

EAST INDIA. ACCOUNTS AND ESTIMATES, 1889-90.

EXPLANATORY MEMORANDUM

BY THE

UNDER SECRETARY OF STATE FOR INDIA.

Presented to both Houses of Parliament by Command of Her Majesty.



LONDON:
 PRINTED FOR HER MAJESTY'S STATIONERY OFFICE,
 BY EYRE AND SPOTTISWOODE,
 PRINTERS TO THE QUEEN'S MOST EXCELLENT MAJESTY.

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 ADAM AND CHARLES BLACK, 6, NORTH BRIDGE, EDINBURGH; or
 HODGES, FIGGIS, & Co., 104, GRAFTON STREET, DUBLIN.

1889.

[C.—5774.] Price 5½d.

Memorandum by the Under Secretary of State for India, relating to the Accounts of the Government of India for 1887-88, and the Estimates for 1888-89 and 1889-90.

[*Note.*—With the view of marking clearly the distinction between Pounds sterling and Tens of Rupees, the notation of £ for the former and Rx for the latter has been adopted in the Accounts and Estimates.]

The following are the documents laid or to be laid before Parliament this year, in respect of the Financial Position of India :—

Finance and Revenue Accounts of the Government of India for 1887-88 (on which the formal Resolution to be submitted to the Committee will be based).

Home Accounts of the Government of India: Account for 1887-88, with Estimate for 1888-89, &c. (No. 141 of 1889).

Estimate of the Revenue and Expenditure of the Government of India for 1888-89, compared with the Results of 1887-88 (No. 145 of 1889).

Returns of Loans raised in India and in England (Nos. 378 of 1888, and 30, 102, and 214 of 1889).

Indian Financial Statement for 1888-89 (No. 123 of 1889), with which are included the Proceedings of the Council of the Governor General thereon.

Statement of the Trade of British India from 1883-84 to 1887-88 [C.—5680.]

The Administration Report on the Railways in India for 1888-89 will be presented to Parliament when received from India.

The statement exhibiting the Moral and Material Progress and Condition of India during 1887-88 and the Statistical Abstract relating to British India from 1878-79 to 1887-88 are in course of preparation.

REVENUE AND EXPENDITURE.

The Gross Revenue and Expenditure of the Government of India for the three years are as follows :—

Gross Revenue and Expenditure.	Account, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.
Revenue - - - - -	Rx 78,759,744	Rx 81,585,500	Rx 82,935,300
Expenditure chargeable thereon - - -	80,788,576	81,787,200	82,829,000
Surplus - - - - -	—	—	106,300
or <i>Deficit</i> - - - - -	2,028,832	201,700	—

Apart from other considerations, the Revenue and Expenditure of the country are continually increasing through the opening of additional railways and canals; and, therefore, a clearer view of the financial condition may be gathered by a reference to the net Revenue and Expenditure (in the form given at page 62 of the Financial Statement*); the net Revenue being the amount received from the principal sources, after deducting the cost of collection, &c., and the net Expenditure being the charges of the various departments, after deducting the receipts of those departments. The following are the net figures :—

Net Revenue and Expenditure.	Actual Account, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.
Net Revenue - - - - -	Rx 45,342,843	Rx 46,559,700	Rx 47,213,800
Net Expenditure - - - - -	47,371,675	46,761,400	47,107,500
Surplus +, or <i>Deficit</i> —, including cost of Special Defence Works - - - - -	—2,028,832	—201,700	+106,300
Do. do. excluding do. do. - - - - -	—1,572,815	+616,600	+1,209,200

The following is a more detailed explanation of the foregoing figures.

* See page 50 of the Appendix to this Memorandum.

Actual Account, 1887-88.

Net Revenue and Expenditure.	Budget, Estimate, March 1887.	Revised Estimate, as published in March 1888.	Modification of the Revised Estimate, as explained to the House of Commons on August 9, 1888.	Account.
Net Revenue - - - -	Rx 44,478,100	Rx 44,944,200	Rx 45,309,200	Rx 45,342,843
Net Expenditure - - - -	44,461,400	47,960,900	47,270,000	47,371,675
Surplus + - - - -	+16,700	—	—	—
or Deficit—	—	-3,016,700	-1,960,800	-2,028,832

It was explained in September 1887 that the expenditure of 1887-88 had been enhanced by three special causes; the following are the sums which the Accounts show to be attributable thereto:—

- (1.) The conversion of the India Four into Three-and-a-half per cent. Stock, while eventually saving 266,300*l.* annually, had the immediate effect of bringing into the year 1887-88 a payment of Rx 1,091,236.
- (2.) The extension of the military operations in Burma, and the gratuity to the troops engaged there, added Rx 830,000.
- (3.) The determination to include in the Expenditure of the year the cost of the Special Defence Works on the coast and the north-west frontier added Rx 456,017.

Apart from these three causes, the net expenditure, as shown in the Account, was Rx 44,994,422, or Rx 348,412 less than the net revenue, the variations from the Budget Estimate having resulted in an increase of the net revenue by Rx 864,743, and of the net expenditure by Rx 533,022, giving a net improvement of Rx 331,721.

The increase of the net Revenue arose thus:—

Land Revenue	- - Rx +430,410	Increase of Revenue, chiefly in Madras and Bombay, Rx 251,692; reduction of Expenditure, especially in the North-West Provinces, Rx 178,718.
Opium	- - - - -296,042	Reduction of Revenue Rx 377,838, the average selling price in Calcutta being only Ra. 1,059, against an estimate of Ra. 1,100, per chest, and a falling off of Rx 150,000 occurring in Bombay; reduction of charge Rx 81,796.
Salt	- - - +118,363	Increase of Revenue, particularly in Bombay, Rx 66,128; reduction of Expenditure Rx 52,235.
Stamps	- - - +175,082	Increase of Revenue, especially in Bengal, the Punjab, the North-west Provinces, and Bombay.
Excise	- - - +292,324	Increase of revenue, chiefly in Madras, Bengal, and Burma.
Provincial Rates	- - +59,315	Increase of revenue, mostly in Madras.
Customs	- - - +114,870	Increase of revenue, principally at Calcutta and Bombay.
Other heads	- - - +71,784	
	<u>+966,106</u>	
Assignments and compensations	101,363	Increased charge, especially in grants of alienated revenue in Bombay.
Total increase of net Revenue:		
Imperial	- 337,640	} +864,743
Provincial	- 527,103	

The increase in the net Expenditure, apart from the special causes above-mentioned, occurred in the following manner:—

Interest	Rx -89,547	Reduction of net charge in India Rx 122,528, owing mainly to a large amount being left undrawn; reduction in England 66,766L., chiefly in consequence of large receipts; increase in exchange Rx 99,747.
Telegraph	-149,559	Mainly from increased receipts.
Mint	-78,168	Increased receipts.
Marine	-215,382	Mainly from reduction of Expenditure, owing to no torpedo boats being supplied during the year.
Other Civil Departments	-160,586	Less Expenditure than had been expected, especially under Law and Justice in Upper Burma and Bombay, Police in Upper Burma and the North-West Provinces, and Education in Bombay and the Punjab.
Territorial and Political Pensions	-80,287	Reduction owing mainly to the death of the late king of Oudh, and to Maharajah Dhulip Singh not drawing his stipend.
Exchange	-379,071	Increased gain on the capital transactions of the subsidised Railway Companies, part of which in the Budget was placed in suspense, but in the Account is treated as revenue.
Railway Revenue Account	+532,986	Reduction of net earnings on State Railways Rx 209,761; net improvement on guaranteed Railways Rx 121,670; additional payment to companies for surplus profits Rx 154,622; additional charge for exchange Rx 277,277; and on other accounts Rx 12,996.
Buildings and Roads	-154,989	Reduction of charge, chiefly from the amount held in reserve for military works not being needed, Rx 102,151; increased receipts Rx 52,838.
Army	+227,519	Increase of Rx 162,620 in charge for exchange; remainder due to rise in prices for provisions and forage, and extra requirements for clothing, barracks, and medical supplies.
Other heads	-55,090	
Total Reduction of net Expenditure:		
Imperial	-5,919	
Provincial	603,088	
	-597,169	

But the improvement in the balances of the Provincial Governments, by reason of the before-mentioned increase of their part of the net Revenue by Rx 527,103, and reduction of their net Expenditure by Rx 603,088, was

1,130,191

Consequently the net Expenditure charged on the Revenue was increased by

533,022

And, deducting this from the increase of Rx 864,743 in the net Revenue, the position of the Imperial Government was improved by

331,721

The position of the several Provincial Governments was better than the estimate to the following extent:—Bengal, Rx 259,593; Bombay, Rx 200,254; Madras, Rx 189,331; North West Provinces, Rx 116,906; Punjab, Rx 105,700; Central Provinces, Rx 105,126; Burma, Rx 94,696; Assam, Rx 57,694; India General, Rx 891.

Compared with the Revised Estimate, as explained to the House of Commons on the 9th of August 1888, the Accounts show a very slight alteration; there is an increase of the net Revenue by Rx 33,643, or about .075 per cent., and of the net Expenditure by Rx 101,675, or .215 per cent.

Revised Estimate, 1888-89.

Net Revenue and Expenditure.		Budget Estimate.	Revised Estimate.
		Rx	Rx
Net Revenue - - - -		46,349,400	46,559,700
Net Expenditure - - - -		47,047,400	46,761,400
Deficit, including cost of Special Defence Works - - - -		-698,000	-201,700
Surplus, excluding cost of Special Defence Works - - - -		423,500	616,600

There is an increase in the net Revenue of Rx 210,300, and a reduction of the net Expenditure amounting to Rx 286,000, giving an improvement of Rx 496,300. The increase of Rx 210,300 in the net Revenue is caused by the following changes:—

Land Revenue - - - -	Rx +253,100	Increase of revenue, chiefly in Bombay, Rx 111,800; reduction of expenditure Rx 141,300.
Salt - - - -	-433,200	Reduced sales, owing to the raising of the duty, and an expectation at the close of the year that it would again be lowered.
Stamps - - - -	+96,900	Increase of revenue Rx 77,800; reduction of charge Rx 19,100.
Excise - - - -	+88,200	} Increase of revenue.
Assessed Taxes - - - -	+58,600	
Forest - - - -	+109,000	
Other heads - - - -	+37,700	
Total { Imperial - - - -	-142,600	
{ Provincial 352,900	+210,300	

The decrease of Rx 286,000 in the net Expenditure may be thus explained:—

Post Office - - - -	Rx -61,700	Reduction of charge Rx 11,900; increase of receipts Rx 49,800.
Telegraph - - - -	-48,100	Reduction of charge Rx 14,700; increase of receipts Rx 33,400.
Civil Departments - - - -	-116,800	Chiefly under Marine, Law and Justice, and Police.
Stationery and Printing - - - -	-78,800	Reduction of expenditure.
Exchange on Remittance Transactions - - - -	-536,800	Owing to the capital expenditure of the Subsidised Railway Companies having been much larger than was estimated, and to the rate of exchange being considerably lower than the rates fixed in the contracts with those Companies for the adjustment of their capital transactions.
Railway Revenue Account - - - -	+150,000	Increase of expenditure Rx 393,300, of which Rx 269,800 occurred in exchange; increase of receipts Rx 243,300.
Civil Works - - - -	-251,500	Reduction of expenditure Rx 221,600; increase of receipts Rx 29,900.
Army - - - -	+348,100	Charge of Rx 142,500, 210,000, and 35,000 respectively, for the Black Mountain, Sikkim, and Lushai Expeditions; increase of Rx 241,500 in exchange, including pay of British troops; reduction of expenditure otherwise Rx 226,500; increased receipts Rx 54,400.
Special Defence Works - - - -	-303,200	Reduction of expenditure.
Other heads - - - -	-73,900	

Total reduction of net Expenditure :
 Imperial - 638,900 }
 Provincial - 333,800 } -972,700

But the improvement in the balances of the Provincial Governments, by reason of the above-mentioned increase of their part of the net Revenue by Rx 352,900, and reduction of the net Expenditure by Rx 333,800, was

686,700

Consequently, the reduction of the net Expenditure charged on the Revenue, was - 286,000

And, adding this to the increase of Rx 210,300 in the net Revenue, the position of the Imperial Government is improved by - 496,300

The position of the Provincial Governments was better than had been estimated to the following extent:—Bombay, Rx 171,100; Madras, Rx 136,900; North-west Provinces, Rx 132,100; Central Provinces, Rx 92,000; Punjab, Rx 81,600; Bengal, Rx 47,700; and Assam, Rx 30,200; while India General was worse by Rx. 3,500, and Burma by Rx 1,400.

Budget Estimate, 1889-90.

Net Revenue and Expenditure.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.
	Rx	Rx
Net Revenue	46,559,700	47,213,800
Net Expenditure	46,761,400	47,107,500
Surplus +, or Deficit -, including cost of Special Defence Works	-201,700	+106,300
Surplus, excluding cost of Special Defence Works	616,600	1,209,200

There is an estimated increase of Rx 654,100 in the net Revenue, and of Rx 346,100 in the net Expenditure, so that it is anticipated that the position will be improved by Rx 308,000.

