

EAST INDIA: ACCOUNTS AND ESTIMATES
1918-1919.

EXPLANATORY MEMORANDUM

BY THE

UNDER SECRETARY OF STATE FOR INDIA.

Presented to Parliament by Command of His Majesty.



LONDON:
PUBLISHED BY HIS MAJESTY'S STATIONERY OFFICE.

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1918.

[CMD. 55]

Price 3d. Net.

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MEMORANDUM

BY THE

UNDER SECRETARY OF STATE FOR INDIA,

RELATING TO THE

ACCOUNTS of the GOVERNMENT OF INDIA for 1916-17 and
the ESTIMATES for 1917-18 and 1918-19.

REVENUE AND EXPENDITURE.

Gross Revenue and Expenditure.

The Gross Revenue and Expenditure of the Government of India for the three years to which this Memorandum refers are as follows:—

Gross Revenue and Expenditure.								Accounts, 1916-17.	Revised Estimate, 1917-18.	Budget, 1918-19.
								£	£	£
Revenue	...	...	...	...	...	...	98,050,430	109,924,300	109,190,300
Expenditure	...	...	...	...	...	...	90,572,260	104,212,700	106,608,800
Surplus or <i>Deficit</i>	...	...	...	...	...	...	7,478,170	5,711,600	2,581,500

In these figures all receipts are included in the total of revenue and all outlay in the total of expenditure, with the one exception that the working expenses of railways and the surplus profits paid to certain railway companies are treated not as expenditure but as a deduction from revenue. Rupees have been converted into sterling throughout this Memorandum (unless otherwise stated) at the conventional rate of Rs. 15 = £1.

Net Revenue and Expenditure.

The figures of Gross Revenue just given include the net receipts of railways without any deduction on account of interest charges, the total receipts (without any deduction on account of interest charges, working expenses, &c.) derived from the other commercial undertakings of the Government of India (*i.e.*, Irrigation works, Post Office and Telegraphs), and from the sale of Opium, and the receipts of certain spending departments; while the figures of Gross Expenditure include refunds and assignments, the interest charges of railways, the working expenses and interest charges of other commercial undertakings, and the cost of cultivation and manufacture of opium. This method of compiling the figures causes the revenue available for administrative purposes and the expenditure on such purposes to appear much greater than they really are

and it is accordingly the practice to present to Parliament an annual statement of Net Income and Expenditure (see H. of C. 99 of 1918), in which the net revenue derived from commercial undertakings and opium is shown instead of the gross revenue, and similar adjustments are made under other heads of revenue and expenditure by deducting (1) refunds and assignments from the gross yield of land revenue, taxation, &c., and (2) the receipts of the spending departments from the gross expenditure incurred by them. The cost of the establishments maintained for the collection of revenue is not shown as a deduction from revenue but as a separate head of expenditure. In the following table the Net Revenue and Expenditure for 1916-17, 1917-18 and 1918-19 are calculated in the same manner as in the annual Parliamentary return mentioned above.

Net Revenue.

—	Accounts, 1916-17.		Budget, 1917-18.		Revised Estimate, 1917-18.		Budget, 1918-19.	
	£	£	£	£	£	£	£	£
I. Land Revenue, &c. :								
1. Land Revenue	21,262,433		21,435,100		20,819,700		22,011,700	
2. Forest	2,462,119		2,257,700		2,637,400		2,673,000	
3. Tributes from Native States	406,035		411,100		409,600		406,900	
		24,130,587		24,103,900		23,866,700		25,091,600
II. Opium		2,244,027		2,064,700		1,949,700		1,933,900
III. Taxation :								
1. Salt	4,562,164		3,704,200		5,177,000		3,179,400	
2. Stamps	5,719,504		5,895,200		5,683,700		5,879,500	
3. Excise	9,106,081		9,219,100		9,957,600		10,528,400	
4. Provincial Rates	81,078		27,500		28,300		28,900	
5. Customs	8,393,383		9,170,100		10,878,900		10,525,800	
6. Income Tax	8,739,873		5,088,300		6,023,100		6,280,700	
7. Registration	539,824		553,300		532,600		541,700	
		32,091,407		33,657,700		38,281,200		36,964,400
IV. Commercial Undertakings :								
1. Posts and Telegraphs ...	733,220		743,800		893,100		851,400	
2. Railway Revenue Account	7,481,875		6,105,600		10,174,800		9,201,700	
3. Irrigation	1,605,712		1,291,200		1,441,900		1,391,700	
		9,820,807		8,140,600		12,509,800		11,444,800
V. Mint		522,455		30,500		350,900		206,000
VI. Exchange		111,371		—		1,000,000		—
Total Net Revenue ...		68,920,654		67,997,400		77,958,300		75,640,700

