent of office and residential accommodation required for the Mint and in respect of the head "Currency" to economy and smaller provision for charges for remittance of treasure.

CIVIL WORKS.

55. The grant to the Road Fund which is included for budgetary purposes under Civil Works is shown separately.

<i>Ordinary.</i>				
	Revenue.	Expenditure.	Net expenditure.	
1929-30	22.65	1,60.40	1,37.75	
1930-31	27.15	1,84.59	1,37.44	
1931-32	24.52	1,18.77	94.25	
1932-33	Budget	26.79	80.19	53.40
	Revised	20.92	76.76	55.84
1933-34	Budget	21.55	86.92	65.37
<i>Appropriation to Road Fund.</i>				
1929-30			97.87	
1930-31			98.03	
1931-32			1,02.01	
1932-33	Budget		1,14.00	
	Revised		1,07.00	
1933-34	Budget		1,07.00	

56. The budget provision in 1933-34 for ordinary expenditure includes the following new items :—

(i) Civil department's share of the cost of regrading the Junna bridge	2.50
(ii) Roads and buildings connected with colonisation in Baluchistan	1.38
(iii) Scheme for water supply in Sibi	1.74
(iv) Construction of a bridge on the road to Sikkim . . . . .	.25

Provision has not been made for any other new major work.

MISCELLANEOUS.

	Revenue.	Expenditure.	Net expenditure.
1929-30	95.62	4,45.65	3,50.03
1930-31	95.64	4,30.07	3,34.43
1931-32	1,56.91	4,34.15	2,77.24
1932-33 { Budget	66.87	4,00.09	3,33.22
{ Revised	93.17	4,24.45	3,31.28
1933-34 Budget	57.34	4,11.76	3,54.42

57. The larger Revised Estimate of revenue compared with the Budget is due to gain by exchange partly counterbalanced by a drop in Stationery and Printing receipts. No similar credit on account of gain by exchange has been taken in the Budget for next year as the estimate has, as usual, been framed on the basis of 1s. 6d. the rupee.

58. The increase in the revised estimate of expenditure, as compared with the budget of the current year, represents larger payments of superannuation allowances and pensions and also provides for certain readjustments of leave salaries of Central Government officers, this increase is partly counterbalanced by a decrease in the expenditure for stationery and printing due to the exercise of economy and reduction in demands by other departments and governments. The decrease in the budget estimate for next year, as compared with the revised estimate for the current year, is due to saving under charges connected with conferences and committees.

EXTRAORDINARY ITEMS.

	Accounts, 1931-32.	1932-33.		Budget, 1933-34.
		Budget.	Revised.	
Receipts—				
India	13.81	1.08	1.76	..
England	7.58	22.83	.03	..
Exchange . . . . .	.09	..	..	..
TOTAL	21.48	23.91	1.79	..
Payments—				
India	2.86	19.86	11.63	6.30
England . . . . .	.12	2.24	4.00	2.44
Exchange . . . . .	..	..	-.01	..
TOTAL	2.98	22.10	15.62	8.74

59. The budget estimate for the current year assumed the resumption of German payments on reparation account at the end of the moratorium in July 1932. It is not now considered safe to count on such receipts. The small Indian credits in the revised arise from the final closing of the Austrian Liquidation account.

60. The payments mainly represent charges incurred on retrenched personnel.

MISCELLANEOUS ADJUSTMENTS BETWEEN CENTRAL AND PROVINCIAL GOVERNMENTS.

1932-33	{ Budget	. . . . .	1,02-00
	{ Revised	. . . . .	96-35
1933-34	Budget	. . . . .	1,00-00

61. With effect from the 18th April 1932, the North-West Frontier Province has been made into a Governor's Province and an annual subvention of 1,00-00 will be given to the Province to cover the revenue deficit. This will remain operative for three years, or until the new constitution for India is inaugurated, whichever is earlier.

62. The figure of 1,02 shown as budget of the current year is made up of

(1)	Revenue under heads classified as provincial under N.-W. F. P. Devolution Rules but credited to the Central Government during the first seventeen days of April 1932	2
(2)	Expenditure incurred by the Central Government during the same period under heads classified as provincial with effect from 18th April 1932	18
(3)	Balance of annual assignment to make up recurring subvention of Rs. 1 crore	82

The actual receipts and expenditure under various heads during this period have been accounted for as central revenue and expenditure under the major heads concerned, and the total of these receipts and disbursements amount to a net payment of 5-79 by the Central Government. The balance of 94-21 is therefore provided for under this head in the revised estimate so as to make up the total subvention of Rs. 1 crore. The remaining of 2-14 in the revised is for reimbursement to the Government of Bengal of the pensionary charges of the Bengal Pilot Service.

WAYS AND MEANS.

HOME TREASURY.

63. The bulk of the payments made in England on account of the Government of India consist of expenditure chargeable to the Indian revenues and has normally to be met by direct remittance of funds from India. The capital outlay on the construction of railways, however, sometimes necessitates borrowing and a large portion of the money required has, when necessary, 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, further swell the receipts and charges of the Home Treasury without affecting ordinarily the general ways and means programme. Recoveries are also effected by the Secretary of State against drawings of the Iraq administration on India. These recoveries represent, in effect, remittances from India to finance the Home Treasury and reduce the amount of direct remittances which would otherwise be necessary.

64. The following is a summary of the estimated transactions of the Home Treasury :—

(In millions of £.)

	Budget, 1932-33.	Revised, 1932-33.	Budget, 1933-34.
RECEIPTS.			
1. Discount on loans raised in previous years brought to account as debt incurred	·30	·32	·32
2. Remittances between England and India—			
(a) Recoveries on account of drawings by Iraq administration on India	·60	·16	·60
(b) Other transactions	·48	·29	·42
3. Deposits and Advances	·12	·52	—·30
Total Receipts, excluding direct remittances and loans	1·50	1·29	1·04
DISBURSEMENTS.			
4. Excess of Expenditure of the Central Government over Revenue	26·30	26·33	26·68
5. Disbursements on behalf of Provincial Governments	2·81	2·70	2·41
6. Capital Expenditure not charged to Revenue—			
(a) Outlay on State Railways	1·13	·38	·97
(b) Other items	·01	·02	·01
7. Discharge of Permanent Debt	7·86	9·63	6·43
Total Disbursements	38·11	39·06	36·50
NET DISBURSEMENTS	36·61	37·77	35·46
Remittances from India (net)	24·50	25·79	21·00
New Loan (less discount)	6·00	9·50	6·00
Reduction (+) or increase (—) of cash balance	+6·11	+2·48	+8·46
Opening Balance	11·04	15·86	13·38
Closing Balance	4·93	13·38	4·92

BUDGET FOR 1933-34.

65. Item 2 (a) has already been explained in paragraph 63. Normally, item 2 (b) relating to 'Other transactions' is almost entirely made up of recoveries from the Governments of Hong-Kong, the Straits Settlements and Malaya in respect of opium supplied from India under agreement, the other indirect remittances to and from practically balancing one another.

66. The amount shown under the head 'Discharge of Permanent Debt' includes the provision for railway sinking funds and the capital portion of railway annuities. These payments are made out of the provision for reduction or avoidance of debt—*vide* paragraph 49.

67. The remittance programme, as estimated, is as follows :—

(In millions of £.)