This improvement is expected to occur in the following manner :—

Net Revenue.		Remarks.
Land Revenue	Rx 102,900	Increase in Burma Rx 185,000, and North-West Provinces Rx 87,200; decrease in Madras Rx 69,700, and Bombay Rx 58,900; increase in other Provinces Rx 45,800; increase of expenditure Rx 86,500.
Salt	326,600	Increase of revenue in Madras Rx 157,600, Burma Rx 101,500, Bombay Rx 57,500, and elsewhere Rx 36,400; increase of expenditure Rx 26,400.
Provincial Rates	247,100	Almost entirely in the North-West Provinces, where the patwari cess has been re-imposed.
Other heads	39,100	Increase under Stamps Rx 46,800, and Customs Rx 25,300; reduction under Forests Rx 44,600; increase under other heads Rx 11,600.
	715,700	
Assignments and Compensations	61,600	Increased charge in Bombay, owing mainly to payment of arrears.
Increase of net revenue:		
Imperial	1,172,200	} 654,100
Provincial	518,100	
	Net Expenditure.	
Interest	Rx -238,000	Reduction of expenditure Rx 342,600, principally owing to the cessation of the abnormal payments connected with the conversion of the India 4 per cent. Stock, and to the reduction of interest consequent thereon; reduction of receipts Rx 104,600, those in 1888-89 having been exceptionally large.
Police	+176,200	Increase in Burma Rx 107,900, in Bengal Rx 26,300, in Madras Rx 17,300, and in other Provinces Rx 24,700.
Exchange	+424,500	Diminution of receipts, owing to the capital transactions of the Subsidised Railway Companies being much reduced.
Railway Revenue Account	-238,300	Increase of receipts Rx 1,258,500, and of expenditure Rx 1,020,200, of which Rx 314,000 is in each case due to the treatment of the Oudh and Rohilkhund Railway as a State line.
Buildings and Roads	+138,200	Increase on Military Works, Rx 43,000 and on Civil Works Rx 95,200.
Army	+634,800	Increase for mobilisation of an Army Corps Rx 203,500, and for additional pay to British troops, owing to fall in Exchange, Rx 130,000; reduction in cost of special operations Rx 277,500, the provision in the Budget for the Sikkim and Lushai Expeditions being Rx 110,000; increase of other charges in India Rx 217,000; increased expenditure in England, for stores 144,400l., for non-effective charges 68,400l., and on other accounts 16,700l.; increased exchange on expenditure Rx 106,700; reduction of receipts Rx 31,600.
Special Defence Works	+284,600	Increase for stores in England 129,400l., for exchange Rx 60,200, and for expenditure in India and at Aden Rx 95,000.
Other heads	+8,000	
Total increase of net Expenditure:		
Imperial	864,200	} +1,190,000
Provincial	325,800	
But there is a reduction in the balances of the Provincial Governments, in consequence of the above-mentioned diminution of their portion of the net Revenue by Rx 518,100, and increase of their net expenditure by Rx 325,800, amounting to	843,900	} So that the increase in the net Expenditure charged on the Revenue becomes
	346,100	

Compared with the position at the beginning of the year, Bombay is expected to be worse by Rx 209,900, the Central Provinces by Rx 141,200, Madras by Rx 139,500, the Punjab by Rx 64,300, and other Provinces by Rx 85,900. On the other hand, in 1888-89 their position was improved by Rx 203,100. The reduction of balance is largely due to the special contributions made by the Local Governments, amounting to Rx 740,000, of which Rx 200,000 is obtained from the patwari cess in the North-West Provinces, and the remainder is thus made up: Madras Rx 175,000, Bombay Rx 175,000, Bengal Rx 100,000, Burma Rx 50,000, Central Provinces Rx 30,000, and Assam Rx 10,000.

And, consequently, the Improvement in the position of the

Principal Changes in the last Three Years.

As 1887-88 was an exceptional year, the position in the Budget for 1889-90 can be better compared with the Accounts for 1886-87.

Net Revenue and Expenditure.	Accounts, 1886-87.	Budget Estimate, 1889-90.	Increase.
Net Revenue - - -	Rx 44,735,900	Rx 47,213,800	Rx 2,477,900
„ Expenditure - - -	44,557,500	47,107,500	2,550,000
Surplus, including cost of Special Defence Works - - - }	178,400	106,300	Result worse 72,100
Surplus, excluding cost of Special Defence Works - - - }	504,100	1,209,200	better 705,100

Of the increase in the net Revenue, Rx 1,394,900 derived from the Salt duty, Rx 120,000 from the duty on imports of petroleum, and Rx 46,600 from assessed taxes in Burma, may be attributed to additional taxation, and the remainder to better administration or to the improved condition of the people. The following are the variations in the net Revenue and Expenditure:—

Net Revenue.

Land Revenue, better - - - - -	Rx +169,100
Opium, worse - - - - -	-318,300
Salt, better - - - - -	+1,394,900
Stamps, better - - - - -	+220,600
Excise, better - - - - -	+326,200
Provincial Rates, better - - - - -	+247,600
Customs, better - - - - -	+148,400
Assessed Taxes, better - - - - -	+192,800
Other Heads, better - - - - -	+96,600
	<u>+2,477,900</u>

Net Expenditure.

Exchange on Expenditure in England, more - - - - -	+1,626,000
Increased pay of British Troops, owing to fall in Exchange - - - - -	+356,000
	<u>+1,982,000</u>
Gain by Exchange on capital transactions of Railway Companies, owing to fall in value of silver since their contracts were made, &c. - - - - -	-553,600
	<u>+1,428,400</u>
Net increased charge for Exchange - - - - -	Rx
Net Expenditure in India:	Rx
Upper Burma: Army, less - - - - -	-917,800
Police, more - - - - -	+504,300
Other, more - - - - -	+376,100
Army (apart from Burma and increase in pay of troops owing to Exchange), more - - - - -	+1,076,500
Special Defence Works, more - - - - -	+421,900
Railways: improved Revenue Account - reduction in allotment of Revenue for construction - - - - -	-186,000 -372,900
Other, reduced - - - - -	-576,200
	<u>+325,900</u>
Expenditure in England:	£
Army: non-effective, more - - - - -	+277,700
Stores, more - - - - -	+205,100
Railways: interest and annuities, more - - - - -	+319,600
Other, reduced - - - - -	-6,700
	<u>+795,700</u>
	<u>+2,550,000</u>

Upper Burma.

The following is a statement of the net Expenditure and Revenue on account of Upper Burma:—

	1886-87.	1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.
<i>Net Expenditure.</i>				
	Rx	Rx	Rx	Rx
Police - - -	343,800	690,400	764,400	848,100
General Administration - - -	26,300	29,800	25,300	24,600
Law and Justice - - -	26,500	50,400	67,800	77,100
Medical - - -	7,000	20,400	14,200	21,200
Political (including pensions) - - -	33,700	27,500	27,300	29,300
Other Civil Charges - - -	2,700	4,200	84,200	30,100*
Railway Revenue Account - - -	—	—	5,800	77,800†
Irrigation Works - - -	13,800	12,600	21,500	20,000
Buildings and Roads : Military - - -	73,900	314,300	162,500	147,600
Civil - - -	169,400	338,900	305,900	301,700
Extra Army Charges - - -	1,517,800	1,475,300	640,000	600,000
	2,214,900	2,963,800	2,118,900	2,177,500
<i>Net Revenue.</i>				
Land Revenue - - -	125,500	291,700	308,200	329,100
Excise - - -	6,700	29,100	37,900	59,800
Forests - - -	10,600	17,600	79,000	100,000
Tributes - - -	—	1,700	25,000	43,400
Other Heads - - -	3,400	5,400	15,300	19,900
	146,200	345,500	465,400	552,200
Net Charge - - -	2,068,700	2,618,300	1,653,500	1,625,300

* Excluding Local net receipts, Rx 3,400.

† Including interest on Railway capital, Rx 85,800.

Exchange.

The following Table shows the amount of the net sterling expenditure in England in recent years, the average rate at which the remittances from India have been effected, the amount under the head of Exchange involved in that sterling expenditure, the further charge or gain in India on the remittance account, the additional estimated payment to the British soldiers arising from the fall in exchange, and the total charge on the revenues on account of Exchange.

Years.	Net Sterling Expenditure.	Average Rate at which Remittances were effected.	Exchange on Net Sterling Expenditure.	Exchange in India on Remittance Accounts.	Additional Payment to European Soldiers on account of Exchange (approximate).	Total Charge for Exchange.
	£	d.	Rx	Rx (+ more, - less)	Rx	Rx
1881-82 - - -	14,043,000	19·895	2,897,000	+ 91,000	—	2,988,000
1882-83 - - -	13,800,000	19·525	3,166,000	+ 65,000	—	3,231,000
1883-84 - - -	14,770,000	19·536	3,375,000	- 61,000	46,000	3,360,000
1884-85 - - -	13,844,000	19·308	3,364,000	- 12,000	184,000	3,536,000
1885-86 - - -	13,756,000	18·254	4,330,000	- 264,000	224,000	4,290,000
1886-87 - - -	14,172,000	17·441	5,330,000	+ 26,000	276,000	5,632,000
1887-88 - - -	15,128,000	16·898	6,357,000	- 745,000	437,000	6,049,000
Revised Estimate, 1888-89 - - -	14,714,000	16·379	6,842,000	- 952,000	502,000	6,392,000
Budget, 1889-90 - - -	14,956,000	16·380	6,954,000	- 527,000	632,000	7,059,000

Home Charges.

The following is an analysis of the net Expenditure in England charged on the Revenues of the year, with the Exchange added:—

Net Expenditure.	1887-88.			1888-89.			Budget, 1889-90.		
	Sterling.	Ex-change.	Equivalent of Sterling Payments.	Sterling.	Ex-change.	Equivalent of Sterling Payments.	Sterling.	Ex-change.	Equivalent of Sterling Payments.
Interest and Management of Debt (excluding Interest charged in Railway Revenue Account)	£ 3,357,197	Rx 1,410,727	Rx 4,767,924	£ 2,567,400	Rx 1,193,800	Rx 3,761,200	£ 2,436,000	Rx 1,132,700	Rx 3,568,700
Railway Revenue Account	5,399,162	2,268,780	7,667,942	5,652,400	2,628,700	8,280,700	5,603,700	2,605,700	8,209,400
Civil Administration:									
Payments on account of Departments in India, passage, outfit, &c.	17,931	7,535	25,466	21,100	9,800	30,900	16,500	7,700	24,200
Postal Subsidy	65,000	27,314	92,314	42,000	19,500	61,500	42,000	19,600	61,500
Telegraph: Red Sea Company's Annuity	18,027	7,575	25,002	18,000	8,400	24,400	18,000	8,400	26,400
" Indo-European	9,928	4,172	14,100	4,400	2,000	6,400	9,000	4,200	13,200
Public Works: Civil Engineering College	1,071	450	1,521	3,000	1,400	4,400	900	400	1,300
" Other Charges	7,414	3,115	10,529	8,400	3,900	12,300	7,000	3,300	10,300
Marine: Her Majesty's ships in Indian Seas	70,735	29,724	100,459	42,000	19,500	61,500	42,000	19,500	61,500
" Other Charges	1,975	830	2,805	1,000	500	1,500	1,500	700	2,200
Civil Service: Allowances to Candidates, Examinations, &c.	17,147	7,205	24,352	19,100	8,900	28,000	21,100	9,800	30,900
Lunatics: maintenance	4,084	1,716	5,800	4,400	2,000	6,400	4,500	2,100	6,600
Political charges: Persian Mission	10,000	4,262	14,262	10,000	4,700	14,700	10,000	4,600	14,600
" Diplomatic and Consular Establishments in China	15,000	6,303	21,303	15,000	7,000	22,000	15,000	7,000	22,000
" Pensions: territorial and political	15,749	6,618	22,367	21,200	9,900	31,100	12,600	5,900	18,500
" Other Charges	5,407	2,272	7,679	4,500	2,100	6,600	2,000	900	2,900
India Office: Salaries of Establishment	137,621	57,830	195,451	136,900	63,700	200,600	139,400	64,800	204,200
" Auditor's Department	6,324	2,657	8,981	6,500	3,000	9,500	6,600	3,100	9,700
" Store Department	27,052	11,368	38,420	25,200	11,700	36,900	26,100	12,100	38,200
" Stationery, postage, telegrams, and other charges	24,377	10,243	34,620	25,400	11,800	37,200	25,800	12,000	37,800
Army: Effective: Home Charges of British Forces serving in India	661,239	277,859	939,098	700,000	325,500	1,025,500	715,000	332,500	1,047,500
" Troop Service and Transport	205,474	85,502	288,976	198,300	92,200	290,500	201,400	93,700	295,100
" Other Charges	30,204	12,692	42,896	27,900	13,000	40,900	26,000	12,100	38,100
Special Defence Works: Establishment	289	121	410	400	200	600	300	100	400
Stores: Civil and Public Works	317,048	133,227	450,275	244,400	113,600	358,000	302,700	140,800	443,500
" Marine	69,738	29,305	99,043	54,500	25,300	79,800	43,100	20,000	63,100
" Military	647,858	272,23	920,094	537,600	260,000	797,600	681,900	317,100	999,000
" Special Defence Works	59,476	24,992	84,468	251,000	116,700	367,700	380,500	176,900	557,40
" Miscellaneous Charges	4,777	2,007	6,784	8,300	3,900	12,200	9,000	4,200	13,200
Furlough: Civil and Marine	215,560	90,580	306,140	214,000	99,500	313,500	217,000	100,900	317,900
" Military	263,520	110,734	374,254	288,000	133,900	421,900	290,000	134,300	424,300
" Telegraph	3,875	1,628	5,503	4,900	2,300	7,200	4,800	2,300	7,200
" Public Works	52,840	22,204	75,044	60,000	27,900	87,900	62,000	28,800	90,800
Non-Effective Charges: Civil and Marine	891,486	374,611	1,266,097	903,100	419,900	1,323,000	918,700	427,200	1,345,900
" Military	2,495,433	1,048,605	3,544,038	2,594,000	1,206,200	3,800,200	2,663,900	1,238,700	3,902,600
Total	15,128,018	6,356,939	21,484,957	14,714,300	6,842,000	21,556,300	14,956,100	6,954,500	21,910,600

There is a reduction in the Budget of 1889-90, as compared with 1887-88, of 921,200*l.* under Interest and Management of Debt, but an increase of 204,500*l.* on Railway Revenue Account, of 318,300*l.* for Stores, of 195,700*l.* for Non-Effective charges, and of 30,800*l.* on all other accounts; there is, therefore, a net decrease in the sterling payments of 171,900*l.*, but, nevertheless, there is an increase of Rx 597,600 for Exchange.