Net Expenditure.

—	Accounts, 1916-17.		Budget, 1917-18.		Revised Estimate, 1917-18.		Budget, 1918-19.	
	£	£	£	£	£	£	£	£
I. Debt Services (excluding interest payment chargeable to Railways and Irrigation) ...		38,360		4,787,100		5,552,200		4,231,700
II. Military Services :								
1. Army	23,144,485		24,229,600		26,554,200		26,646,800	
2. Marine	328,653		577,700		435,600		651,700	
3. Military Works and Special Defence Works	1,517,673		1,092,700		1,792,700		1,701,500	
		24,990,811		25,900,000		28,782,500		29,000,000
III. Collection of Revenue		6,687,219		7,003,400		6,965,700		7,358,800
IV. Civil Services :								
1. Civil Departments	17,841,517		19,383,500		19,010,100		21,208,200	
2. Miscellaneous Civil Charges	4,678,113		4,676,200		4,294,900		4,376,300	
3. Civil Works	4,809,162		5,259,600		4,803,600		5,752,300	
		26,328,792		29,319,300		28,108,600		31,337,300
V. Famine Relief and Insurance ...		1,000,000		1,000,000		1,000,000		1,000,000
VI. Provincial adjustments :								
1. Provincial Surpluses (which are added to the Provincial Balances and charged against the Revenue of the year)		2,397,302				1,837,700		131,400
2. Provincial Deficits (i.e., amounts taken from Provincial Balances towards defraying expenditure incurred in the year) ...		—		— 97,800		—		—
Total Net Expenditure charged against Revenue		61,442,484		67,862,000		72,246,700		73,059,200
Surplus or Deficit ...		7,478,170		135,400		5,711,600		2,581,500

Accounts, 1916-17.

It will be seen from the table that the final accounts for 1916-17 show a surplus of £7,478,170; this is better by £1,489,470 than the amount shown in the Revised Estimate for that year.

Revised Estimate, 1917-18.

In the Budget for 1917-18, the Government of India imposed additional taxation in order to meet the recurring liabilities consequent upon the contribution of £100,000,000 towards the cost of the War, which allowing for a sinking fund are estimated at about £6,000,000 a year. The following was the yield from this additional taxation estimated in the Budget for 1917-18.

Super tax	...	...	...	...	...	£1,350,000
Export duties on jute	...	...	...	...	...	500,000
Import duties on cotton	...	...	...	...	...	1,000,000
Surcharge on railway traffic	...	...	...	...	...	500,000
						£3,350,000

For details of these increases, see previous year's Explanatory Memorandum (Cd. 8874 of 1917, page 6).

The Revised Estimate of 1917-18 shows, as compared with the Budget of that year, increases of £9,960,900 in net revenue and £4,384,700 in net expenditure, with a resulting increase of £5,576,200 in the surplus, which thus becomes £5,711,600 as against the Budget Estimate of £135,400. The increases and decreases in detail were as follows:—

<i>Net Revenue.</i>				
Increases.		£	Decreases.	
Railway Revenue Account	...	4,069,200	Land Revenue	... 615,400
Customs	...	1,708,800	Stamps	... 211,500
Salt	...	1,472,800	Opium	... 115,000
Exchange	...	1,000,000	Other Heads	... 22,200
Income Tax	...	934,800		
Excise	...	738,500		
Forest	...	379,700		
Mint	...	320,400		
Other Heads	...	300,800		
		10,925,000		
Total	...		Total	... 964,100
				964,100