	Revised, 1932-33.	Budget, 1933-34.
Purchase of Sterling	38.83	21.00
Sterling taken over in London	.71	..
Transfers through Gold Standard Reserve	-13.75	..
	<u>25.79</u>	<u>21.00</u>

The programme for next year is only illustrative. The actual amount of remittance must, like the form, necessarily depend upon circumstances.

68. The sterling debt incurred in 1932-33 is as follows :—

Month of issue	Form of issue.	Nominal amount.	Issue price per cent.	Cash received.
		£		£
April 1932	5 per cent. Stock, 1942-47	10,000,000	95	9,500,000

INDIA.

69. The following is a summary of the estimates of ways and means in India during 1932-33 and 1933-34 :—

(In crores of rupees.)

	Budget, 1932-33.	Revised, 1932-33.	Budget, 1933-34.
RECEIPTS			
1. Excess of Revenue of the Central Government over Expenditure charged to Revenue	37.22	37.27	35.82
2. Unfunded Debt incurred—			
(a) Post Office Cash Certificates (net)	5.00	10.00	5.00
(b) Savings Bank deposits (net)	6.55	7.87	8.20
3. Appropriation for reduction or avoidance of debt	6.82	6.84	6.88
4. Railway Reserve and Railway and Posts and Telegraphs Depreciation Funds	.90	— .85	.42
5. Post Office Cash Certificate Bonus Fund	..	1.10	1.35
6. Miscellaneous Deposits and Remittances (net)	— .43	1.46	1.15
TOTAL RECEIPTS	56.06	63.69	58.82

	Budget, 1932-33.	Revised, 1932-33.	Budget, 1933-34.
DISBURSEMENTS.			
7. Capital Expenditure not charged to Revenue—			
(a) State Railways	2·65	·30	2·00
(b) Posts and Telegraphs	·23	·20	·16
(c) Other items	1·26	1·29	1·06
8. Permanent Debt discharged (net)	16·49	57·07	28·95
9. Floating Debt discharged (net)	7·51	43·42	8·00
10. Loss on revaluation, sale, transfer, etc., of assets of the Paper Currency Reserve (net) . . . . .	..	4·68	..
11. Loans by the Central Government—			
(a) To Provincial Loans Fund	11·65	8·15	3·91
(b) Other Loans	·26	·76	·72
12. Remittances between England and India—			
(a) Remittances from India for financing Home Treasury	32·67	34·39	28·00
(b) Drawings by the Iraq administration recoverable in England	·80	·22	·80
(c) Other transactions (net).	·63	·39	·59
13. Balances of Provincial Governments	—4·77	—6·11	—2·76
TOTAL DISBURSEMENTS	69·38	1·44·76	71·43
NET DISBURSEMENTS	13·32	81·07	12·61
New Loan	14·50	80·11	12·00
Reduction (+) or increase (—) of cash balance	—1·18	+·96	+·61
Opening Balance	10·19	12·69	11·73
Closing Balance	11·37	11·73	11·12

70. There were four Rupee loans floated in the current year. They consisted of a 5½ per cent. 1938-40 loan issued at Rs. 98 per cent.; a 5 per cent. 1940-43 loan issued at Rs. 98 per cent.; 4 per cent. Bonds 1943 issued at Rs. 98 per cent.; and 4 per cent. conversion loan, 1960-70. The results of these loans are given below; the figures regarding the conversion loan represent only estimates :—

	(In lakhs of rupees.)			
	5½ per cent. Loan, 1938-40.	5 per cent. Loan, 1940-43.	4 per cent. Bonds, 1943.	4 per cent. Conversion Loan, 1960-70.
Subscriptions in cash	13,70	4,81	..	..
Subscriptions in Treasury Bills	1,81	..	14,97	..
Subscriptions in the form of 5 per cent. 1933 Bonds . . . . .	..	10,42	..	5,00
Subscriptions in the form of 6 per cent. Bonds, 1933-36 . . . . .	..	9,95	..	8,00
Subscriptions in the form of 6 per cent. Bonds, 1932	3,63	..	..	..
Subscriptions in the form of 1929-47 loan . . . . .	..	..	..	9,00
Total	19,14	25,18	14,97	22,00

BUDGET FOR 1933-34.

71. The amount of the new loan estimated for next year has been shown separately at 12 crores.

72. The balance of treasury bills have been taken in the estimates as follows :—

	(In crores of rupees.)		
	31st March 1932.	31st March 1933.	31st March 1934.
With the public . . .	47.53	28.00	20.00
In the Paper Currency Reserve . . .	49.67	35.28	35.28

73. The figures relating to India's debt have been given in Appendix II. The balance of total interest-bearing obligations not covered by interest-yielding assets, cash and bullion on the 31st March 1933 shows a decrease of 7 crores as compared with the balance on the 31st March 1932.

J. B. TAYLOR.

The 28th February 1933.

The 5th April 1933.

APPENDIX I.

Memorandum on the Defence Estimates for 1933-34.

One of the recommendations of the Army Retrenchment Sub-Committee was that the estimates of receipts and expenditure should be reduced in bulk and simplified. The process of simplification is limited by the necessity of presenting the estimates in a form in which they will be useful to the administration and informative to the public. In preparing the estimates for 1933-34 an endeavour has been made to find a suitable means which will satisfy as far as possible the two requirements. The estimates are now described as the "Defence" estimates, as it appeared that the term "military" estimates tended to obscure the fact that they covered expenditure on the Royal Air Force and the Royal Indian Marine as well as on the Army; and what has hitherto been known as the Military Reserve Fund is now termed the Defence Reserve Fund. Effect has been given to a specific recommendation of the Retrenchment Sub-Committee that the estimate for Military Engineer Services should be abolished as a separate head; the main heads of account are now "Defence Services—Effective", "Defence Services—Non-effective" and "Defence Reserve Fund". Other alterations are of a minor character.

2. These changes of form involve no substantial change in the system of accounting. The Defence estimates and accounts continue to be on a cash basis.

3. The following table indicates the course of expenditure on the Defence Forces (the Army in India, the Royal Air Force in India and the Royal Indian Marine) during the past five years and the estimated expenditure in the current and impending financial years :—

	Crores of Rs.
1927-28	54.79
1928-29	55.10
1929-30	55.10
1930-31	54.30
1931-32	51.76
1932-33 (revised estimate)	46.74
1933-34 (budget estimate)	46.20

4. In the years immediately succeeding the beginning of 1923 a large reduction of expenditure had been enforced under pressure from the Inchcape Committee. There was a substantial decrease in the numerical strength of the Forces, but a quite disproportionately greater reduction in the provision for maintaining the reduced Forces. In other words that balance between fighting strength and maintenance services which is essential to produce an efficient Force was impaired. In 1927-28 the effects of this policy came to a head and the Government of India found themselves in a dilemma. On the one hand the equipment of the Defence Forces had fallen, and was progressively falling, below modern standards: it was estimated that a special outlay of about 10 crores, over and above the cost of maintenance, would be required within the next few years to put the Forces into a condition in which they could be regarded as up to date Forces in terms of the policy accepted

by Government and endorsed by the Legislative Assembly. On the other hand, on general financial grounds the Government could not contemplate an increase of Defence expenditure. An escape from this dilemma was eventually found in the "stabilisation" of the Defence budget. From the military point of view the essential features of the stabilisation arrangement were—

(a) that a fixed sum (55 crores) was to be placed at the disposal of His Excellency the Commander-in-Chief in 1928-29 and in each of the three following financial years; and

(b) that during this period of four years the military authorities should carry out a special economy 'drive', calling upon all officers to co-operate in eliminating every possible form of unnecessary expenditure, and that they should be allowed to retain all savings on the estimates, whether automatic or secured by the special measures of economy, to be applied to working off the special 10 crore re-equipment programme. The grant of this permission involved the establishment of the Military Reserve Fund through which savings in one year could be carried forward for expenditure in a subsequent year, where such a course was considered to be convenient and economical.