The Expenditure in England not charged on the Revenues of the year, according to the Accounts and Estimates, was as follows:—

Expenditure.	1887-88.			1888-89.			Budget, 1889-90.		
	Sterling.	Ex-change.	Equivalent of Sterling Payments.	Sterling.	Ex-change.	Equivalent of Sterling Payments.	Sterling.	Ex-change.	Equivalent of Sterling Payments.
Capital outlay in construction of State Railways	£ 1,109,027	Rx 468,024	Rx 1,575,051	£ 788,000	Rx 368,400	Rx 1,154,400	£ 1,273,000	Rx 591,900	Rx 1,864,900
" on Irrigation Works	6,919	2,907	9,826	4,200	2,000	6,200	—	—	—
Total	1,115,946	468,931	1,584,877	792,200	368,400	1,160,600	1,273,000	591,900	1,864,900

RAILWAYS.

The sanctioned mileage of Railways in India on the 31st of March 1889 was 17,507, of which 15,245 miles were open for traffic. The additional length opened in 1888-89 was 885 miles, of which 110 were on the Bengal-Nagpur Railway, 80 on the Mysore system, 303 on the Indian Midland, 222 on the Toungoo-Mandalay Extension, 76 on the Nizam's and Bezvada Extension, 67 on the Bhavnagar-Gondal system, and 27 on other lines. The length sanctioned during the year was 680 miles, namely, 301 on the Villupuram-Dharmaveram system, 162 on the Railway from Delhi to Kalka, 195 in the Gaekwar's, Morvi, and Rajpura Native States, and 22 miles of additions to open lines.

The Lansdowne bridge over the Indus at Sukkur was completed, and opened on the 27th of March 1889.

Including Capital Expenditure on Steam-boat Service and Suspense Account, but excluding other indirect charges, the following are the general results of working the Railways for the last three calendar years :—

	1886.	1887.	1888.
Miles open at end of year - - -	12,865	14,068	14,454
Capital outlay at end of year - Rx	165,044,110	182,879,266	193,154,381
Average cost per open mile - „	12,829	13,000	13,363
Mean mileage open for traffic - -	12,549	13,578	14,379
Number of passengers carried - -	88,436,318	95,411,779	103,156,013
Number of tons of goods carried -	19,576,365	20,195,677	22,393,202
Gross receipts - - - - Rx	18,704,536	18,468,129	19,764,475
Working expenses - - - „	8,930,983	9,103,308	9,874,347
Net receipts - - - - „	9,773,553	9,364,821	9,890,128
Percentage of net receipts on capital cost - - - -	5.92	5.32	5.12

While, however, the Railways gave in India a return of $5\frac{1}{8}$ per cent. on their capital cost, the expense of paying in England the interest at rates fixed in gold was so heavy, that the result of the Railway Revenue Account is to impose a considerable charge on the Government as shown in the following statement :—

	1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.
	Rx	Rx	Rx
Receipts - - - - -	14,533,360	15,428,000	16,686,500
Expenditure - - - - -	16,655,746	17,692,900	18,713,100
Net Charge - - - - -	2,122,386	2,264,900	2,026,600

Large as is the amount of the Net Charge in recent years, it is less than the sums included in the Railway Revenue Account for Exchange, namely :—

	Rx
Accounts, 1887-88 - - - -	2,268,780
Revised Estimate, 1888-89 - - - -	2,628,300
Budget Estimate, 1889-90 - - - -	2,605,700

IRRIGATION WORKS.

The following is the financial result of the works of Irrigation during the three years to which the statement refers :—

	1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.
	Rx	Rx	Rx
Major Works :			
Direct receipts - - -	950,961	1,060,700	1,090,100
Portion of Land Revenue due to Irrigation - - -	602,555	612,100	629,400
Total Revenue - - -	1,553,516	1,672,800	1,719,500
Working expenses - - -	677,607	719,400	691,900
Net Revenue - - -	875,909	953,400	1,027,600
Interest on Debt - - -	1,017,542	1,041,400	1,065,100
Net Charge - - -	141,633	88,000	37,500
Minor Works and Navigation : net Charge - - -	605,739	703,900	687,900
Total net Charge - - -	747,372	791,900	725,400

The direct receipts, of which nearly eight-ninths consist of rates for irrigation, are chiefly derived from the large canals in Upper India ; namely, the Ganges, Lower Ganges, Agra, and Eastern Jumna canals, in the North-West Provinces, the Bari Doab, Western Jumna, and the more recently opened Sirhind Canal, in the Punjab, and the Son canal in Bengal. Of the portion of the land revenue credited to irrigation works, about two-thirds is derived from those in the deltas of the great rivers in Madras, especially the Godavari and Kistna.

The capital outlay on the principal Works of Irrigation has been as follows :—

	To the close of 1886-87.	During 1887-88.	Estimated in	
			1888-89.	1889-90.
	Rx	Rx	Rx	Rx
Bengal : Orissa Project - - -	2,250,774	40,610	60,430	50,000
Midnapore Series - - -	826,199	135	570	3,000
Son Canal - - -	2,499,807	13,817	23,000	13,000
N.-W. Provinces : Ganges Canal - - -	2,646,877	8,845	7,638	9,554
Lower Ganges Canal - - -	2,790,460	136,442	93,084	71,063
Agra Canal - - -	832,840	4,824	4,930	3,175
Eastern Jumna Canal - - -	292,901	1,733	9,413	11,708
Punjab : Western Jumna Canal - - -	1,006,044	27,874	18,800	15,000
Bari Doab Canal - - -	1,550,753	1,710	14,200	10,000
Sirhind Canal - - -	2,124,383*	75,068	27,400	15,000
Chenab Canal - - -	172,900	77,306	56,700	50,000
Jhilam Canal - - -	—	—	—	50,000
Sirsa Branch Canal - - -	—	—	—	40,000
Madras : Godavari Delta System : - - -	1,047,135	19,422	11,829	12,000
Kistna Delta System - - -	740,096	41,306	51,584	49,000
Sangam System - - -	271,833	13,075	9,762	5,500
Kurnool Canal - - -	2,165,544	—1,066	—	—
Periyar Project - - -	—	27,099	76,700	80,000
Bombay : Mutha Storage Lake and Canal - - -	591,024	6,781	4,896	4,500
Eastern Nara Works - - -	478,685	11,375	10,545	11,000
Other Works - - -	1,482,091	35,733	11,519	24,000
	23,770,346	542,089	493,000	527,500

The chief grants in 1889-90 are for the Orissa canals and the Kistna Delta System, for the reconstruction of the Nadrai aqueduct on the Lower Ganges Canal, for the Chenab, Jhilam, and Sirsa Branch Canals in the Punjab, and for the project of conveying eastward into the Madura district, by a tunnel through the hills which at present form the watershed, the river Periyar, now flowing to the west.

* In addition to Rx 1,290,035 contributed by Native States.

TRADE.

The following is an abstract of the principal figures of the Trade returns for the three years ended 31st March 1889 :—

	1886-87.	1887-88.	1888-89.
	Rx	Rx	Rx
Imports of Private Merchandise - - - -	58,661,462	62,384,813	66,567,604
Government stores - - - -	3,115,889	2,619,799	2,870,149
Total merchandise - - - -	61,777,351	65,004,612	69,437,753
Treasure - - - -	11,053,319	13,825,856	13,844,925
Total imports - - - -	72,830,670	78,830,468	83,282,678
Exports of Indian Produce and Manufactures - - - -	84,908,995	86,370,022	92,653,000
Foreign goods (re-exports) - - - -	3,519,665	4,101,440	4,335,878
Government stores - - - -	41,457	72,193	71,361
Total merchandise - - - -	88,470,117	90,543,655	97,060,239
Treasure - - - -	1,720,516	1,604,624	1,784,382
Total exports - - - -	90,190,633	92,148,279	98,844,621

Analysis of the Imports of Merchandise.

	1886-87.	1887-88.	1888-89.
	Rx	Rx	Rx
<i>Private Merchandise.</i>			
I. Animals, living - - - -	261,223	256,104	295,300
II. Articles of food and drink :			
Liquors - - - -	1,459,773	1,487,066	1,483,472
Provisions - - - -	1,179,474	1,504,437	1,588,126
Salt - - - -	768,987	795,521	882,130
Spices - - - -	663,845	931,518	858,493
Sugar - - - -	2,080,540	2,113,517	1,790,739
Tea - - - -	324,260	260,418	317,937
Other articles - - - -	312,723	404,429	549,741
Total - - - -	6,789,602	7,497,006	7,470,638
III. Metals and their manufactures :			
Hardware, cutlery, and plated ware - - - -	865,397	1,093,939	1,102,226
Copper - - - -	1,994,009	2,001,928	563,313
Iron - - - -	1,782,990	2,447,395	2,515,181
Lead - - - -	119,773	150,409	158,863
Steel - - - -	209,862	258,811	344,589
Tin - - - -	267,878	169,278	255,545
Zinc or spelter - - - -	184,008	148,195	85,514
Brass, quicksilver, and unenumerated metals - - - -	130,578	137,067	132,009
Machinery and millwork - - - -	1,371,459	1,800,218	2,316,871
Railway plant and rolling stock (other than Government stores) - - - -	1,435,125	2,577,603	2,491,689
Total - - - -	8,361,079	10,784,843	9,965,800
IV. Chemicals, drugs, &c. :			
Chemicals - - - -	196,231	201,455	256,740
Drugs, medicines, and narcotics - - - -	495,349	439,649	569,576
Dyeing and tanning materials - - - -	261,321	381,455	420,985
Total - - - -	952,901	1,022,559	1,247,301

	1886-87.	1887-88.	1888-89.
V. Oils:	Rx	Rx	Rx
Kerosine - - - - -	1,216,607	1,216,817	1,767,727
Other kinds - - - - -	191,823	269,974	304,883
Total - - - - -	1,408,430	1,486,791	2,072,610
VI. Raw materials and unmanufactured articles:			
Coal, coke, and patent fuel - - - - -	1,316,615	1,663,910	1,902,887
Cotton - - - - -	118,014	125,186	150,579
Gums and resins - - - - -	69,527	120,312	149,230
Ivory - - - - -	288,119	259,918	294,546
Precious stones and pearls, unset - - - - -	151,030	156,378	162,451
Seeds - - - - -	65,900	76,532	89,193
Silk - - - - -	793,376	1,174,321	905,939
Wood - - - - -	51,972	64,317	100,818
Wool - - - - -	80,757	93,410	124,883
Other articles - - - - -	213,808	209,758	231,486
Total - - - - -	3,149,118	3,944,042	4,112,012
VII. Articles manufactured and partly manufactured:			
A. Yarns and textile fabrics:			
Cotton twist and yarn - - - - -	3,318,377	3,581,906	3,746,797
„ piece goods - - - - -	25,555,009	23,544,151	27,390,046
„ sewing thread - - - - -	133,495	132,711	139,700
„ other sorts - - - - -	158,004	247,605	234,915
Flax, hemp, and jute - - - - -	137,107	188,874	182,986
Silk - - - - -	1,383,735	1,743,818	1,682,313
Wool - - - - -	1,528,865	1,715,755	1,561,950
B. Apparel, including boots and shoes - - - - -	1,095,554	1,276,629	1,243,098
C. Other manufactured articles:			
Arms, ammunition, &c. - - - - -	109,093	115,579	148,327
Books, maps, charts, &c. - - - - -	165,403	181,749	214,179
Building and engineering materials - - - - -	149,243	116,622	163,245
Candles - - - - -	110,737	97,894	77,976
Clocks and watches - - - - -	105,920	118,376	100,627
Corals - - - - -	175,019	160,211	141,715
Earthenware and porcelain - - - - -	170,892	223,658	224,829
Glass - - - - -	500,850	578,959	658,118
Instruments and apparatus - - - - -	164,006	180,101	209,792
Jewelry and plate - - - - -	100,416	96,926	116,286
Leather, including boots and shoes - - - - -	141,783	149,712	167,051
Matches - - - - -	221,730	243,554	194,546
Paints and colours - - - - -	184,002	201,212	241,608
Paper - - - - -	312,510	412,246	402,692
Ships, parts of - - - - -	144,640	195,922	189,145
Soap - - - - -	94,315	94,903	102,289
Stationery (excluding paper) - - - - -	194,533	219,089	223,846
Toys and games - - - - -	126,455	139,553	157,880
Umbrellas - - - - -	274,461	371,300	410,604
Other articles - - - - -	982,955	1,064,453	1,077,383
Total - - - - -	37,739,109	37,393,468	41,403,943
Total Private Merchandise - - - - -	58,661,462	62,384,813	66,567,604
<i>Government Stores.</i>			
Railway plant and rolling stock - - - - -	1,892,708	1,248,661	1,200,700
Arms, ammunition, &c. - - - - -	195,569	94,725	161,201
Books, maps, and charts - - - - -	53,991	65,101	97,058
Coal - - - - -	23,434	78,808	102,298
Hardware and cutlery - - - - -	63,053	53,755	77,227
Leather manufactures - - - - -	71,570	82,512	10,895
Liquors - - - - -	14,870	19,601	23,753
Machinery and millwork - - - - -	58,305	60,365	92,866
Metals - - - - -	156,638	262,309	352,270
Paper, pasteboard, and stationery - - - - -	106,461	140,203	108,825
Telegraph materials - - - - -	78,148	103,717	81,735
Woollen manufactures - - - - -	132,041	107,603	150,598
Other stores - - - - -	269,101	302,439	410,723
Total - - - - -	3,115,889	2,619,799	2,870,149

Analysis of the Exports of Indian Produce and Manufactures.