<i>Net Expenditure.</i>				
Increases.		£	Decreases.	
Army	...	2,324,600	Civil Works	... 455,200
Debt Services	...	815,100	Miscellaneous	... 402,400
Military Works	...	700,000	Education	... 256,600
Political	...	398,400	Police	... 180,700
General Administration	...	166,200	Agriculture	... 173,400
Other Heads	...	124,800	Scientific and Miscellaneous	... 145,600
Provincial Adjustments	...	1,935,500	Marine	... 142,100
		6,464,600	Other Heads	... 323,900
Total	...		Total	... 2,079,900
				2,079,900

Notes on the Heads under which the principal variations occur will be found in Appendix I. Provincial Adjustments and Famine Relief and Insurance are dealt with in some detail on page 22.

Budget, 1918-19.

The Budget is framed upon the supposition that the War will last through the financial year and that the monsoon will be normal. No fresh taxation is imposed.

Budget Estimates of Net Revenue and Expenditure, 1918-19.

The net revenue and expenditure are estimated as follows:—

	£
Net Revenue	75,640,700
Net Expenditure	73,059,200
Surplus	<u>2,581,500</u>

As compared with the Revised Estimate for 1917-18 these figures show a decrease of £2,317,600 in net revenue, an increase of £812,500 in net expenditure, and an estimated surplus of £2,581,500 as compared with an estimated surplus of £5,711,600.

The increases and decreases in the Budget as compared with the Revised Estimate for 1917-18 in detail are as follows:—

Net Revenue.

Increases.	£	Decreases.	£
Land Revenue	1,192,000	Salt	1,597,600
Excise	570,800	Exchange	1,000,000
Income Tax	257,600	Railway Revenue Account	973,100
Stamps	195,800	Customs	353,100
Other Heads	45,300	Mint	144,900
		Other Heads	110,400
Total	<u>2,261,500</u>	Total	<u>4,579,100</u>

Net Expenditure.

Increases.	£	Decreases.	£
Civil Works	949,200	Provincial Adjustments	1,706,300
Education	847,200	Debt Services	1,320,500
Collection of Revenue ...	393,100	Other Heads	120,900
Political	381,100		
Police	280,700		
Medical	274,100		
Marine	216,100		
Scientific and Miscel- laneous	167,800		
Agriculture	110,300		
Other Heads	340,600		
Total	<u>3,960,200</u>	Total	<u>3,147,700</u>

Notes on the Heads under which the principal variations occur will be found in Appendix I.

BURDEN OF TAXATION.

	Accounts, 1916-17.	Revised Estimate, 1917-18.	Budget, 1918-19.
	£	£	£
Salt	4,562,164	5,177,000	3,179,400
Stamps	5,719,504	5,683,700	5,879,500
Excise	9,106,081	9,957,600	10,528,400
Provincial Rates	31,078	28,800	28,900
Customs... ..	8,893,383	10,878,900	10,525,800
Income Tax	3,739,373	6,023,100	6,280,700
Registration	539,824	532,600	541,700
Total	32,091,407	38,281,200	36,964,400
The payment per head, on the assumption that the whole of the taxation, including that on Salt, Excise, and Customs, is paid by the inhabitants of British India, is ...	s. d.	s. d.	s. d.
If the payment of Land Revenue be added, the average becomes	2 6·6	3 0·3	2 10·9
	4 2·9	4 8·1	4 7·7

For the purpose of calculating the burden of taxation the figures of population in the three years under review have been based on the Census of March, 1911, an annual increase of population at the rate of $\frac{1}{2}$ per cent. being assumed.

DEBT TRANSACTIONS AND CAPITAL EXPENDITURE.

Debt.