5. The stabilisation of the Defence budget lasted in its entirety for the two years 1928-29 and 1929-30 only. Thereafter the effects of the general economic depression on the finances of India compelled a revision of the arrangement, involving a departure from both the principles described in the preceding paragraph. The standard budget figure has been progressively reduced as shown in the table above until expenditure now stands at a point nearly 9 crores below the level of 1929-30, and it was also found necessary to call upon His Excellency the Commander-in-Chief to surrender savings which, under the stabilisation arrangement, he would have applied towards the carrying out of the 10 crore re-equipment programme. These savings were either surrendered outright to Government or were applied to meet special expenditure which was not contemplated when the standard figure of 55 crores was adopted. The most important items of extraordinary expenditure in the three financial years from 1930-31 to 1932-33 have been operations against the tribes on the North-West Frontier, the suppression of the Burma rebellion, the establishment of an additional garrison in Bengal, and the cost of movements of troops which have from time to time been necessary for dealing with the Civil Disobedience movement. The cost of these special operations is estimated at little less than two crores of rupees in the three years. In each of the three years this extra and unforeseen expenditure has been met within the budget allotment for the year. This was made possible only by equally unforeseen windfalls; the most important of which has been the unprecedented fall in commodity prices. Had it not been for these windfalls, it would either have been necessary for Government to make additional grants or the re-equipment programme would have fallen into even greater arrears than has actually been the case.

6. The purpose of adopting the stabilised budget system for Defence expenditure was two-fold :—

(a) to provide, without increasing the annual budget, the funds required to finance the 10 crore re-equipment programme; and

(b) to secure, at the end of the period of stabilisation, a permanent reduction in the level of the standing charges required to maintain the Forces.

It is of interest to note how far these two objects have been achieved in spite of the radical alterations in the stabilisation arrangement which the present financial crisis has inevitably enforced on a system based on conditions prevailing in 1927-28.

7. As regards the re-equipment programme, it was impossible in the current year's budget to do more than provide a comparatively small sum required to complete schemes in progress which could not economically be postponed. However, taking together the years from 1928-29 to 1931-32, it was found possible in that period to make allotments within the annual budgets up to an aggregate amount of 7 crores towards the 10 crore programme.

8. As regards the reduction in standing charges, it is necessary to distinguish between the savings secured by the economy campaign which was an essential feature of the stabilisation arrangement and the savings secured by the emergency retrenchment campaign which was started in 1931-32. The following table exhibits for each of the four years from 1928-29 to 1931-32 the total amount of the budget allotment and the amount provided within that allotment to cover the standing charges :—

	Total budget (in crores).	Standing charges (in crores).
1928-29	55.10	53.94
1929-30	55.10	52.66
1930-31	54.35	52.54
1931-32	52.00	50.37

It will be seen that in the course of the four years the expenditure on standing charges fell by more than 3½ crores. This fall was due partly to automatic causes and partly to deliberate economies. In round figures the reduction may be allocated as follows :—

	Crores of Rs.
to the fall in commodity prices	1.00
to the turnover of British other ranks from the old rates of pay to the reduced rates fixed in 1925	.80
to the economy campaign	1.70
Total	3.50

Up to 1931-32, therefore, it will be seen that substantial success had been achieved in working to the two main objects of the stabilisation system.

9. In 1931-32 the financial crisis led to a still more intensive campaign of economy and retrenchment. In this campaign the military authorities worked in close collaboration with the Army Retrenchment Sub-Committee and as a result of their joint efforts His Excellency the Commander-in-Chief was able to accept for 1932-33 a budget allotment of 46.74 crores. The search for economies did not cease with the acceptance of the 1932-33 budget. Previous lines of retrenchment were further worked out and new schemes

were taken in hand with the result that by December 1932 His Excellency the Commander-in-Chief was able to report that in view of the continuance of the financial crisis he could again accept for 1933-34 a budget allotment not exceeding 46·74 crores even if the 10 per cent. cut in pay were restored from April 1933 at a cost of 105 lakhs.

10. The figure of 46·74 crores represents a reduction of 7·20 crores from the expenditure on obligatory standing charges in 1928-29, viz., 53·94 crores. It cannot be claimed, however, that the figure of 46·74 represents as yet a new permanent level of standing charges. As noted in paragraph 8 the figures of reduction of expenditure include an automatic saving of about a crore of rupees due to the fall in commodity prices below the level of 1928-29 : so that if prices rise again towards that level, so will the Defence budget automatically rise. Moreover, certain of the retrenchment measures which have been put into force have the effect of reducing current expenditure on stores by diminishing the quantities held in stock. This process obviously cannot be continuous and when surpluses have been consumed current expenditure is bound to rise again. Finally, part of the reduction has been secured by postponement of building and other programmes : in fact, the standing charges budget for 1933-34 covers only the bare necessities of maintenance. Commitments of this kind cannot be indefinitely postponed, for experience has shown that the accumulation of commitments is merely laying up trouble for the future.

11. But even after allowing for these factors the reduction in the standing charges is sufficiently remarkable and it justifies the claim of the military authorities that, in spite of the inability of Government to give full effect to the stabilisation arrangement, it has been so worked as to produce a very substantial measure of success in both the directions hoped for, namely, the clearing of the commitments represented by the 10 crore re-equipment programme and the ultimate reduction of the cost of maintenance of the Forces.

12. The history of the financial administration of the Defence Services in recent years is set out at some length in the preceding paragraphs because it has a direct bearing on the fixation of the amount required to finance those Services in 1933-34. As the general financial situation is still grave, His Excellency the Commander-in-Chief has been asked to accept another emergency budget, i.e., an allotment sufficient only to cover the bare cost of maintenance. On that basis His Excellency was, as stated, in a position last December to report that he could carry on with an allotment not exceeding the current year's figure of 46·74 crores, even if the 10 per cent. pay cut were restored at a cost of 105 lakhs. The acceptance of that position has been made possible by the development of economy schemes already in force and by the adoption of new measures of retrenchment. These new retrenchment measures are estimated to produce a saving in 1933-34 of 70 lakhs. They include a reorganisation of Pioneers and Engineer units (14 lakhs), a reorganisation of the Auxiliary Force (15 lakhs) and a further revision of stocks of military stores (21 lakhs).

13. As finally worked out on the basis that the pay cut would cease to be operative from April 1933 the net budget estimate for 1933-34 stood at 46·72½ crores. As a result of the decision to re-impose a pay cut at 5 per cent. the estimate is reduced by 52½ lakhs : the final net estimate is thus 46·20 crores. This figure includes provision for the extra expenditure involved in the maintenance of the additional garrison in Bengal and for the expansion of the Indian Military Academy to cope with the increased number of cadets to be trained in the second year of its existence.