	1886-87.	1887-88.	1888-89.
	Rx	Rx	Rx
I. Animals, living - - - - -	87,632	134,182	112,146
II. Food and drink :			
Coffee - - - - -	1,502,251	1,529,680	1,884,243
Rice - - - - -	8,836,827	9,291,687	7,915,354
Wheat - - - - -	8,625,864	5,562,373	7,527,556
Other grain, and pulse	564,411	686,413	505,595
Provisions - - - - -	452,887	530,614	553,483
Spices - - - - -	612,188	521,558	560,284
Sugar - - - - -	504,803	465,829	550,326
Tea - - - - -	4,727,992	5,174,440	5,267,315
Other articles - - - - -	46,168	67,104	82,644
Total - - - - -	25,873,391	23,829,698	24,846,800
III. Metals and their manufactures - - - - -	49,660	54,943	53,523
IV. Chemicals, drugs, dyeing materials, &c.:			
Opium - - - - -	11,077,669	10,067,764	10,508,081
Tobacco - - - - -	119,558	129,452	103,750
Other drugs, chemicals, &c.	208,217	227,680	296,160
Cutch and gambier	295,250	433,847	442,326
Indigo - - - - -	3,691,677	3,890,649	3,948,594
Myrabolams - - - - -	225,896	250,618	249,337
Other dyeing and tanning materials	122,778	107,933	37,213
Total - - - - -	15,741,045	15,107,943	15,585,461
V. Oils :			
Castor - - - - -	271,837	264,282	203,147
Cocoa nut - - - - -	132,459	148,386	163,124
Other - - - - -	54,516	58,388	64,035
Total - - - - -	458,812	471,056	430,306
VI. Raw materials :			
Caoutchouc - - - - -	84,719	115,433	96,735
Cotton - - - - -	13,468,429	14,412,842	15,046,593
Feathers - - - - -	52,591	57,049	46,888
Gums and resins - - - - -	93,246	175,496	282,800
Hemp - - - - -	164,138	125,156	111,894
Hides and skins - - - - -	2,811,291	2,325,716	2,129,422
Horns - - - - -	122,708	164,394	161,123
Jute - - - - -	4,869,815	6,040,379	7,897,154
Manures (bones, &c.) - - - - -	92,343	133,512	176,881
Saltpetre - - - - -	376,091	364,016	401,800
Seeds: castor - - - - -	288,618	319,439	312,874
" earthnuts - - - - -	421,575	611,844	478,981
" linseed - - - - -	5,179,291	4,932,575	5,057,922
" poppy - - - - -	341,045	277,657	476,173
" rape - - - - -	1,421,053	1,175,409	1,916,904
" fil or jinjili - - - - -	1,410,899	1,877,050	1,147,753
" other sorts - - - - -	136,079	191,050	171,844
Silk - - - - -	484,339	480,811	518,751
Jade stone - - - - -	56,100	55,351	65,404
Wood: teak - - - - -	223,154	367,274	575,451
" other timber, and ornamental	51,362	71,722	57,708
Wool - - - - -	899,552	972,346	968,753
Other articles - - - - -	318,717	353,632	413,094
Total - - - - -	33,367,155	35,600,153	38,512,902

	1886-87.	1887-88.	1888-89.
VII. Articles manufactured and partly manufactured :			
A. Yarns and textile fabrics :	Rx	Rx	Rx
Cotton twist and yarn - - - - -	3,336,861	4,077,387	5,207,100
„ piece goods - - - - -	923,635	1,114,513	1,137,164
„ other sorts - - - - -	22,009	36,029	30,301
Flax and hemp - - - - -	701	1,016	—
Jute : gunny bags - - - - -	1,051,223	1,624,905	2,400,766
„ „ cloths, rope, twine &c. - - - - -	100,635	121,455	170,712
Silk - - - - -	318,104	379,296	288,487
Wool - - - - -	85,932	114,058	122,105
B. Apparel - - - - -	79,291	97,638	112,980
C. Other manufactured articles :			
Coir manufactures - - - - -	191,445	161,174	174,257
Hides and skins dressed or tanned - - - - -	2,337,926	2,526,666	2,614,035
Lac - - - - -	518,315	500,137	401,748
Other articles - - - - -	365,223	417,773	452,207
Total - - - - -	9,331,300	11,172,047	13,111,862
Total Indian Produce and Manufactures - - - - -	84,908,995	86,370,022	92,653,000

Analysis of the Re-exports of Foreign Merchandise.

	1886-87.	1887-88.	1888-89.
	Rx	Rx	Rx
Apparel - - - - -	83,880	92,210	91,293
Cotton : twist and yarn - - - - -	81,147	69,345	111,514
„ manufactures, piece goods - - - - -	1,477,343	1,633,247	1,686,647
„ „ other sorts - - - - -	13,357	15,065	18,541
Gums and resins - - - - -	39,755	60,538	109,425
Ivory - - - - -	172,260	182,467	209,541
Metals - - - - -	162,070	298,348	168,514
Provisions - - - - -	97,163	139,405	126,077
Silk and its manufactures - - - - -	73,614	88,611	107,197
Spices - - - - -	94,473	222,005	174,416
Sugar - - - - -	197,217	183,041	200,704
Tea - - - - -	155,151	128,006	205,823
Wool and its manufactures - - - - -	449,267	578,161	696,921
Other articles - - - - -	382,968	410,991	429,265
Total - - - - -	3,519,665	4,101,440	4,335,878

Movement of Treasure.

	1886-87.	1887-88.	1888-89.
	Rx	Rx	Rx
Gold : imports - - - - -	2,833,558	3,236,053	3,119,088
„ exports - - - - -	656,493	243,572	305,154
Net imports - - - - -	2,177,065	2,992,481	2,813,934
Silver : imports - - - - -	8,219,761	10,589,803	10,725,837
„ exports - - - - -	1,064,023	1,361,052	1,479,228
Net imports - - - - -	7,155,738	9,228,751	9,246,609
Net imports of treasure - - - - -	9,332,803	12,221,232	12,060,543
Amount of silver coined at Calcutta and Bombay - - - - -	4,616,536	10,788,424	7,257,748

Shipping.

Shipping:	1886-87.		1887-88.		1888-89.	
	No.	Tons.	No.	Tons.	No.	Tons.
Vessels with cargoes entered: steamers -	1,379	2,065,503	1,389	2,160,852	1,347	2,156,825
" " " sailing -	2,371	733,683	2,579	778,568	2,354	622,375
Total -	3,750	2,799,186	3,968	2,939,420	3,701	2,779,200
cleared: steamers -	1,568	2,331,240	1,532	2,360,937	1,566	2,486,464
" " " sailing -	3,153	1,205,159	3,164	1,135,446	2,856	896,598
Total -	4,721	3,536,399	4,696	3,496,383	4,422	3,383,062

*Balance of Trade (approximate).**

	1886-87.	1887-88.	1888-89.
Exports of merchandise -	Rx 88,470,000	Rx 90,544,000	Rx 97,060,000
" gold -	657,000	244,000	305,000
" silver -	1,064,000	1,361,000	1,479,000
Total -	90,191,000	92,149,000	98,844,000
Imports of merchandise -	61,777,000	65,005,000	69,437,000
" gold -	2,834,000	3,236,000	3,119,000
" silver -	8,220,000	10,590,000	10,726,000
Total -	72,831,000	78,831,000	83,282,000
Net exports of merchandise -	26,693,000	25,539,000	27,623,000
" imports of gold -	2,177,000	2,992,000	2,814,000
" " silver -	7,156,000	9,229,000	9,247,000
Excess of exports -	17,360,000	13,318,000	15,562,000
Rupee paper enfaced for payment of interest in England -	-500,000	1,744,000	748,000
	16,860,000	15,062,000	16,310,000
Remittances by the Government:			
Payments in India for bills (including telegraphic transfers) drawn to defray Home charges -	16,738,000	20,818,000	20,899,000
Bills drawn on India for interest on enfaced rupee paper -	796,000	806,000	872,000
	17,534,000	21,624,000	21,771,000
Excess of remittances by Government over surplus Exports -	674,000	6,562,000	5,461,000
Charges not defrayed by India: Equivalent (at average rate of exchange on remittances) of amount borrowed in sterling -	6,600,000	-	440,000

DEBT AND PUBLIC WORKS.

Excluding debt incurred for the purchase of the Oude and Rohilkund Railway,* the following are the net sums raised by borrowing during the three years, according to the Accounts and Estimates.

	1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.
In India - - - - - Rx	5,435,799	2,777,500	2,421,400
In England - - - - - £	—	300,000	3,450,000

In 1887-88 the debt incurred in India included a special loan of Rx 3,500,000 from the Gwalior State, at 4 per cent. interest. No addition was made to the debt in England, but 48,858,013*l.* of India 4 per cent. stock was converted into a like amount of 3½ per cent. stock.

In 1888-89 the Government of India raised a loan of Rx 3,000,000, mainly for public works, but part of it was applied to the discharge of the balance of a 4½ per cent. loan of which the bulk was converted into debt at 4 per cent., and to the cancelment of outstanding stock notes, thus reducing the net increase of debt to Rx 2,777,500. In England, India 3 per cent. stock was created to the amount of 7,206,531*l.*,* for the purchase of the property of the Oude and Rohilkund Railway Company, and for the discharge of such of its debentures as fell due in 1888. The remainder of the India 4 per cent. stock (4,403,807*l.*) was notified for discharge, a like amount of 3½ per cent. stock being created; when the revised estimate was framed, it was estimated that 300,000*l.* would still remain to be discharged, after the 31st of March 1889, but actually 363,070*l.* was unclaimed at that date.

In 1889-90, according to the Budget, a loan of Rx 2,500,000 was to be raised in India for public works, but Rx 78,600 of the loans under discharge was expected to be paid, making the net debt to be incurred Rx 2,421,400. The amount of the loan has, however, been reduced to Rx 2,000,000. In England the estimate provided for the discharge of 300,000*l.* of the 4 per cent. stock, and for the raising of 3,750,000*l.*, under Act 51 Vict., ch. 5, sec. 4, for advances to Railway Companies (instead of their raising the money by the issue of their own debentures). The amount of India 3 per cent. stock which it was actually found necessary to offer for tender was only 3,500,000*l.* The money so raised is to be advanced, at 3¼ per cent. interest, to the Bengal-Nagpur, Indian Midland, Southern Mahratta, and South Indian Railway Companies, which are engaged in the construction of lines of railway for the State.

* DEBT INCURRED FOR THE PURCHASE OF THE OUDE AND ROHILKUND RAILWAY.

Money raised under Act 51 Vict. Ch. 5, by the creation of 7,206,531 <i>l.</i> India 3 per cent. stock, for the purchase of the property of the Company, and for the discharge of such of its debentures as fell due in 1888 before the purchase	£	6,921,049
Debentures and debenture stock of the Company, for which the Secretary of State incurred the liability on the purchase		3,415,000
		<u>10,336,049</u>

During the three years to which the statement relates, the outlay from revenue from borrowed money, and from the balances, on the construction of Railways and Irrigation Works, is as follows :—

	1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.
	Rx	Rx	Rx
State Railways - - - - -	2,332,721	1,382,800	3,572,200
Irrigation Works - - - - -	626,849	573,200	615,200
	2,959,570	1,956,000	4,187,400
In addition to this, the outlay by Companies guaranteed, or subsidized by the Government (sterling payments being converted into Indian currency) is - - - - -	7,292,340	7,673,900	4,360,500
Total - - - - -	10,251,910	9,629,900	8,547,900

In 1887-88 and 1888-89 the outlay on the actual construction of State Railways was larger, and that by Companies smaller, than appears from the foregoing figures, because sums of Rx 1,390,000, and of Rx 1,406,700, in the two years respectively, were refunded to the Government, in consequence of the transfer of certain lines to the Bengal-Nagpur and Indian Midland Companies.