1917-18.—£500,000 India Bonds and £1,582,500 Railway Debentures were discharged during the year. The rupee War Loan in India realised the following amounts :—

	£
5 per cent. long-term Loan of 1929-47	8,300,000 (inclusive of amounts subscribed through the Post Office)
5½ per cent. 3-year War Bonds ...	13,200,000 (do., do.)
5½ per cent. 5-year War Bonds ...	8,000,000 (do., do.)
5-year Post Office Cash Certificates...	6,600,000
Total	£36,100,000

The above figures include about £4,000,000, which was actually received in 1916-17 as a result of the loan having opened before the commencement of the current financial year; also a little over £1,000,000 tendered in England in Treasury Bills, which were exchanged for allotments in Indian War Loan.

The amount subscribed through the Post Office (other than by way of Cash Certificates) was £2,900,000. In accordance with the announcements made last year, the proceeds of the War Loan have been made over to His Majesty's Government in part liquidation of India's War contribution of £100,000,000. The amount actually paid on this account to His Majesty's Treasury during the year was £35,073,000.

In view of the drain on their resources caused by heavy war payments for His Majesty's Government and the Secretary of State's Council Bills, the Government of India in the middle of October, 1917, issued short-term Treasury Bills for periods first of 6, 9 and 12 months, and later, 3 months. The total amount of Bills issued during 1917-18 was £29,000,000.

1918-19.—The Budget provided for the discharge of £500,000 India Bonds and of all the Railway Debentures maturing during the year to the value of £2,624,900. It further provided for the issue of a second rupee War Loan in India, the proceeds of which, provisionally estimated at £20,000,000, would be made over to the Home

Government in the same way as the Loan of 1917-18. The War Loan was accordingly issued in the following forms :—

1. $5\frac{1}{2}$ per cent. War Bonds, free of income tax, issued at par, and repayable at par on 15th September, 1921, or 15th September, 1923, at the option of the subscriber.
2. $5\frac{1}{2}$ per cent. War Bonds, free of income tax, issued at par, and repayable at 103 per cent. on 15th September, 1925, or 105 per cent. on 15th September, 1928, at the option of the subscriber.
3. Post Office 5-year Cash Certificates, on the same terms as those issued during the previous year (*vide* last year's Explanatory Memorandum, Cd. 8874 of 1917).

The amount realised, including subscriptions through the Post Office and sales of Post Office Cash Certificates, was approximately Rs. 53 crores. The equivalent of this amount converted at 1s. 6d. the rupee (*i.e.*, about £40,000,000) will accordingly be paid over to His Majesty's Treasury during 1918-19 and 1919-20.

The issue of Indian Treasury Bills was temporarily discontinued for the period during which the War Loan remained open, but was resumed after its closure. The amount of Bills outstanding in the middle of October, 1918 (*i.e.*, the gross amount issued, less those paid off at maturity or discounted as subscriptions to the War Loan), was about £20,000,000.

Irrigation Works.

The actual and estimated outlay on the construction of Major Irrigation Works is as follows :—

	£
1916-17	829,300
1917-18 (Revised Estimate)	710,300
1918-19 (Budget Estimate)	860,200

The total capital outlay on Major Irrigation Works up to 31st March, 1918, excluding indirect charges, is estimated at £43,996,100.

The net earnings (*i.e.*, gross receipts less working expenses) in 1916-17 gave a return of 8.134 per cent. on the mean of the capital expenditure at the beginning and the end of the year. (*See* App. II. (c).)

Railways.

On the 31st March, 1917, the length of railways in India open for traffic was 36,286 miles, of which 453 miles were opened in the preceding twelve months. The total mileage under construction or sanctioned for construction at the close of the year was 2,070 miles.