14. It is estimated that at the end of the current financial year there will be in the Military Reserve Fund a free balance of about 110 lakhs of rupees, representing the accumulated balance of underspendings on the budgetary provisions in the previous years since 1928-29. As has been stated in an earlier paragraph, the 10 crore re-equipment programme, which under the original arrangement it was hoped to complete in the period of four years from 1928-29 onwards, has inevitably been retarded; the total amount which it has so far been possible to devote to this purpose is 7½ crores, leaving a balance of 2½ crores still to be found. His Excellency the Commander-in-Chief has represented that the delay in completing the programme is having a serious effect on the preparedness of the Forces for war. In present circumstances it is impossible to find the whole of the money required, but it is intended to apply the 110 lakhs of rupees in the Military Reserve Fund towards working off during the next two years the most urgent of the remaining deficiencies. Quite apart from the question of military necessity, it is very desirable from the general point of view that these arrear commitments should be worked off as far as possible before the new constitution comes into being, so that the expenditure on defence under the new régime may from the outset be on the basis of actual cost of maintenance with a moderate allowance for normal renewals and replacements.

15. A detailed statement showing the effect of the recommendations of the Army Retrenchment Sub-Committee and the more recent measures of economy introduced under the orders of His Excellency the Commander-in-Chief has been prepared by the Army Department and forms part of the budget papers furnished to the members of the Legislature.

16. A statement is appended to this Memorandum showing by major heads the actual expenditure recorded in 1931-32, the budget and revised estimates for 1932-33 and the budget estimate for 1933-34. The causes of variation are explained generally in this Memorandum and are described in detail against each head in the volume of detailed estimates.

17. If Hon'ble Members desire any further information on the details of the Defence Estimates, they are invited to obtain it by personal request to the Financial Adviser, Military Finance.

A. MACLEOD,
Financial Adviser, Military Finance.

NEW DELHI,

The 28th February, 1933.

	Actuals, 1931-32.	Budget, 1932-33.	Revised, 1932-33.	Budget, 1933-34.
EXPENDITURE.				
48.—Defence Services—Effective.	Rs.	Rs.	Rs.	Rs.
1. Fighting Services	18,41,79,760	17,55,48,000	17,37,67,000	17,04,15,000
2. Administrative Services	6,99,27,586	6,52,58,000	6,41,10,000	6,54,37,000
3. Manufacturing Establishments (including stores).	2,83,23,498	2,73,24,000	2,51,58,000	2,43,15,000
4. Army Headquarters, Staff of Commands, etc.	2,07,21,110	1,90,01,000	1,87,69,000	1,97,50,000
5. Purchase and sale of stores, Equipment and Animals (other than those purchased direct by manufacturing establishments, M. E. S., R. A. F. and R. I. M.)	4,32,32,929	4,22,84,000	4,10,55,000	4,15,18,000
6. Special Services	23,28,810	9,000	4,10,000	8,000
7. Transportation, Conservancy, Hot Weather establishments and Miscellaneous	3,00,80,711	3,13,17,000	2,88,81,000	2,87,70,000
8. Military Engineer Services (including stores)	4,60,96,780	3,32,57,000	3,90,40,000	3,68,75,000
9. Auxiliary and Territorial Forces	98,13,686	84,36,000	78,00,000	68,39,000
10. Royal Air Force (including stores)	2,05,53,515	1,56,60,000	1,56,05,000	1,57,12,000
11. Royal Indian Marine (including stores)	62,47,085	58,00,000	58,75,000	70,19,000
Total	46,15,05,470	42,38,97,000	42,07,70,000	41,96,58,000
49.—Defence Services—Non-Effective.				
1. Army	8,57,92,134	8,40,57,000	8,38,71,000	8,42,54,000
2. Royal Air Force	3,10,319	2,97,000	3,26,000	3,42,000
3. Royal Indian Marine	9,43,407	9,45,000	9,11,000	9,13,000
Total	8,70,45,860	8,52,99,000	8,51,08,000	8,55,09,000
50.—Defence Reserve Fund	1,03,22,890	..	..	..
Total Expenditure	55,89,74,220	50,91,96,000	50,58,78,000	50,51,67,000

BUDGET FOR 1933-34.

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	Actuals, 1931-32.	Budget, 1932-33.	Revised, 1932-33.	Budget, 1933-34.
<i>Receipts.</i>	Rs.	Rs.	Rs.	Rs.
XXXVI.—Defence Services— Effective	3,18,17,007	3,02,17,000	2,99,89,000	3,16,89,000
XXXVII.—Defence Services— Non-Effective	91,57,213	77,88,000	78,67,000	53,38,000
XXXVIII.—Defence Reserve Fund . . . . .	.. . . .	37,91,000	6,22,000	61,40,000
Total Receipts	4,12,74,220	4,17,96,000	3,84,78,000	4,31,67,000
Net Expenditure	51,76,00,000	46,71,00,000	46,74,00,000	46,20,00,000

APPENDIX II.

Statement showing the interest-bearing obligations of the Government of India, outstanding at the close of each financial year.

	31st March 1923.	31st March 1924.	31st March 1925.	31st March 1926.	31st March 1927.	31st March 1928.	31st March 1929.	31st March 1930.	31st March 1931.	31st March 1932.	31st March 1933.
INTEREST-BEARING OBLIGATIONS.	(In crores of rupees.)										
<i>India—</i>											
Loans (a)	339.83	358.81	370.38	368.29	374.44	372.25	390.73	405.11	417.24	422.60	440.91
Treasury Bills in the hands of the public	21.59	2.12	..	..	..	7.59	4.00	36.04	55.38	47.53	28.00
Treasury Bills in the Paper Currency Reserve	49.65	49.65	49.65	49.65	41.47	31.94	39.15	29.22	5.89	49.67	35.23
Ways and Means Advance . . . . .	..	..	..	..	..	..	..	..	..	9.50	..
Other Obligations—											
Post Office Savings Banks	23.20	24.79	25.64	27.23	29.51	32.67	34.49	37.13	37.03	39.20	42.55
Cash Certificates	3.13	3.42	13.12	20.96	26.68	30.70	32.30	35.00	33.43	44.53	54.53
Provident Funds, etc.	36.17	39.00	42.39	46.30	51.02	55.82	60.52	65.41	70.33	73.04	76.55
Depreciation and Reserve Funds . . . . .	..	..	9.08	15.45	20.10	25.48	31.09	30.18	21.39	17.65	16.85
Provincial Balances (b)	2.86	4.17	4.83	11.87	10.49	10.48	10.43	10.21	6.09	4.32	4.66
Total Loans, etc.	411.07	410.58	420.03	417.94	415.91	411.78	433.83	470.37	478.51	529.39	510.19
Total Other Obligations	65.36	76.38	95.06	121.87	137.80	155.15	168.83	177.93	173.27	177.79	195.19
Total in India	476.43	486.96	515.09	539.81	553.71	566.93	602.71	648.30	651.78	707.18	705.38
<i>In England—</i>	(In millions of £.)										
Loans (a)	222.92	244.53	263.39	266.35	265.09	272.32	283.31	289.03	316.81	313.60	315.62
War Contribution	19.71	19.27	18.81	18.32	17.81	17.28	16.72	16.72	16.72	16.72	16.72
Capital value of liabilities undergoing redemption by way of terminable railway annuities	61.31	60.10	58.84	57.53	56.19	54.79	53.35	51.86	50.32	48.72	47.06
India Bills . . . . .	..	..	..	..	..	..	..	6.00	4.05	..	..
Provident Funds, etc. . . . .	..04	..13	..16	..21	..27	..19	..43	2.54	..69	..80	..92
Total in England	303.98	324.03	341.20	342.41	339.36	344.58	358.81	366.15	389.59	379.84	380.32
Equivalent at 1s. 6d. to the Rupee	405.81	432.04	454.93	456.55	452.43	459.44	471.75	488.20	518.12	506.45	507.10
Total interest-bearing obligations	881.74	919.00	970.52	996.36	1,006.19	1,026.37	1,074.46	1,136.50	1,169.90	1,213.63	1,212.48
INTEREST-YIELDING ASSETS—											
Capital advanced to Railways	517.22	537.02	(d) 573.05	(f) 605.61	635.46	668.60	700.69	730.79	743.98	750.73	751.54
Capital advanced to other Commercial Departments	19.43	20.07	22.00	17.77	19.16	20.73	21.81	22.70	23.65	23.75	24.49
Capital advanced to Provinces	87.49	97.56	106.43	114.60	120.17	126.34	137.52	142.60	151.82	163.64	171.79
Capital advanced to Indian States and other interest-bearing loans	8.90	8.93	10.16	11.34	12.11	13.91	15.49	17.65	19.45	20.29	21.05
Total interest-yielding assets	633.04	663.58	716.64	749.82	786.90	829.58	875.51	913.74	938.90	958.41	969.87
Cash, bullion and securities held on Treasury account	44.80	50.47	57.35	51.96	37.48	24.26	23.34	45.36	34.03	41.43	36.92
Balance of total interest-bearing obligations not covered by above assets	203.90	204.95	196.03	194.53	181.81	172.53	170.61	177.40	196.07	213.80	205.69