ASSETS AND LIABILITIES.

The following is a statement of the Assets and Liabilities of the Government of India. As Indian and English figures cannot be correctly added together without Exchange, the totals of the two sets of figures are shown separately :—

Assets and Liabilities, 31st March 1889.

<i>Assets.</i>			<i>Liabilities.</i>		
	Rx	£		Rx	£
Railways constructed by the State -	62,869,000	—	Debt - - - - -	100,867,000	95,084,000
Purchased railways - - - - -	—	54,375,000	Railway Companies' unspent Capital	—	35,000
Irrigation Works - - - - -	26,488,000	—	Other Obligations - - - - -	14,194,000	—
Loans to Municipalities and Native States - - - - -	8,292,000	—			
Cash Balances - - - - -	12,900,000	8,850,000			
Total Assets - - - - -	110,544,000	58,225,000			
Liabilities uncovered	4,517,000	86,844,000			
	115,061,000	95,069,000	Total Liabilities - - - - -	115,061,000	95,069,000

The uncovered Liabilities, therefore, are less than one year's net Revenue.

BURDEN OF TAXATION.

In the following rough calculation, the burden of the taxation on the people of British India is shown.

	1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.
	Rx	Rx	Rx
Salt - - - - -	6,671,000	7,677,000	8,030,000
Stamps - - - - -	3,876,000	3,932,000	3,960,000
Excise - - - - -	4,535,000	4,706,000	4,727,000
Provincial rates - - - - -	3,035,000	3,019,000	3,258,000
Customs - - - - -	1,249,000	1,370,000	1,418,000
Assessed taxes - - - - -	1,431,000	1,509,000	1,515,000
Registration - - - - -	311,000	329,000	331,000
Total - - - - -	21,208,000	22,542,000	23,239,000
<p>The population of British India in 1881 was 198,791,000; and, allowing for natural increment, and for the incorporation of Upper Burma in 1886, it may be now taken at about 210 millions. On this basis, the payment per head, on the assumption that the whole of the taxation from salt, excise, &c., is paid by the inhabitants of British India, is - -</p>			
	Rupee. Annas. Pies.	Rupee. Annas. Pies.	Rupee. Annas. Pies.
	1 0 2	1 1 5	1 1 8

If to this taxation be added the payment of Land Revenue, which is on the average one rupee, one anna, and nine pies, the payments to the Government per head, for Land Revenue and Taxes taken together, amount to Rs. 2 ,, 1 ,, 11 in 1887-88, Rs. 2 ,, 3 ,, 2 in 1888-89, and Rs. 2 ,, 3 ,, 5 according to the Budget for 1889-90.

India Office,
15th July 1889.

JOHN E. GORST,
Under Secretary of State.

APPENDIX.

STATEMENT showing the Principal FIGURES in the INDIAN ACCOUNTS for 1886-87 and 1887-88, and Estimates for 1888-89 and 1889-90, with Explanations.

[NOTE.—£ denotes sterling; Rx denotes tens of Rupees.]

REVENUE AND EXPENDITURE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
	Rx	Rx	Rx	Rx	
Revenue	77,337,000	78,760,000	81,585,000	82,935,000	The result of 1887-88 is worse than 1886-87, by Rx 2,207,000 including, or Rx 2,077,000 excluding, Special Defence Works. The estimated result of 1888-89 is better than 1887-88, by Rx 1,827,000 including, or Rx 2,190,000 excluding, Special Defence Works. The estimated result of 1889-90 is better than 1888-89, by Rx 308,000 including, or Rx 592,000 excluding, Special Defence Works.
Expenditure charged on the Revenue of the Year.	77,159,000	80,789,000	81,787,000	82,829,000	
Surplus (+) } includ- or } ing { cost of Deficit (-) } ing } Special } } Defence } } Works.	+ 178,000	- 2,029,000	- 202,000	+ 106,000	
	+ 504,000	- 1,573,000	+ 617,000	+ 1,209,000	
Actual Expenditure during the Year.	77,123,000	80,418,000	81,584,000	83,470,000	
Portion thereof spent by Provincial Governments from their Balances.	—	—	—	641,000	In 1886-87, 1887-88, and 1888-89, the Provincial Governments spent less than their income. In 1889-90 it is estimated that, in addition to the income of the year, they will spend, from their accumulated balances, a portion of the unspent income of former years.
Allotments to Provincial Governments unspent by them.	36,000	371,000	203,000	—	
	77,159,000	80,789,000	81,787,000	82,829,000	

STATEMENT showing the Principal Figures in the Indian Accounts for 1886-87 and 1887-88,

REVENUE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
PRINCIPAL HEADS OF REVENUE:	Rx	Rx	Rx	Rx	
Land Revenue - -	23,056,000	23,189,000	23,202,000	23,392,000	In 1887-88 there was an improvement of Rx 212,000 in Upper Burma, but a reduction in Lower Burma in consequence of a poor rice crop, and in Bengal, the North-West Provinces, Madras, and also Burma, owing to few arrears being outstanding. In 1888-89, there was a large increase in Madras, from extended cultivation, in Bombay due to prompt payments, and in Upper Burma in consequence of order being established; in Lower Burma the receipts of 1888-89 were reduced by Rx. 92,000, owing mainly to the postponement of the date of collection in two districts from March to April, but in 1889-90 the increase in that province is estimated at Rx 153,000. In this year a considerable improvement is also expected in the North-West Provinces, but a reduction is anticipated in Madras owing to deficient rainfall, and to a less extent in Bombay.
Opium -	8,948,000	8,516,000	8,561,000	8,260,000	The number of chests sold monthly in Calcutta was 4,500 in 1886, 4,750 in 1887 and 1888, and is estimated at the same amount in 1889. The average price per chest was about 1,123 rupees in 1886-87, 1,059 rupees in 1887-88, 1,120 rupees in 1888-89, and is estimated at 1,070 rupees in 1889-90. The number of chests of Malwa opium paying duty was 39,745 in 1886-87, 34,884 in 1887-88, about 30,300 in 1888-89, and is estimated at 30,000 in 1889-90. The duty is 650 rupees a chest. Notwithstanding the larger amount sold, the receipts in Calcutta fell off in 1887-88 by Rx 109,000, and there was also a decrease of Rx 316,000 from Malwa, where the dealers are believed to have held back for higher prices, and of Rx 2,000 from the sale of excise opium. In 1888-89 an increase of Rx 345,000 in Bengal was largely balanced by a reduction of Rx 303,000 in Bombay. The diminution in the estimate for 1889-90 arises from the lower price expected at the sales in Calcutta.

and Estimates for 1888-9 and 1889-90, with Explanations—*continued*.

EXPENDITURE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
DIRECT DEMANDS ON THE REVENUE:	Rx	Rx	Rx	Rx	
Refunds and Drawbacks-	214,000	224,000	229,000	221,000	
Assignments and Com- pensations.	1,447,000	1,469,000	1,480,000	1,542,000	In 1887-88, 1888-89, and 1889-90, much of the increase is due to the amount of alienated revenue in Bom- bay. In 1889-90 there is also ex- pected to be a large payment of arrears of compensation to the State of Palanpur.
CHARGES IN RESPECT OF COLLECTION:					
Land Revenue - - -	3,464,000	3,487,000	3,539,000	3,629,000	In 1887-88 there was an increase of Rx 45,000 in Upper Burma, which was partly met by the reduction of the charge for survey and settlement operations in Lower Burma, Bengal, and Bombay. In 1888-89 and 1889-90 the increase is chiefly due to the extension of survey and settle- ment operations in the Punjab and Upper Burma, to the reorganisation of the Commission in the latter pro- vince, and to allowances to district and village officers in Bombay.
Opium - - -	2,729,000	2,424,000	2,648,000	2,364,000	The payments in 1886-87 were un- usually large, owing to the very heavy crop of 1886. The season of 1887 was fairly good, and in 1888 the crop was again very large, owing to which the reserve at the end of 1889 is estimated at 49,705 chests. Conse- quently, production was contracted in 1889, and the estimate of expenditure in 1889-90 is reduced accordingly.

STATEMENT showing the Principal Figures in the Indian Accounts for 1886-87 and 1887-88

REVENUE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
PRINCIPAL HEADS OF REVENUE—continued.	Rx	Rx	Rx	Rx	
Salt - - - -	6,658,000	6,671,000	7,677,000	8,030,000	The duty on salt was raised, on the 19th of January 1888, from 2 to 2½ rupees a maund throughout India (except in British Burma, where it was raised from 3 annas to one rupee a maund, and in some of the Trans-Indus districts, where it is almost nominal). In 1887-88 the increase of revenue, which occurred chiefly in Bombay, was owing to the enhanced rate of duty, to greater exports through the opening of the Portuguese West of India Railway, and to a large quantity of salt being used for fish-curing. The increase in 1888-89 is due to the raising of the duty, and would have been greater but for rumours of a reduction towards the close of the year, which led dealers to postpone operations. In 1889-90 a considerable improvement is expected, chiefly in Burma, Madras, and Bombay.
Stamps - - - -	3,751,000	3,876,000	3,932,000	3,960,000	The increase in 1887-88 arose mostly in Bengal, the North-West Provinces, and the Punjab; in 1888-89 in the Punjab, Madras, and Bombay; in 1889-90 an increase is expected in Bengal.
Excise - - - -	4,375,000	4,535,000	4,706,000	4,727,000	The increase in 1887-88 occurred chiefly in Bengal, Madras, and Burma, owing to better administration, but in Madras it was partly due to higher rates of duty; in 1888-89 principally in Madras; and in 1889-90 in Burma. In the present year a considerable reduction is anticipated in Bengal, owing to the unfavourable condition of the crops and to changes in the management.
Provincial Rates - -	3,000,000	3,035,000	3,019,000	3,258,000	The bulk of the rates being levied on the land, they are affected in much the same way as the land revenue. The increase in 1887-88 arose chiefly in the village service fund in Madras. In 1889-90 an increase of Rx 230,000 is expected in the North-West Provinces, of which Rx 220,000 is due to the re-imposition of the patwari cess (levied for the payment of the village accountants), and the remainder to the extension of the village watch system in Oudh.
Customs - - - -	1,246,000	1,349,000	1,370,000	1,418,000	In 1887-88 the increase arose in consequence of an improvement in the exports of rice from Bengal, and in imports at Bombay and Madras, arrack being sent from Colombo to the latter Presidency in larger quantities, owing to the temporary closing of toddy shops on the introduction of the free tapping system. On the 19th of January 1888 a duty, at the rate of six pies per imperial gallon, was imposed on imports of petroleum, from which a receipt of Rx 115,000 (on 38,000,000 gallons) is expected in 1888-89, and Rx 120,000 in 1889-90. In 1888-89, the Customs dues fell off in Burma, owing to a deficient crop of rice, but this was counteracted by larger receipts in Bengal, Madras, and Bombay. In 1889-90, an improvement is expected in the rice trade, especially in Burma.

and Estimates for 1888-89 and 1889-90, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
DIRECT DEMANDS ON THE REVENUE— <i>continued.</i>					
CHARGES IN RESPECT OF COLLECTION— <i>continued.</i>	Rx	Rx	Rx	Rx	
Salt - - - -	486,000	411,000	422,000	462,000	In 1886-87 the charges in Bombay were greatly increased by the payment of arrears from the previous year. In 1887-88 large reductions of establishment were made in several provinces on the recommendation of the Finance Committee. The increase in 1888-89 arose in Madras, and in 1889-90 it is expected in Madras and Bombay.
Stamps - - - -	147,000	163,000	155,000	134,000	The increase in 1887-88 was due to large indents on England for stamps, and the exchange on the sterling payments. In 1889-90 the demands for stamped paper are smaller.
Excise - - - -	117,000	127,000	138,000	154,000	The increase occurs in Madras, Bengal, and Bombay.
Provincial rates - -	51,000	62,000	62,000	61,000	The increase in 1887-88 occurred in Bengal, and was caused by a change of system in accounting for the cost of collecting the public works cess in many of the districts.
Customs - - - -	136,000	135,000	135,000	138,000	

STATEMENT showing the Principal Figures in the Indian Accounts for 1886-7 and 1887-88,