The capital expenditure on railways shown in the Government Accounts for 1916-17 and Estimates for 1917-18 and 1918-19 is as follows :—

	Accounts, 1916-17.	Revised Estimate, 1917-18.	Budget, 1918-19.
—			
£	£	£	£
Expenditure not charged to Revenue :—			
(A) Outlay on lines worked by the State and by guaranteed companies :—			
(1) From funds provided by the State ...	1,805,681	3,456,700	3,921,100
(2) From funds raised through companies or provided from other sources.	173,018	— 367,000	281,200
	1,978,699	3,149,700	4,202,300
(B) Outlay on branch lines not on firm guarantee ...	664,242	395,400	133,800
Expenditure charged to Revenue :—			
Famine protective lines	— 476	100	— 500
Provincial State lines	2,204	700	700
	1,728	800	200
Grand Total	2,644,669	3,545,900	4,336,300

The figures given above do not include expenditure on lines other than State and guaranteed railways. In 1916-17 the capital expenditure on such lines was £2,051,665 of which £465,733 was on railways owned or guaranteed by Native States.

In 1916-17 the net traffic receipts, *i.e.*, the gross receipts after paying working expenses but not interest charges, of open lines in which the Government is directly interested, gave a return of 6.275 per cent. on the mean of the capital expenditure at the beginning and end of the year. (*See App. II. (b).*)

Expenditure on the new capital at Delhi.

The capital expenditure incurred, or estimated to be incurred, on permanent works at Delhi is as follows:—

	£
1911-12	5,000
1912-13	114,900
1913-14	447,100
1914-15	360,400
1915-16	331,274
1916-17	244,297
1917-18 (Revised Estimate)	250,700
1918-19 (Budget ,,)	266,700

Liabilities and Assets.

On the 31st of March, 1918, the debt of India amounted to £403,419,055 (*viz.* :—rupee debt, converted into sterling at 1s. 4d. the rupee, £165,658,888; and sterling debt, £237,760,167, inclusive of £64,861,000, being the liability outstanding on 31st March, 1918, for British war debt assumed by India in respect of the balance of her financial contribution of £100,000,000 towards the cost of the War). There were also other obligations of the Government of India, including Post Office Cash Certificates which are treated in the Government of India's accounts as unfunded debt, Savings Bank balances, Judicial and Departmental deposits, balances of Service Funds, &c., amounting to £41,634,890, and the various railway annuities, representing in 1917-18 a charge of £994,013.

Up to the same date the Government of India had devoted £181,934,861 to the construction of Railways, and £43,996,100 to the construction of Irrigation Works. It had purchased from guaranteed companies (in some cases by cash payments, in others by annuities, and in one case by the direct issue of India Stock to the Company) nine railways, on which, at the time of purchase, £108,092,386 had been spent from capital raised by the Companies. The liabilities created by the purchases have not yet been fully discharged, partly because in the case of some lines a portion of the amount due to the Companies was retained by the Secretary of State and treated as capital deposited with him by the Companies for the purpose of new working contracts, and partly because in all cases of purchase by annuity the period for which the annuity is payable has not yet terminated. If the assets in respect of purchased lines are estimated as being the equivalent of the debt created and liabilities assumed or redeemed in connection with purchase *plus* the capital actuarially calculated to have been discharged through annuities, the amount on the 31st March, 1918, was £76,100,646. On that date also the Government of India's advances to Railway Companies stood at £1,607,299 and it had lent £11,462,243 (net) to Native States, Corporations, Agriculturists, &c. Other assets were the Gold Standard Reserve, consisting of sterling securities of an estimated value of £28,452,943, and £6,000,499 in cash at short notice in London; the cash balances in India, £15,320,000; and the cash (Treasury) balances in England, £10,624,917 (these are actuals, and hence differ from the "Revised" figures in the following statement).

**GENERAL STATEMENT OF THE RECEIPTS AND DISBURSEMENTS AND
BALANCES OF THE GOVERNMENT OF INDIA, IN INDIA AND
IN ENGLAND.**

The following table shows the opening balances, receipts, disbursements and closing balances, estimated and actual, of the Government of India in 1917-18 and 1918-19:—