(a) These figures represent the nominal amounts of loans outstanding and also include comparatively small amounts of expired loans which do not bear interest.

(b) The figures represent those portions of provincial balances which bear interest either because they form part of the old Famine Insurance Fund or the present Famine Relief Fund or because they have been placed with the Government of India on fixed deposit.

(c) Includes the liability assumed by the Secretary of State for East Indian Railway Debenture Stock, aggregating £18½ millions, on the termination of the contract with that Railway on the 1st January 1925. It therefore does not represent any increase in the foreign indebtedness of the country as a whole.

(d) Includes £7.07 crores on account of the liability referred to in (c) above.

(e) Includes the liability assumed by the Secretary of State for the Great Indian Peninsula Railway Debenture Stock, aggregating £3½ millions, on the termination of the contract with that Railway on the 1st July 1925. Vide also last sentence under (c) above.

(f) Includes 4.88 crores on account of the liability referred to in (e) above.

APPENDIX III.

Statement showing the distribution, as between voted and non-voted, of the gross expenditure of the Central Government as shown in the Budgets presented to the Legislature.

[In lakhs of rupees.]

	1932-33.				1933-34.			
	Voted.	Non-voted.	Total.	Per-centage of voted to total.	Voted.	Non-voted.	Total.	Per-centage of voted to total.
Expenditure charged to revenue	90,11	1,15,09	2,05,20	44	88,40	1,13,24	2,01,64*	44
Expenditure not charged to revenue	5,47	18	5,65	97	4,12	44	4,56	90
Total Expenditure both charged and not charged to revenue.	95,58	1,15,27	2,10,85	45	92,52	1,13,68	2,06,20	45

*These figures have been arrived at as follows :-

Expenditure as per Budget Statements	1,27,31	1,24,11
Add—Working expenses of—		
(a) Railway Department	63,50	63,64
(b) Posts and Telegraphs	10,72	10,51
(c) Irrigation	2	2
Add—Refunds	3,15	3,36
	<u>2,06,20</u>	<u>2,01,64</u>

APPENDIX IV.

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

PREFATORY NOTE.

I.—*Scope of pro formá account.*

The following *pro formá* 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.

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 for 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 the city. For practical purposes, these considerations must be ignored in the figured statements, as well as various similar points of minor pecuniary significance.

II.—*Relation between the pro formá account and the regular accounts.*

4. A brief explanation is added below connecting the various items in the *pro formá* 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.

Item 1 of
Part I of
pro forma
account.

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 "57—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 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 Central area are brought to account in the same way as in the case of other minor administrations. It will be noted that any grants which may be specially given from Central 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 heads Army and Military Engineer Services, 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 Posts and Telegraphs 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.

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 Central 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 obtain 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.]

Items 4 to 7
and I and IV
of Part I, and
Items 2 and II
to IV of
Part II of
pro forma
account.
Item I of
Part I.

11. Outlay on stores and all other expenditure incurred in England under a capital head or as a revenue charge, which can be distinguished as appertaining to the construction of Delhi or to the administration of the Delhi Province, have been included in the *pro forma* account.

12. The project estimate for the New Capital at Delhi has been closed with effect from the 1st April 1932. All further expenditure in connection with the Project will be debited to 41—Civil Works. All receipts connected with the project, which are now adjusted by deduction from the Capital head "57" will be credited to XXX—Civil Works with certain exceptions. No financial adjustment will be made in respect of the balances under Suspense Accounts which cannot be cleared by actual adjustment before the accounts for the year 1931-32 are closed. These balances will be treated as additions to the opening balances of Suspense Accounts under the head "41" for the year 1932-33.

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

PART I.—INITIAL OUTLAY.

[Figures in thousands of rupees.]

Expenditure.	Actuals to end of 1931-32.	Receipts.	Actuals to end of 1931-32.
1. DELHI PROJECT: Capital outlay on Permanent Delhi chargeable to Head "57" (for details see Statement I-A)	14,78.50	I.—Receipts on account of Central buildings vacated by the Government of India or attached offices in consequence of the move (a)	22.40
2. Temporary Delhi*	54.33		
3. Initial expenditure of non-Civil Departments:—		II.—Non-recurring receipts on account of Temporary Works	3
(a) Military services †	1,16.57		
(b) Railways ‡	1,13.28		
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	III.—Recoveries on account of land or buildings vacated in the old Cantonment of Delhi §	—
5. Cost of withdrawal to Delhi of Central offices previously located at Calcutta or elsewhere	9.50		
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	10.79	IV.—Miscellaneous items	8.46
7. Miscellaneous items ¶	18.02		
TOTAL	17,97.33	TOTAL	30.86
Net expenditure to end of 1931-32	17,66.47		

* 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 1931-32.
Acquisition of land	13.20
Cost of buildings	94.50
Establishment charges	6.81
Tools and plant	1.06
TOTAL	116.57

‡ Note 3.—The figures relate to charges for the acquisition of land and outlay on railway facilities at Nasaul Bays. They include transactions on account of Delhi New Capital Railway Works.

§ Note 4.—The expenditure shown against item 7 represents mainly the proportionate cost of the Office of the Accountant General, Central Revenues (Audit Staff, Delhi Experiments), and the cost of temporary establishments employed in the Secretariats in connection with the change of Capital.

¶ Note 5.—These heads 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 1923-23 the Government of Bengal, by moving their offices into the vacated Central buildings in Calcutta, saved Rs. 7,60,000 partly by being enabled to dispense with private accommodation previously leased, and partly by being relieved from the necessity of renting further accommodation. With effect from 1923-24 rent is being recovered from the Local Government for the occupation of the Central buildings at Calcutta and the receipts are being shown under head I.