REVENUE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
PRINCIPAL HEADS OF REVENUE—continued.	Rx	Rx	Rx	Rx	
Assessed Taxes - - -	1,855,000	1,431,000	1,508,000	1,515,000	On 1st April 1886, in lieu of the previously existing License Tax, an Income Tax of 5 pies in the rupee (equal to 6½d. in the £, or 2·6 per cent.) was imposed on incomes of or above 2,000 rupees a year, and a tax of 4 pies in the rupee (equal to 5d. in the £, or about 2 per cent.) on incomes below 2,000 rupees, and not less than 500 rupees a year, if derived from salaries, pensions, profits of companies, or interest on securities. Other incomes were assessed on a scale varying from 1½ to 2½ per cent. Incomes derived from agriculture, being already liable to pay the tax imposed on land in 1877-78, were exempted from this Income Tax. The improvement in 1887-88 occurred chiefly in Bombay, but there were also enhanced receipts in Bengal and Madras. Of the increase in 1888-89, Rx 44,000 was obtained in Burma, where the tax had not previously been levied.
Forest - - -	1,104,000	1,124,000	1,326,000	1,270,000	In 1887-88 a reduction owing to the depression of the timber trade in the Punjab and the North-West Provinces was more than covered by the increased receipts in Burma, Madras, and the Central Provinces. In 1888-89, the increase is mainly due to Upper Burma, where there was an exceptional receipt from the Bombay-Burma Trading Company on account of arrears; but there was also improvement in Lower Burma, the Punjab, and the North-West Provinces. In 1889-90 the receipts in Burma are estimated to be less by Rx 67,000.
Registration - - -	299,000	311,000	329,000	331,000	The increase occurred chiefly in Bombay and Madras.
Tributes from Native States	695,000	744,000	767,000	783,000	The increase in 1887-88 is mainly owing to the inclusion of the Baroda Subsidy of Rx 38,800 paid for the police employed in the political agencies in Gujarat, which had previously been credited to the Gujarat police funds. In 1888-89 and 1889-90, there is an increase in Upper Burma; and in the former year some arrears were received in the Central Provinces.
TOTAL - Rx	54,482,000	54,781,000	56,397,000	56,944,000	

and Estimates for 1888-89 and 1889-90, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
DIRECT DEMANDS ON THE REVENUE— <i>continued.</i>					
CHARGES IN RESPECT OF COLLECTION— <i>continued.</i>	Rx	Rx	Rx	Rx	
Assessed Taxes - -	50,000	29,000	28,000	29,000	The diminution in 1887-88 was owing to the reduction of establishment, chiefly in Bengal.
Forest - - -	720,000	720,000	810,000	801,000	The increase in 1888-89 arose mainly in Burma (where a payment of Rx 43,000 was made to the Bombay-Burma Trading Company on account of a claim against the former Native Go- vernment), and also in the Central Provinces.
Registration - - -	185,000	187,000	192,000	195,000	
TOTAL - Rx	9,746,000	9,438,000	9,888,000	9,730,000	

STATEMENT showing the Principal Figures in the Indian Accounts for 1886-87 and 1887-88,

REVENUE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
INTEREST - -	Rx 671,000	Rx 747,000	Rx 839,000	Rx 734,000	In 1887-88 there was a receipt of Rx 40,000 for arrears of interest on account of advances for the Kidderpur Dock, and a recovery of arrears from certain talukdari estates in Bombay; and both in 1887-88 and 1888-89 the receipts in England and the Exchange thereon were unusually high.
POST OFFICE, TELE- GRAPH, AND MINT.					
Post Office - - -	1,154,000	1,214,000	1,292,000	1,348,000	In all three years the increase arises chiefly in the sale of postage stamps and in fees for money-orders.
Telegraph - - -	693,000	764,000	732,000	752,000	In 1887-88 the increase was attributable to communication with Burma, to the general expansion of the Department, and to a modification of the terms on which railways are allowed to use the Government telegraphs. In 1888-89 the abnormal receipts due to the communication with Burma fell off.
Mint - - -	180,000	252,000	216,000	229,000	The coinage of silver in 1887-88 was very large, and there was a considerable gain also on copper coinage, which is not expected to be so large in the following years.
TOTAL - Rx	2,027,000	2,230,000	2,240,000	2,329,000	

and Estimates for 1888-89 and 1889-90, with Explanations—*continued*,

EXPENDITURE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
INTEREST.	Rx	Rx	Rx	Rx	
Interest on Debt, other than that charged to Railways and Irrigation Works.	3,949,000	5,055,000	4,264,000	3,903,000	In 1887-88 there was an exceptional charge, under this head, of Rx 1,059,000 (<i>i.e.</i> 746,000 <i>l.</i> with Rx 313,000 for exchange), owing to the measures taken for the conversion of the India 4 into 3½ per cent. Stock; and there was a further charge in England of Rx 136,000, mainly caused by the fall in exchange; but in India there was a diminution in the year amounting to Rx 99,000, of which Rx 90,000 arose from interest not being claimed. In 1888-89 there was a reduction, as compared with the ordinary charge in 1887-88, of 118,000 <i>l.</i> for interest, but a final payment of Rx 236,000 (161,000 <i>l.</i> with Rx 75,000 for exchange) was made in connexion with the conversion of the 4 per cent. Stock; there was an increase of Rx 62,000 in the exchange on the normal payment of interest; and in India there was an increase of Rx 88,000 attributable to the arrears of the previous year. In 1889-90, besides the cessation of the exceptional payments, a further saving is expected of 74,000 <i>l.</i> in interest in England, of Rx 35,000 in exchange, and of Rx 16,000 in India, where the conversion in 1888 of a 4½ into a 4 per cent. loan effected an annual saving of nearly Rx 9,000.
Interest on other Obligations.	361,000	387,000	437,000	456,000	The increase is in the interest on savings bank deposits.
TOTAL - Rx	4,310,000	5,442,000	4,701,000	4,359,000	
POST OFFICE, TELEGRAPH, AND MINT.					
Post Office - - -	1,350,000	1,375,000	1,349,000	1,403,000	The increase in 1887-88 was in the cost of the Presidency and District Offices, and in the district charges. In 1888-89 a saving of 23,000 <i>l.</i> accrued under the new postal contract, and exchange was less by Rx 7,000. The increase expected in 1889-90 arises under the Presidency and District Offices, and is partly due to the inclusion, for the first time, of the post offices in Mysore.
Telegraph - - -	714,000	787,000	721,000	762,000	The increase in 1887-88 arose chiefly from heavier expenditure on capital account, but to some extent it was caused by a revision of salaries in the superior grades of the department, and by the additional establishment required for Upper Burma. In 1888-89 the capital outlay was reduced, both in India and in England. The increase in 1889-90 is due to extensive renewals, and to additional charges for maintenance owing to the greater length of line.
Mint - - -	81,000	94,000	98,000	103,000	The increase in 1887-88 was mainly caused by the large amount of uncurrent coin received in the Gwalior loan which had to be recoined. In the later years it is due to the purchase of more stores in England.
TOTAL - Rx	2,145,000	2,256,000	2,168,000	2,268,000	

STATEMENT showing the Principal Figures in the Indian Accounts for 1886-87 and 1887-8,

REVENUE	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
CIVIL DEPART- MENTS:	Rx	Rx	Rx	Rx	
Law and Justice -	587,000	572,000	602,000	597,000	In 1887-88 the reduction occurred mainly in the sale proceeds of jail manufactures, but in the North-West Provinces it was also owing to smaller receipts for the hire of convicts; on the other hand, there was a considerable increase from general fees, fines, and forfeitures, and there were recoveries from Native States for prisoners at Port Blair. The increase in 1888-89 arose in fees and fines in Madras, and in receipts at Port Blair.
Police - - -	316,000	350,000	348,000	346,000	The increase in 1887-88 was due to the receipts in Burma, and to recoveries for cattle-pounds, &c., in Bengal and other provinces.
Marine - - -	200,000	195,000	191,000	185,000	
Education - -	308,000	225,000	207,000	212,000	In 1887-88 there was a recovery of arrears from District Boards in Bengal.

and Estimates for 1888-89 and 1889-90, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
CIVIL DEPART- MENTS:	Rx	Rx	Rx	Rx	
General Administration -	1,734,000	1,770,000	1,752,000	1,780,000	In 1887-88 there was a reduction of Rx 9,000 in the staff and household charges of the Governor General, but an increase of Rx 18,000 in Burma, chiefly in the Secretariat and Account Offices, of 23,000 <i>l.</i> in England for an exceptional payment on the conversion of the 4 per cent. Stock, and of Rx 19,000 in Exchange. The reduction in 1888-89 was due to the absence of the exceptional payment. In 1889-90 the increase arises from full provision being made for tour expenses, and for increments of salary.
Law and Justice - -	3,397,000	3,423,000	3,516,000	3,564,000	In 1887-88 the increase was due to the provision for courts of law and gaols in Upper Burma. In 1888-89 it was owing to the reorganisation of the Commission in Burma, and to additional munsiffs and higher cost of gaol manufactures in Bengal. In 1889-90 also a large part of the increase occurs in Burma; the remainder is chiefly in Madras and the Central Provinces.
Police - - -	3,285,000	3,693,000	3,771,000	3,945,000	In 1887-88 the increase was caused almost entirely by the addition of Rx 360,000 for Upper Burma and Rx 28,000 for Lower Burma. In 1888-89 and 1889-90 there are further additions of Rx 80,000 and Rx 79,000 in Upper Burma; and in the Budget there is also an increase in Bengal (owing to the whole cost of the police in Calcutta being now borne by the government), Lower Burma, and Madras.
Marine - - -	848,000	671,000	576,000	582,000	In 1886-87 there was large expenditure owing to the operations in Upper Burma, and the provision of steamers and launches for that province, to the cost of the armament of the "Dalhousie" and "Lawrence," and to the fall in exchange. In 1887-88 the saving arose from the absence of such exceptional charges in England, and a reduction of the charges for transport for Burma. In 1888-89 there was a reduction of Rx 85,000 in India, chiefly in the purchase and hire of vessels, of 28,000 <i>l.</i> in the contribution for H.M.'s ships employed in the Indian seas, of 17,000 <i>l.</i> in stores, &c., and of Rx 15,000 in exchange.
Education - - -	1,805,000	1,292,000	1,809,000	1,854,000	The grants in aid in 1886-87 were unusually high for the Aitchison College building fund in the Panjab, and in Bombay. In 1887-88 there was a considerable increase in Bengal. In 1888-89 and 1889-90 it is chiefly in Bombay.
Ecclesiastical - -	159,000	159,000	159,000	164,000	

STATEMENT showing the Principal Figures in the Indian Accounts for 1886-87 and 1887-88,

REVENUE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
CIVIL DEPARTMENTS —continued.	Rx	Rx	Rx	Rx	
Medical - - -	65,000	60,000	60,000	56,000	
Scientific and other Minor Departments.	86,000	94,000	72,000	68,000	In 1887-88 there was a large sale of mathematical instruments and stores, and there were considerable miscellaneous receipts in Bombay and the Punjab; on the other hand, the sales of cinchona bark in Madras were restricted. In 1888-89 the reduction was due to a change in the form of account, the receipts for instruments and maps supplied to other departments being treated, not as revenue, but as a deduction from the expenditure of the Survey Department.
TOTAL - Rx	1,462,000	1,496,000	1,480,000	1,464,000	
MISCELLANEOUS:					
Superannuation - -	399,000	404,000	424,000	415,000	The increase in 1888-89 was due to contributions on account of officers who have served in Berar. The reduction in 1889-90 occurs in the subscriptions to the funds in England.
Stationery and Printing -	97,000	80,000	68,000	66,000	In 1886-87 there were large receipts from railways for stationery. The reduction in 1888-89 occurred principally in the Punjab, owing to an alteration of the system of supply for the North-Western Railway.

and Estimates for 1888-89 and 1889-90, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
CIVIL DEPARTMENTS — <i>continued.</i>	Rx	Rx	Rx	Rx	
Medical - - -	757,000	765,000	767,000	792,000	The increase in 1887-88 was in Upper Burma; in 1889-90 it is expected in Upper Burma, the Punjab, and the North-West Provinces.
Political - - -	755,000	685,000	766,000	682,000	In 1886-87 the Afghan Boundary Commission cost Rx 80,000, and there were special payments on account of foreigners in the service of the ex-King of Burma. In 1887-88 and 1888-89 there were exceptional charges for the demarcation of the Perso-Afghan frontier, and for the deportation of refugees and State prisoners from Persia. The other changes in the last three years are mainly due to the subsidy of the Amir of Afghanistan being drawn at irregular dates.
Scientific and other Minor Departments.	459,000	448,000	422,000	428,000	The reduction in 1888-89 was owing to the receipts for instruments and maps supplied to other departments being deducted from the expenditure of the Survey Department, instead of being treated as revenue.
TOTAL - Rx	12,699,000	12,906,000	13,038,000	13,291,000	
MISCELLANEOUS:					
Territorial and Political Pensions.	648,000	595,000	541,000	523,000	The reduction in 1887-88 and 1888-89 was mainly consequent on the death of the ex-King of Oudh. In 1889-90 it is chiefly in the payments in England, and largely owing to the failure of the Maharajah Dhulip Singh to draw his stipend.
Civil Furlough Allow- ances.	260,000	309,000	322,000	327,000	Owing to a change in the date of payment, a portion of the charge fell into 1887-88 which otherwise would have been paid in 1886-87, and the charge for exchange was enhanced. The increase in 1888-89 is chiefly due to the fall in exchange.
Superannuation - -	2,861,000	2,987,000	3,118,000	3,147,000	The charge for exchange was increased by Rx 79,000 in 1887-88, and by Rx 81,000 in 1888-89.
Stationery and Printing -	562,000	577,000	537,000	526,000	In 1887-88 the increase occurred chiefly in Madras, where there was a large reduction in 1888-89. The payments in England, including exchange, show a reduction of Rx 46,000 in 1888-89, and a further decrease of Rx 12,000 in 1889-90.