(a) Includes Rs. 19 lakhs on account of value of premises No. 2, Kollaghat Street, sold to E. R. Railway and Rs. 20,000 on account of rent receipts.

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

PART II.—ANNUAL EXPENDITURE.

[Figures in thousands of rupees.]

Expenditure.	Actuals, 1931-32.	Receipts.	Actuals, 1931-32.
I. Expenditure of Delhi Province*	81,05	I.—Revenue of Delhi Province*	50,29
2. Miscellaneous items	...	II.—Saving under Calcutta house allowances.	29
		III.—Saving under hill journey and travelling allowances and contingencies on account of shorter move of Secretariat and attached offices †	2,50
Total expenditure	81,05	IV.—Miscellaneous items	43
Net expenditure	37,54	Total receipts	63,51

* Note 1.—The details of this item are given in Statement II-A.

† Note 2.—The figure shown against item III 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 large 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 to end of 1931-32.
A.—Pay and allowances—	
(a) Preliminary Investigation—	
(i) Gazetted Government servants*	2,04
(ii) Non-gazetted Government servants	14
(b) Public Works and Electrical officers employed on the Project—	
(i) Gazetted Government servants*	1,26,51
(ii) Non-gazetted Government servants	1,14,22
(c) Other officers employed on the Project—	
(i) Gazetted Government servants*	6,45
(ii) Non-gazetted Government servants	6,81
B.—Travelling allowances of Officers and Establishment—	
(a) Preliminary Investigation—	
(i) Gazetted Government servants*	23
(ii) Non-gazetted Government servants	2
(b) Public Works and Electrical officers employed on the Project—	
(i) Gazetted Government servants*	10,82
(ii) Non-gazetted Government servants	6,97
(c) Other officers employed on the Project—	
(i) Gazetted Government servants*	81
(ii) Non-gazetted Government servants	64
C.—Supplies, Services and Contingencies—	
(a) Preliminary investigation	51
(b) Public Works and Electrical officers employed on the Project	10,15
(c) Other officers employed on the Project	52
Total A, B and C	
	2,86,84
Deduct—Credits from other heads of accounts	88,05
Net total A, B and C (carried over)	2,00,79

*Note.—The town planners and other experts are included under this head.

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—*contd.*

[Figures in thousands of rupees.]

Items.	Actuals to end of 1931-32.
Net total A, B, C (brought forward)	2,00,79
<i>D.—Works Expenditure—</i>	
(i) Buildings—	
(a) Government House	1,81,67
(b) Secretariats	1,84,85
(c) Other buildings	2,93,99
(d) Legislative Chambers	88,97
(ii) Communications	32,73
(iii) Miscellaneous Public Improvements	22,53
(iv) Electric Light and Power	69,00
(v) Irrigation	42,81
(vi) Sanitation including water supply, drainage and sewage	1,24,76
(vii) Purchase of tools and plant	95,21
(viii) Stock and Suspense	23,86
(ix) Miscellaneous items	93,88
(x) Maintenance during construction	96,95
(xi) Railway diversion	13,79
<i>E.—Acquisition of land.</i>	31,36
<i>F.—Other Miscellaneous expenditure</i>	1,93
<i>G.—Minus Unallotted Reserve</i>	
<i>Deduct—Receipts on Capital Account</i>	1,23,64
TOTAL	14,78,50

Appendix V.

COMMERCIAL AND FINANCIAL STATISTICS.

Appen
COMMERCIAL AND

	1924-25.	1925-26.	1926-27.	1927-28.
	Rs.	Rs.	Rs.	Rs.
Recorded revenue compared with recorded expenditure excluding capital expenditure not charged to Revenue—				
Surplus	5,68,25,698	3,31,18,167	..	..
Deficit . . . . .	..	..	..	..
Capital Expenditure on Railways and Irrigation works not charged to Revenue.	13,46,94,254	19,23,53,255	27,22,07,907	32,48,48,928
Capital charge involved in the purchase of Railways.	..	3,42,73,880	..	..
Capital outlay on the Posts and Telegraphs Department not charged to Revenue.	1,17,55,821	2,23,54,139	32,59,130	46,97,947
Capital outlay on Light-houses and Light-ships.	..	..	..	..
Capital outlay on Vizagapatam Port and Security Printing not charged to Revenue.	..	81,16,871	48,33,320	19,28,440
Payments to Retrenched personnel	..	..	..	..
Initial Expenditure on New Capital at Delhi.	1,42,18,868	99,06,184	61,63,117	46,57,732
Commuted value of pensions not charged to Revenue.	..	..	28,85,222	44,26,219
Currency Capital outlay	..	..	8,66,401	12,94,577
Outlay on Bombay Land Scheme	..	..	..	20,74,500
Net Public Debt Incurred	1,61,62,96,682	1,43,68,828	4,86,34,295	+ 2,44,27,984
Value of commodities exported, excluding Gold and Silver.	4,00,24,80,000	3,86,81,20,000	3,11,05,00,000	3,30,26,40,000
Value of commodities imported excluding Gold and Silver.	2,53,86,40,000	2,36,00,10,000	2,40,81,80,000	2,61,52,40,000
Excess of Exports over Imports, excluding Gold and Silver.	1,46,87,90,000	1,50,81,10,000	70,23,20,000	68,74,00,000
Net Imports of Gold	73,92,80,000	34,85,50,000	19,40,00,000	18,10,00,000
Net Imports of Silver	20,07,40,000	17,12,40,000	19,86,80,000	18,83,80,000
TOTAL NET IMPORTS OF GOLD AND SILVER.	94,00,00,000	51,97,90,000	39,26,80,000	31,93,80,000
Excess of Exports over Imports including Gold and Silver.	52,87,90,000	98,83,20,000	80,96,40,000	36,80,40,000
Net Imports of Currency Notes*	3,00,000	(b)—83,00,000	5,20,000	(b)—17,70,000
Excess of Exports over Imports including Gold, Silver and Currency Notes.†	52,84,90,000	99,16,20,000	80,91,20,000	36,98,10,000
Council Bills and Purchase of sterling. (a)	40,770,162	46,816,500	2,115,000	28,325,000
Rupee Equivalent thereof	55,38,97,524	61,23,87,323	2,81,70,083	37,77,80,264
Sterling obtained in England.	..	..	..	..
Rupee Equivalent thereof	..	..	1,425,000	..
Sale of Sterling . . . . .	..	..	1,92,67,606	..
Rupee Equivalent thereof	..	..	50,49,4 6	10,15,928
Silver coined at the Indian Mints	33,25,394	30,73,478	..	..

* Recorded from

† Represents net

(a) Includes remittances of the

(b) Net

BUDGET FOR 1933-34.

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FINANCIAL STATISTICS.

1928-29.	1929-30.	1930-3	1931-32.	1932-33, Revised.	1933-34, Budget.
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
51,54,002	26,83,598	11,58,44,974	11,74,73,277	2,16,80,000	41,61,000
25,56,12,112	30,18,89,476	13,21,14,612	6,75,72,209	81,28,000	3,30,00,000
3,99,30,876	..	..	..	..	..
53,33,185	33,07,339	-3,67,995	87,91,876	19,66,000	15,80,000
..	12,821	12,821	..	..	..
24,47,840	35,97,772	42,74,927	32,66,376	54,04,000	48,69,000
..	..	..	1,45,487	12,41,000	1,27,000
36,64,623	72,72,239	49,26,555	14,60,663	..	..
36,09,034	38,08,683	42,65,721	42,31,943	65,78,000	60,65,000
3,37,014	63,632	1,35,474	-5,848	1,000	-78,000
+31,64,15,740	+50,50,22,284	+40,33,17,953	+39,55,86,853	-18,93,67,000	-25,09,55,000
3,39,15,10,000	3,18,99,00,000	2,26,50,20,000	1,61,20,20,000	1,36,13,31,542	..
2,63,39,80,000	2,49,70,70,000	1,73,06,30,000	1,30,64,30,000	1,35,06,19,569	..
75,75,30,000	69,28,30,000	53,43,96,000	39,55,90,000	1,07,11,673	..
21,20,00,000	14,22,10,000	12,75,30,000	(b)-57,98,30,000	(b)-65,62,27,956	..
9,77,00,000	8,62,10,000	10,87,90,000	(b)-42,20,000	(b)-2,01,30,951	..
30,97,00,000	22,84,20,000	22,83,10,000	(b)-53,40,50,000	(b)-67,53,58,907	..
44,78,30,000	45,44,10,000	30,60,80,000	83,96,40,000	68,60,70,580	..
(b)-2,90,000	(b)-15,30,000	3,10,000	(b)-25,60,000	(c)-13,43,433	..
44,81,20,000	46,59,40,000	30,57,70,000	89,22,00,000	68,74,14,013	..
30,810,000	15,215,000	5,895,000	40,349,000	38,826,000	21,000,000
41,02,18,228	20,39,11,720	7,25,74,925	53,43,41,044	51,76,80,000	28,00,00,000
..	..	..	..	7,14,975	..
..	..	..	..	95,33,000	..
..	..	5,733,628	14,047,804	..	..
..	..	7,74,56,907	18,97,75,066	..	..
52,66,573	1,90,000	18,23,532	..	..	..

April 1922.
 exports of gold.
 Currency Department.
 exports.

COMMERCIAL AND

	1924-25.	1925-26.	1926-27.	1927-28.
Maximum price in pence of an oz. troy standard Silver in London.	36 1/16 (9th Oct.).	33 7/16 (5th Sept.).	30 1/2 (5th May).	27 (6th Dec.)
Minimum price in pence of an oz. troy standard Silver in London.	31 1/2 (29th Dec.).	30 1/2 (19th and 22nd Mar.).	24 1/2 (20th Oct.).	24 1/2 (8th, 11th and 22nd Aug.).
Average Exchange per rupee upon Secretary of State's Bills sold and sterling purchased.	1s. 6'02d.	1s. 6'15d.	1s. 6'02d.	1s. 5'997d.
Average of the daily telegraphic transfer rates from Calcutta on London.	1s. 5'51d.	1s. 6'08d.	1s. 5'902d.	1s. 5'93d.
Rate of Exchange for the adjustment of transactions between the Indian and Imperial Governments.	1s. 4 1/2d., 1s. 5d., 1s. 5 1/2d., 1s. 6 1/2d. and 1s. 6d.	1s. 6d., 1s. 6 1/2d.	1s. 5 1/2d., 1s. 6d. and 1s. 6 1/2d.	1s. 6d.
Maximum rate of discount on loans on demand at the Imperial Bank of India.	9 (1st to 9th Apr.).	7 (1st Apr. to 20th May).	7 (10th Feb. to 31st Mar.).	7 (1st Apr. to 1st June, 22nd Dec to 31st Mar.).
Minimum rate of discount on loans on demand at the Imperial Bank of India.	4 (31st July to 20th Aug.).	4 (3rd July to 27th Sept.).	4 (10th June to 31st Dec.).	4 (28th July to 7th Sept.).
Maximum rate of discount at the Bank of England.	5 (5th to 31st Mar.).	5 (1st Apr. to 4th Aug. and 3rd Dec. to 31st Mar.).	5 (throughout the year.)	5 (1st to 20th Apr.).
Minimum rate of discount at the Bank of England.	4 (1st Apr. to 4th Mar.).	4 (2nd Oct. to 2nd Dec.).	..	4 1/2
Maximum Government balance at the Imperial Bank of India. Rs.	32,18,07,000 (31st July).	28,96,31,000 (29th May).	36,41,13,000 (July).	19,97,33,000 (1st Apr.).
Minimum Government balance at the Imperial Bank of India. Rs.	7,42,62,000 (31st Dec.).	4,29,57,000 (11th Dec.).	3,85,92,000 (17th Dec.).	3,05,09,000 (7th Oct.).
Maximum price in Calcutta of 5 per cent. War Loan, 1929-47.	94-14	97-4	102-6	101-11
Minimum price in Calcutta of 5 per cent. War Loan, 1929-47.	92-14	94-13	99-14	100-4
Maximum price in Calcutta of 5 per cent. income-tax free loan, 1945-55.	99-8	101-7	110-4	108-13
Minimum price in Calcutta of 5 per cent. income-tax free loan, 1945-55.	97	98-13	104-9	105-13
Maximum price in Calcutta of Government 3 1/2 per cent. Rupee Securities.	68-6 (10th July).	73-8 (27th Mar.).	79-1 (15th Dec.).	79-5 (29th Apr.).
Minimum price in Calcutta of Government 3 1/2 per cent. Rupee Securities.	63-4 (18th Sept.).	67-10 (5th May)	74-6 (1st Apr.).	74-6 (9th Dec.).
Maximum price in Calcutta of 3 per cent. Rupee Securities.	58-10 (10th July).	63-14 (25th Mar.).	67-14 (15th to 21st Dec.).	67-14 (29 Apr.).
Minimum price in Calcutta of 3 per cent. Rupee Securities.	53-8 (18th Sept.).	57-15 (15th to 18th May)	63-8 (1st and 6th Apr.).	63-14 (8th Dec.).

FINANCIAL STATISTICS—*contd.*

1928-29.	1929-30.	1930-31.	1931-32.	1932-33, Revised.	1933-34, Budget.
28½ (21st May).	25½ (2nd and 11th Apr.).	19½ (23rd April)	21, 2 (10th and 14th Nov.).	18 ¹⁵ / ₁₆ (11th August)	
25, ⁹ / ₈ (16th Feb.).	18, ⁴ / ₆ (6th Mar.).	12½ (6th Feb.)	12½ (27th May).	15½ (13th April)	
1s. 6'02d.	1s. 5'709d.	1s. 5'841d.	1s. 6'123d.	1s.—6'159d.	
1s. 5'97d.	1s. 5'85d.	1 s. 5.78d.	1s. 5'91d.	1s.—6 ¹ / ₁₆ .	
1s. 6d.	1s. 6d.	1s. 6d.	1s. 6d.	1s. 6d.	
8 (14th Feb. to 31st Mar.).	8 (1st to 10th Apr.).	7 (1st and 2nd April and; 15th Jan. to 31st Mar.).	8 (22nd Septr. to 13th January).	6 (1st April to 27th April 1932).	
5 (19th July to 14th Nov.).	5 (6th June to 9th Oct.)	5 (10th July to 19th Nov.).	6 (28th May to 5th August and 25th February to 31st March).	8½ (from 16th February 1933).	
5½ (7th Feb. to 31st Mar.).	6½ (26th Sept. to 30th Oct.).	3½ (in April).	6 (21st Septr. to 17th Feb.).	3½ (from 1st April to 20th April 1932).	
4½ (1st Apr. to 6th Feb.).	3½ (from 20th Mar.).	3 (from 1st May).	2½ (14th May to 22nd July).	2 (from 30th June 1932)	
17,20,73,000 (24th Aug.).	20,85,73,000 (23th June).	23,70,44,000 (29th Aug.).	21,26,89,000 (31st July).	20,08,62,000 (29th July).	
3,71,10,000 (6th Apr.).	5,88,61,000 (7th June).	6,94,35,000 (26th Dec.).	6,35,46,000 (4th Dec.).	5,64,00,000 (18th Nov. 1932).	
100—8	99—4	95—9	94—14	102—7	
99—2	94—12	94—3	79—0	89—12	
106—11	103—12	101—9	101—11	112—2	
103—4	100	99—4	88—8	98—6	
75—10 (21st and 22nd June).	72—5 (10th May).	68—14 (1st and 2nd April).	63—0 (1st—7th April).	83—7	
71—14 (27th Feb. and 1st Mar.).	63—15 (19th Feb.).	61—5 (2nd Mar.).	51—7 (7th Jan.).	60—8	
64—12 (2nd to 5th Apr., 10th Apr., 14th to 25th June).	61—15 (10th May).	59—1 (1st and 2nd April).	54 (1st—7th April).	71—8	
60—13 (19th to 21st Mar.).	64—13 (19th Feb.).	52—9 (2nd Mar.).	44—1 (7th Jan.).	51—14	