STATEMENT showing the Principal Figures in the Indian Accounts for 1886-87 and 1887-88,

REVENUE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
MISCELLANEOUS —continued.	Rx	Rx	Rx	Rx	
Exchange	—	745,000	952,000	527,000	The entry under Exchange is the net result of the Government undertaking the duty of making remittances on various accounts at <i>specified</i> rates. In 1886-87 the gain on that account was more than counterbalanced by the charge of Rx 397,000 in the repayment in England of the 4 per cent. Rupee Transfer Loan of 1854, at the rate of 2s. 1d. the sicca rupee. The large receipts in 1887-88 and the following years are consequent mainly on the capital transactions of the subsidised railway companies.
Miscellaneous	352,000	377,000	353,000	332,000	The increase in 1887-88 was caused chiefly by the fees which accrued from the extended operation of the Local Self-Government Act in Bengal, and by recoveries in that province on account of insurance on State railway stores and durbar presents; there were also certain exceptional recoveries in Upper Burma, and in England there was an increase in the fines incurred by contractors. In 1888-89 there were special receipts at Bombay, which did not recur in 1889-90.
TOTAL - Rx	848,000	1,606,000	1,797,000	1,340,000	

and Estimates for 1888-89 and 1889-90, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
MISCELLANEOUS — <i>continued.</i>	Rx	Rx	Rx	Rx	
Exchange	26,000	—	—	—	See note on the Revenue side.
Miscellaneous	344,000	293,000	378,000	300,000	In 1886-87 the charge was exceptionally increased by the payments for the Finance Committee and the Public Service Commission in India, and the cost of the jubilee celebrations, and by a large write-off in Bombay on account of irrecoverable advances to cultivators, &c. In 1888-89 the excess was due to the outstanding charges against the late Government of Burma.
TOTAL - Rx	4,701,000	4,761,000	4,896,000	4,823,000	
FAMINE RELIEF AND INSURANCE:					
Famine Relief	1,000	—	10,000	21,000	In 1886-87 an irrecoverable advance in Madras, made during the famine of 1877, was written off; and in both 1886-87 and 1887-88 there was a very small expenditure on relief works in Bilaspur. The provision in 1888-89 and 1889-90 is for Khurda and Behar.
Construction of Protective Railways.	200,000	—	—	—	In 1886-87 an appropriation of Rx 200,000 from revenue was made under this head, the principal works in course of construction which are calculated to mitigate the effects of famine being the Assam-Bihar, Bellary-Kistna, and Villupuram-Dharmavaram Railways. In the four years, further sums of Rx 152,000, 285,000, 486,000, and 611,000, respectively, being interest payable to the Indian Midland and Bengal-Nagpur Railway Companies, or chargeable on advances made to them, are included in the Railway Revenue Account.
Construction of Protective Irrigation Works.	108,000	91,000	73,000	80,000	The outlay was chiefly on the Orissa Coast, Betwa, Swat River, Buckingham, Rushikulya, and Nira Canals, and the Mhasvad Tank.
TOTAL - Rx	309,000	91,000	83,000	101,000	
CONSTRUCTION OF RAILWAYS (charged against Revenue in addition to that under Famine Insurance).	183,000	81,000	18,000	10,000	The charge is almost entirely for the Lucknow - Sitapur - Kheri Railway; some money was, however, spent on the Jorhat and Cherra-Companyganj lines.

STATEMENT showing the Principal Figures in the Indian Accounts for 1886-87 and 1887-88,

REVENUE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
RAILWAYS:	Rx	Rx	Rx	Rx	
State Railways (Gross Earnings).	10,829,000	10,872,000	11,740,000	13,103,000	In 1887-88 there was an increase of Rx 116,000 on the Eastern Bengal system, owing to the opening of 69 miles of the Assam-Bihar section, and to a favourable season in jute, Rx 144,000 on the Southern Mahratta Line in consequence of the opening of extensions and a good traffic, Rx 39,000 on the Burma, and Rx 153,000 on other railways, while there was a reduction of Rx 104,000 on the East Indian, Rx 120,000 on the Rajputana-Malwa, and Rx 185,000 on the North-Western Railway, in consequence of a decline in the grain and seed trade. In 1888-89 there were improvements of Rx 177,000 on the Rajputana-Malwa, Rx 362,000 on the North-Western, and Rx 92,000 on the Eastern Bengal systems, as well as Rx 82,000 on the Indian Midland, Rx 67,000 on the Southern Mahratta, and Rx 43,000 on the Bengal-Nagpur lines, owing to the opening of fresh sections, and Rx 28,000 on other lines, but the East Indian Railway showed a further fall of Rx 153,000; the inclusion of the Oudh and Rohilkund Railway as a State line, for the last three months of the year, added Rx 170,000 under this head. The estimate for 1889-90 includes a further increase of Rx 570,000 owing to that railway being treated as a State line during the whole year; an increase of Rx 358,000 is anticipated from the extension of the Indian Midland Railway, and of Rx 95,000 from the opening of the Toung-hoo-Mandalay line; and improvements are expected of Rx 97,000 on the Southern Mahratta and Mysore system, Rx 81,000 on the Bengal-Nagpur, Rx 50,000 on the North-Western, and Rx 112,000 on other lines.

and Estimates for 1888-89 and 1889-90, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
RAILWAY REVENUE ACCOUNT:	Rx	Rx	Rx	Rx	
State Railways: Working Expenses.	5,220,000	5,594,000	6,043,000	6,874,000	In 1887-88 an increase of Rx 317,000 occurred on the North-Western system, owing to the opening of new sections of the frontier lines, and a re-organisation of establishments, of Rx 111,000 on the Southern Mahratta and Mysore system, and of Rx 97,000 on other lines, while there was a reduction of Rx 82,000 on the East Indian, of Rx 61,000 on the Rajputana-Malwa, and of Rx 27,000 on the Eastern Bengal Railway; the surplus profits paid to Companies for working State railways were increased by Rx 19,000. In 1888-89 additions occurred of Rx 121,000 on the North-Western, partly for renewal of permanent way, and of Rx 53,000 on the Rajputana-Malwa, owing to increased traffic, of Rx 20,000 on the Tounghoo-Mandalay, Rx 52,000 on the Indian Midland, and Rx 75,000 on the Southern Mahratta, owing to extensions, of Rx 57,000 by including the Oudh and Rohilkund Railway for three months, and of Rx 71,000 on other lines. In 1889-90 the inclusion of the last-named railway for the whole year causes a further addition of Rx 303,000, the extension of the Indian Midland line adds Rx 275,000, and that of the Tounghoo-Mandalay Railway Rx 80,000, while on the Southern Mahratta and Mysore system an increase of Rx 56,000, and under all other lines of Rx 117,000, is anticipated.
State Railways: Interest on Debt.	3,202,000	3,342,000	3,594,000	4,022,000	The increase in 1887-88 arose in India, owing to the additional capital spent by the Government on the construction of State railways. In 1888-89 and 1889-90 Rx 111,000 and Rx 91,000 are due to the same cause; but in 1888-89 the charge in England was increased by 80,000 <i>l.</i> , owing partly to the payment of a fifth quarter's interest on the Stock issued in exchange for East Indian Railway annuities, and partly to the purchase of the Oudh and Rohilkund railway; and in 1889-90 there is a further increase of 299,000 <i>l.</i> under this head owing to that purchase, but a saving of 69,000 <i>l.</i> in the interest charged against the East Indian Railway. Exchange caused an increase of Rx 19,000, Rx 61,000, and Rx 107,000 in the three years.
State Railways: Annuities in purchase of Railways.	2,309,000	2,391,000	2,474,000	2,473,000	The increase in 1887-88 and 1888-89 is caused by the fall in exchange.
State Railways: Interest chargeable against Com- panies on Advances.	—	—	—	69,000	This is that portion of the interest on debt which is charged to railway companies on account of advances made to them for the construction of lines through their agency, or for the discharge of debentures, instead of the companies raising the money by the issue of their debentures guaranteed by the Government.

STATEMENT showing the Principal Figures in the Indian Accounts for 1886-87 and 1887-88,

REVENUE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
RAILWAYS— <i>continued.</i>	Rx	Rx	Rx	Rx	
Guaranteed Companies (Net Traffic Receipts).	3,647,000	3,636,000	3,653,000	3,560,000	In 1887-88 the reduction was due to a falling-off on the Bombay and Baroda Railway of Rx 74,000, while there was an increase on all the other lines except the South Indian. In 1888-89 an improvement of Rx 88,000 took place on the Great Indian Peninsula Railway, and of Rx 105,000 on the three other lines; but a reduction of Rx 176,000 under this head was caused by the transfer of the Oude and Rohilkund to the class of State railways for the last quarter of 1888-89. In 1889-90 a further reduction of Rx 170,000 is due to the removal of that line from this category for the whole year; on the other lines an improvement of Rx 77,000 is anticipated.
Subsidized Companies (repayment of Advances of Interest).	2,000	25,000	35,000	23,000	The figures represent the recovery from the Mysore State on account of the excess of interest on the capital outlay upon its line over the net receipts of the railway.
TOTAL - Rx	14,478,000	14,593,000	15,428,000	16,686,000	

and Estimates for 1888-89 and 1889-90, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.																									
RAILWAY REVENUE ACCOUNT—<i>continued.</i>	Rx	Rx	Rx	Rx																										
State Railways: Interest on Capital deposited by Companies.	473,000	666,000	949,000	1,016,000	The figures for 1886-87 refer to the Southern Mahratta, Indian Midland, and Bengal Central Railway Companies; and in 1887-88 and subsequent years the Bengal-Nagpur Railway is also included. The increase in exchange was Rx 68,000 in 1887-88, Rx 98,000 in 1888-89, and Rx 21,000 in 1889-90.																									
Guaranteed Companies, Surplus Profits, Land, &c.	601,000	714,000	569,000	650,000	The moiety of surplus profits payable to the Companies appears as follows in the accounts and estimates : <table border="1" data-bbox="1013 866 1278 1107"> <thead> <tr> <th></th> <th>1886-87.</th> <th>1887-88.</th> <th>1888-89.</th> <th>1889-90.</th> </tr> </thead> <tbody> <tr> <td>Bombay and Baroda -</td> <td>Rx 177,000</td> <td>Rx 170,000</td> <td>Rx 115,000</td> <td>Rx 153,000</td> </tr> <tr> <td>Great Indian Peninsula -</td> <td>345,000</td> <td>493,000</td> <td>409,000</td> <td>460,000</td> </tr> <tr> <td>Scinde Punjab and Delhi -</td> <td>13,000</td> <td>—</td> <td>—</td> <td>—</td> </tr> <tr> <td>Rx</td> <td>535,000</td> <td>663,000</td> <td>524,000</td> <td>613,000</td> </tr> </tbody> </table>		1886-87.	1887-88.	1888-89.	1889-90.	Bombay and Baroda -	Rx 177,000	Rx 170,000	Rx 115,000	Rx 153,000	Great Indian Peninsula -	345,000	493,000	409,000	460,000	Scinde Punjab and Delhi -	13,000	—	—	—	Rx	535,000	663,000	524,000	613,000
	1886-87.	1887-88.	1888-89.	1889-90.																										
Bombay and Baroda -	Rx 177,000	Rx 170,000	Rx 115,000	Rx 153,000																										
Great Indian Peninsula -	345,000	493,000	409,000	460,000																										
Scinde Punjab and Delhi -	13,000	—	—	—																										
Rx	535,000	663,000	524,000	613,000																										
Guaranteed Companies : Interest.	3,722,000	3,853,000	3,960,000	3,439,000	The additional charge on account of exchange was Rx 118,000 in 1887-88, and Rx 122,000 in 1888-89. The interest on overdrawn capital in India was less than usual in the latter year. In 1889-90 there is a reduction of 369,000 <i>l.</i> owing to the removal of the Oude and Rohilkund railway from this class, and the exchange is less by Rx 172,000.																									
Subsidized Companies : Land, &c.	45,000	44,000	29,000	87,000	This is compensation for land taken up for the Bengal and North-Western Railway, and subsidy to the Rohilkund-Kumaon and Dibra-Sadiya Companies.																									
Miscellaneous Expenditure.	94,000	52,000	75,000	83,000	Chiefly for surveys, and Director-General's and Port Storekeepers' Establishments. In 1886-87 there was heavy expenditure on the survey of frontier lines.																									
TOTAL - Rx	15,666,000	16,656,000	17,693,000	18,713,000																										

STATEMENT showing the Principal Figures in the Indian Accounts for 1886-7 and 1887-88,