COMMERCIAL AND

	1924-25.	1925-26.	1926-27.	1927-28.
Maximum amount outstanding on London Register of Rupee Securities enforced for Interest Drafts Rs.	10,20,98,000 (Apr.)	9,48,86,000 (Apr.)	8,59,21,000 (Oct.)	8,73,51,000 (Dec.)
Minimum amount outstanding on London Register of Rupee Securities enforced for Interest Drafts Rs.	9,69,38,000 (Mar.)	8,41,90,000 (Mar.)	8,19,29,000 (Sept.)	1,09,28,000 (Nov.)
Maximum price in London of 3½ per cent. Rupee Securities in 2	49½	54½	57½	58
Minimum price in London of 3½ per cent. Rupee Securities in 2	45	49½	54½	55½
Maximum price in London of India 3½ per cent. Stock.	69½	69½	74½	78½
Minimum price in London of India 3½ per cent. Stock.	63	63½	67½	68
Maximum price in London of India 3 per cent. Stock.	59½	59½	63½	63½
Minimum price in London of India 3 per cent. Stock.	54	54½	57½	59
Maximum price in London of India 2½ per cent. Stock.	49½	49½	52½	52
Minimum price in London of India 2½ per cent. Stock.	45	46½	48½	46
Maximum price in London of 5½ per cent. Stock, 1932.	103½	108	104	108½
Minimum price in London of 5½ per cent. Stock, 1932.	100	99½	101	100½
Maximum price in London of 6 per cent. Stock, 1932-33.	..	..	..	..
Minimum price in London of 6 per cent. Stock, 1932-33.	..	..	..	..
Maximum price in London of 6 per cent. Stock, 1933-34.	..	..	..	..
Minimum price in London of 6 per cent. Stock, 1933-34.	..	..	..	..
Maximum price in London of 6 per cent. Stock, 1933-35.	..	..	..	..
Minimum price in London of 6 per cent. Stock, 1933-35.	..	..	..	..
Maximum price in London of 6 per cent. Stock, 1935-37.	..	..	..	..
Minimum price in London of 6 per cent. Stock, 1935-37.	..	..	..	..
Maximum price in London of 5½ per cent. Stock, 1936-38.	..	..	..	..
Minimum price in London of 5½ per cent. Stock, 1936-38.	..	..	..	..
Maximum price in London of 4½ per cent. Stock, 1950-55.	89½	91½	93½	94½
Minimum price in London of 4½ per cent. Stock, 1950-55.	85½	85½	88½	89½
Maximum price in London of 4½ per cent. Stock, 1953-68.	..	..	..	..
Minimum price in London of 4½ per cent. Stock, 1953-68.	..	..	..	..
Maximum price in London of 5 per cent. stock, 1942-47	..	..	..	..
Minimum price in London of 5 per cent. stock 1942-47.	..	..	..	..
Maximum Government Paper Currency outstanding. Rs.	1,84,19,40,000 (Mar.)	1,93,34,10,000 (Mar.)	2,01,09,29,000 (Sept.)	1,56,28,22,000 (Jan.)
Minimum Government Paper Currency outstanding. Rs.	1,71,26,07,000 (June)	1,73,23,07,000 (May)	1,80,03,24,000 (Feb.)	1,69,68,18,000 (June)
Number of Post Office Savings Banks.	10,727	11,162	11,994	12,326
Number of accounts in Post Office Savings Banks.	2,164,478	2,317,890	2,518,142	2,606,071
Amount deposited in Savings Banks Rs.	25,68,94,907	27,28,14,764	29,50,89,541	32,66,63,188
Average of each deposit . . . Ra.	118.45	117.50	117.19	125.84
Net addition to deposits . . . Rs.	85,11,737	1,59,19,857	2,27,74,777	3,15,75,647

BUDGET FOR 1933-34.

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FINANCIAL STATISTICS—*concl.*

1928-29.	1929-30.	1930-31.	1931-32.	1932-33, Revised.	1933-34. Budget.
9,08,98,000 (July).	8,71,22,000 (Apr.).	8,54,29,000 (May).	8,33,45,000 (April).	8,38,39,000 (April.)	
9,23,92,000 (June).	8,41,97,000 (March).	8,34,03,000 (March).	8,24,70,000 (Jan.).	8,20,07,000 (Oct.)	
56	53	40½	45½	63	
52½	47	44½	37	44½	
72½	70	68½	65	93½	
66½	55½	55½	41	49½	
62½	60	59½	55½	82	
56½	47	47	34	42½	
52½	50½	49	46	60½	
48½	40½	40½	29½	36	
102½	102	103½	101½	..	
100½	96	96	95	..	
..	..	104 13/16	102½	..	
..	..	99 9/16	90	..	
..	..	(a) ..	(a) 101½	105 ²⁹ / ₃₂	
..	..	..	87	(a) 93½	
..	..	105½	102 7/16	104½	
..	..	99 5/16	87	91½	
..	..	103½	102 15/16	109	
..	..	101	87	88½	
..	..	..	97½	108½	
..	..	..	77	84½	
95½	91½	90	87½	109½	
89½	73	73	55	67½	
95	91½	89½	86 9/16	110½	
87	77	77	54½	67½	
..	..	..	..	112½	
..	..	..	..	95½	
1,92,47,31,000 (Feb.).	1,87,70,73,000 (June).	1,74,14,84,000 (April)	1,82,31,76,000 (February).	1,75,91,48,000 (October)	
1,77,15,84,000 (June).	1,77,23,06,000 (Mar.).	1,66,63,56,000 (Feb.).	1,46,22,59,000 (September).	1,87,83,20,000 (May)	
12,422	12,768	12,846	12,880		
2,020,832	2,304,904	2,477,613	2,401,527		
34,49,07,680	37,13,13,370	37,02,59,875	38,20,33,085		
170'67	161'10	149'44	159'08		
1,82,39,492	2,64,06,690	-10,53,495	1,17,73,210		

(a) According to calendar year.