REVENUE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
IRRIGATION:	Rx	Rx	Rx	Rx	
Major Works: Direct Receipts.	910,000	951,000	1,061,000	1,030,000	In 1887-88 the increase was due to large irrigation from the Western Jumna and Sirhind Canals, and the development of irrigation generally in the Punjab, while there was a falling off under the Ganges, Agra, and Son Canals, the ratepayers in the case of the last having withheld payments in hope of obtaining remissions. In 1888-89 the improvement occurred chiefly on the Sirhind, Lower Ganges, Son, and Ganges Canals, while the Western Jumna Canal showed a decrease. In 1889-90 the increase is expected from the Western Jumna and Sirhind Canals.
Major Works: Portion of Land Revenue due to Irrigation.	598,000	602,000	612,000	629,000	An improvement occurred in 1887-88 in the Madras delta lands, while there was a considerable falling off in the Bari Doab. In 1888-89 and 1889-90 the increase is anticipated from the works in Sind and Madras.
Minor Works and Navigation.	149,000	161,000	166,000	170,000	In 1887-88 the increase occurred chiefly in Bengal.
TOTAL - Rx	1,657,000	1,714,000	1,839,000	1,889,000	
BUILDINGS AND ROADS:					
Military Works	188,000	40,000	40,000	39,000	The receipts are usually derived from the rents of buildings and sale of old materials. In 1886-87 Rx 150,000 was included as compensation from Maharaja Sindia, for the cantonment buildings at Morar.
Civil Works	539,000	532,000	549,000	563,000	The receipts are mostly derived from rents, sale of stores, proceeds of workshops, tolls, and ferries.
TOTAL - Rx	727,000	592,000	589,000	604,000	

and Estimates for 1888-89 and 1889-90, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
IRRIGATION:	Rx	Rx	Rx	Rx	
Major Works: Working Expenses.	627,000	678,000	720,000	692,000	The increase in 1887-88 was chiefly in the Punjab and on the Son Canal. In 1888-89 extensive repairs in the Punjab were rendered necessary by the heavy floods of 1888, and the distributary system of the Sirhind Canal was extended.
Major Works: Interest on Debt.	993,000	1,018,000	1,041,000	1,065,000	The increase arises from further capital outlay.
Minor Works and Navigation.	691,000	766,000	870,000	858,000	In 1887-88 there was considerable outlay on the Khush Dil Khan Reservoir and Shebo Canal in Biluchistan, and on the Orissa Coast project. In 1888-89 it was principally due to the restoration of tanks in Madras.
TOTAL - Rx	2,311,000	2,462,000	2,631,000	2,615,000	
BUILDINGS AND ROADS:					
Military Works - -	1,062,000	1,232,000	1,115,000	1,157,000	An average sum of 1,000,000l. a year is granted for the construction and repair of military works throughout India. In 1887-88 an additional grant was made for military works and roads in Upper Burma, where Rx 315,000 was spent; on the other hand, there was a recovery of Rx 26,000 from the British Government for its share of expenditure on the defences of Aden. In 1888-89 Rx 163,000 was spent in Upper Burma, and Rx 150,000 is estimated for a similar purpose in 1889-90.
Civil Works - -	4,140,000	4,219,000	4,214,000	4,325,000	In 1887-88 there was an expenditure of Rx 69,000 on frontier roads in the Punjab, and of Rx 343,000 (or Rx 171,000 more than in the previous year) in Upper Burma, but there were large savings in establishments in Bengal, and on buildings in Bombay. In 1888-89 the expenditure in Upper Burma was Rx 310,000; there was an increase of Rx 66,000 in Bengal, principally on feeder roads in connexion with the Bengal-Nagpur Railway, but a large reduction occurred in the outlay on buildings at Simla. In 1889-90, a considerable saving is expected in the Punjab, but this is counterbalanced by the increase anticipated in the Central Provinces, in Lower-Burma, and in stores from England; the estimate for Upper Burma is Rx 306,000.
TOTAL - Rx	5,202,000	5,451,000	5,329,000	5,482,000	

STATEMENT showing the Principal Figures in the Indian Accounts for 1886-87 and 1887-88

REVENUE	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
ARMY SERVICES: Army: Effective -	Rx 929,000	Rx 983,000	Rx 915,000	Rx 879,000	In 1887-88 there was a recovery of Rx 30,000 on account of advances made to the Irrawady Flotilla Company, and also a credit for naval stores taken over by the British Government.
Army: Non-effective	56,000	78,000	61,000	66,000	In 1887-88 there was a special receipt of arrears of contributions on account of officers who had served in Berar.
TOTAL - Rx	985,000	1,061,000	976,000	945,000	

and Estimates for 1888-89 and 1889-90, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
ARMY SERVICES: Army : Effective -	Rx 16,230,000	Rx 16,862,000	Rx 16,576,000	Rx 17,085,000	In consequence of the decision to pay the British Troops, after the 1st of January 1884, at the rate of exchange fixed annually by the Treasury for the payment of troops in the Colonies, there was an increase of Rx 161,000 in 1887-88, a further increase of Rx 65,000 in 1888-89, and a yet further charge of Rx 130,000 in 1889-90, making a total addition since 1883 of Rx 672,000, owing to the continued fall in the gold price of silver. In 1887-88 the additional expenditure in Burma was less than in the previous year by Rx 42,000, and amounted to Rx 1,475,000, chiefly for commissariat charges, telegraph service, gratuity to the troops, and medals; but there was an increase of Rx 515,000 owing to the greater strength of the Army and other causes in India, and of 56,000 <i>l.</i> in England, the payments for stores being heavier by 171,000 <i>l.</i> , and for miscellaneous charges by 7,000 <i>l.</i> , while the ordinary payments to the British Government were reduced by 50,000 <i>l.</i> , and the cost of the transport service by 72,000 <i>l.</i> , owing to diminished expenditure on repairs; on the other hand, there was an addition of Rx 103,000 in exchange. In 1888-89 there were charges of Rx 142,000 for the Black Mountain expedition, Rx 210,000 on account of Sikkim, and Rx 35,000 owing to the Lushai Expedition; there was a reduction of Rx 835,000 in the charges in Upper Burma, but an increase of Rx 163,000 on other accounts in India; in England the charges were reduced by 57,000 <i>l.</i> owing to a less demand for stores, but there was an increase of Rx 56,000 for exchange. In 1889-90 the payments in England for deferred pay, magazine rifles, and breech-loading guns, &c. are estimated to be higher by 162,000 <i>l.</i> , and the exchange by Rx 75,000; in India there is an exceptional charge of Rx 203,000 for the purchase of transport animals, provisions, and equipments, for the mobilisation of an Army Corps, a reduction of Rx 277,000 in the cost of special expeditions, and of Rx 40,000 in the extra charges for Burma, and an increase of Rx 257,000 in other ways.
Army : Non-effective -	3,295,000	3,556,000	3,795,000	3,890,000	From the 1st of April 1884, the system of paying, in respect of officers and men of the British Forces, the capitalised value of the share of India in each pension when granted, was abandoned, and the charge borne by India during the year was henceforward to be her portion of each pension according to actuarial tables of life. The result was a decrease of 705,000 <i>l.</i> at first, but the amount will gradually rise again for many years. In 1887-88 there was an increase of Rx 12,000 in India owing to the capitalisation of pensions and additions to the pension list, and in England of 59,000 <i>l.</i> for the British forces, 61,000 <i>l.</i> for Indian officers, &c., and Rx 129,000 for exchange. In 1888-89 the increase in India was Rx 20,000; in England, on account of the British forces 49,000 <i>l.</i> , for Indian officers, &c., 42,000 <i>l.</i> , and for exchange Rx 128,000. The increase in the estimate for 1889-90 arises entirely in England, and is chiefly for the British forces, and for exchange.
TOTAL - Rx	19,525,000	20,418,000	20,371,000	20,975,000	

STATEMENT showing the Principal Figures in the Indian Accounts for 1886-87 and 1887-88,

REVENUE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
	Rx	Rx	Rx	Rx	
TOTAL REVENUE Rx	77,837,000	78,760,000	81,585,000	82,935,000	

and Estimates for 1888-89 and 1889-90, with Explanations—*continued.*

EXPENDITURE.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.	REMARKS.
	Rx	Rx	Rx	Rx	
SPECIAL DEFENCE WORKS.	326,000	456,000	818,000	1,108,000	The expenditure is incurred on redoubts, military posts, blockhouses, and roads, on the North-West Frontier, on defences at Aden, Bombay, Karachi, and Rangoon, and in the Hooghly, and on guns and stores in England. In 1887-88 the expenditure in India was increased by Rx 248,000, but there was a reduction of 88,000 <i>l.</i> in England and of Rx 30,000 in exchange. In 1888-89 and 1889-90 there is an increase of 191,000 <i>l.</i> and 130,000 <i>l.</i> respectively for stores, and of Rx 92,000 and Rx 60,000 in exchange.
TOTAL EXPENDITURE, Imperial and Provincial	77,123,000	80,418,000	81,584,000	83,470,000	Of the increase over 1886-87, Rx 1,048,000, Rx 1,575,000, and Rx 1,635,000; in the three years respectively, is due to exchange, the average rate of remittance in the four years, actual or estimated, being 17·441 <i>d.</i> , 16·898 <i>d.</i> , 16·379 <i>d.</i> , and 16·38 <i>d.</i> , per rupee.
PROVINCIAL ADJUSTMENTS:					
Deficits: Expenditure by Provincial Governments from their balances.	—	—	—	— 641,000	In 1886-87, 1887-88, and 1888-89, the Provincial Governments spent less than their income, the saving being added to their balances. In 1889-90 they are expected to spend, besides the whole of their annual allotments, sums which have accumulated in their balances from the savings of previous years. In 1886-87 a special contribution of Rx 400,000 was made from the Provincial Balances in aid of the Imperial Government, Bombay giving Rx 200,000, the Central Provinces Rx 120,000, Madras Rx 60,000, and Assam Rx 20,000. In 1889-90 also contributions will be made, to the total amount of Ex 740,000, of which Rx 200,000 derived from the patwari cess in the North-West Provinces and Rx 50,000 from Burma are permanent, and the remainder is contributed for the single year in the following proportions: Madras and Bombay each Rx 175,000, Bengal Rx 100,000, the Central Provinces Rx 30,000, and Assam Rx 10,000. According to the Accounts and Estimates of the four years, the Government of Bombay will have expended Rx 280,000; the Central Provinces Rx 248,000; Assam Rx 13,000; and the North-West Provinces, India General, and the Punjab, together Rx 1,000; while the balance of Madras is estimated to be higher by Rx 249,000, Burma by Rx 138,000, and Bengal by Rx 124,000. The total net decrease is thus Ex 31,000.
Surpluses: Allotments to Provincial Governments unspent by them.	36,000	371,000	203,000	—	
TOTAL EXPENDITURE charged against the Revenue of the Year	Rx 77,159,000	80,789,000	81,787,000	82,829,000	

NET REVENUE AND EXPENDITURE.

NET REVENUE.

Gross Revenue, deducting Refunds and Drawbacks, and Charges of Collection.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.
	Rx	Rx	Rx	Rx
Land Revenue - - - - -	19,556,000	19,653,000	19,622,000	19,725,000
Opium - - - - -	6,214,000	6,091,000	5,912,000	5,895,000
Salt - - - - -	6,141,000	6,226,000	7,209,000	7,536,000
Stamps - - - - -	3,559,000	3,669,000	3,733,000	3,780,000
Excise - - - - -	4,220,000	4,374,000	4,541,000	4,546,000
Provincial Rates - - - - -	2,942,000	2,965,000	2,942,000	3,190,000
Customs - - - - -	1,082,000	1,182,000	1,205,000	1,231,000
Assessed Taxes - - - - -	1,278,000	1,383,000	1,463,000	1,470,000
Forest - - - - -	383,000	402,000	509,000	464,000
Registration - - - - -	113,000	123,000	136,000	135,000
Tributes from Native States - - - - -	695,000	744,000	767,000	783,000
	46,183,000	46,812,000	48,039,000	48,755,000
Deduct: Assignments and Compensations -	1,447,000	1,469,000	1,480,000	1,541,000
Net Revenue - - - Rx	44,736,000	45,343,000	46,559,000	47,214,000

NET EXPENDITURE.

Gross Expenditure, deducting Receipts.	Accounts, 1886-87.	Accounts, 1887-88.	Revised Estimate, 1888-89.	Budget Estimate, 1889-90.
	Rx	Rx	Rx	Rx
Interest - - - - -	3,640,000	4,695,000	3,862,000	3,624,000
Post Office, Telegraph, and Mint - - - - -	118,000	26,000	-73,000	-60,000
Civil Departments - - - - -	11,237,000	11,411,000	11,558,000	11,827,000
Miscellaneous Civil Charges - - - - -	3,853,000	3,155,000	3,099,000	3,483,000
Famine Relief and Insurance - - - - -	309,000	91,000	83,000	101,000
Construction of Railways (charged against Revenue, in addition to that under Famine Insurance),	183,000	81,000	18,000	10,000
Railway Revenue Account - - - - -	1,189,000	2,123,000	2,265,000	2,027,000
Irrigation - - - - -	654,000	747,000	792,000	725,000
Buildings and Roads - - - - -	4,474,000	4,859,000	4,741,000	4,879,000
Army Services - - - - -	18,540,000	19,357,000	19,395,000	20,030,000
Special Defence Works - - - - -	325,000	456,000	818,000	1,103,000
	44,522,000	47,001,000	46,558,000	47,749,000
Provincial Adjustments - - - - -	86,000	371,000	203,000	-641,000
Net Expenditure - - Rx	44,558,000	47,372,000	46,761,000	47,108,000
Surplus (+), or Deficit (-) - Rx	+ 178,000	- 2,029,000	- 202,000	+ 106,000

India Office,
15th May 1889.

HENRY WATERFIELD,
Financial Secretary.