	Budget, 1917-18.	Revised, 1917-18.	Budget, 1918-19.
	£	£	£
Opening Balance, England	(a) 11,419,648	(b) 11,391,993	(c) 15,781,193
Opening Balance, India	15,142,656	15,293,216	16,522,616
Total Opening Balance	26,562,304	26,685,209	32,303,809
RECEIPTS—			
Revenue surplus	135,400	5,711,600	2,581,500
Capital provided through Companies or Native States towards outlay on Public Works	385,300	— 433,300	— 216,700
Permanent debt (net incurred)	6,416,700	68,943,800	—
Temporary debt (net incurred)	—	48,891,200	—
Unfunded debt (net incurred)	1,926,700	9,616,500	1,215,300
Loans, deposits, and advances (net repayments)	938,000	—	4,207,800
Remittances (net)	—	—	2,000,000
Council Bills on India (receipts)	—	(d) 25,258,000	—
Total Receipts	9,802,100	157,987,800	9,787,900
Total	36,364,404	184,673,009	42,091,709
DISBURSEMENTS—			
Capital expenditure on Railways, Irrigation, and Delhi	4,739,300	4,940,500	7,311,800
Permanent debt (net discharged)	—	—	877,300
Temporary debt (net discharged)	333,300	—	2,666,700
India's financial contribution to the War	—	100,000,000	—
Loans, deposits and advances	—	20,323,500	—
Remittances (net)	7,279,800	2,217,500	—
Council Bills on India (payments)	466,700	(d) 24,887,700	1,933,300
Total Disbursements	12,819,100	152,369,200	12,789,100
Closing Balance	23,545,304	32,303,809	29,302,609
Total	36,364,404	184,673,009	42,091,709
DISTRIBUTION OF CLOSING BALANCE—			
Closing Balance, England	(a) 11,354,848	(c) 15,781,193	(d) 17,029,493
Closing Balance, India	12,190,456	16,522,616	12,273,116

(a) Of this amount £6,000,031 represents the funds of the Gold Standard Reserve.

(b) " " £6,001,456 " " " " " "

(c) " " £6,000,056 " " " " " "

(d) In addition to £1,420,000 and £8,658,600 on account of the Gold Standard Reserve and the Paper Currency Reserve respectively.

N.B.—In the revised figures for 1917-18 given above, the debt incurred includes £35,139,000 being the proceeds of the Indian War Loan for that year which have been paid over to His Majesty's Government, and also £64,861,000 being the liability which India has assumed for British war debt. These two amounts make up the £100,000,000 which is shown *per contra* as a disbursement item under "India's financial contribution to the War."

GOLD STANDARD RESERVE.

It was decided that, with effect from 1st April, 1900—

- (1) the net profit on the coinage of new rupees should not be treated as revenue, but should be paid to a special reserve (now called the Gold Standard Reserve);
- (2) the Reserve should be held mainly in sterling securities, the interest being added to the reserve as it accrued.

From July, 1906, a portion of the Reserve was held in India in rupees in order that the Government of India might be in a favourable position for meeting heavy demands for the issue of rupees without delay in times of pressure.

In 1907 it was decided that half of the net profit on coinage from 1st April, 1907, should be used to supplement the funds available for capital expenditure on railways, the other half of the profit and the whole of the interest receipts being added to the Reserve as before. In June, 1912, this arrangement was modified, and it was decided that the interest on investments and the profits on coinage thereafter received, except profits retained in India for building up the rupee branch of the Reserve to the amount of 6 crores, should be held in gold at the Bank of England until the amount so held reached £5,000,000; no portion of the profit was to be used for railway purposes until the total sterling assets of the Gold Standard Reserve amounted to at least £25,000,000.

The Royal Commission on Indian Currency and Finance which reported in February, 1914, made certain recommendations bearing on the Gold Standard Reserve. In view of the disturbance of financial conditions caused by the war decisions on the more important of these recommendations have been deferred; but in August, 1915, the silver branch of the Reserve was abolished, in accordance with the Royal Commission's proposal, and the 6 crores of rupees held therein were exchanged for a corresponding amount in gold (£4,000,000) from the Paper Currency Reserve.

Since 1915, in addition to profit on coinage, the profit or loss arising on the remittances of funds for the Gold Standard Reserve has also been credited or debited to that Reserve.

Statistics, &c., regarding the Gold Standard Reserve.

The total receipts from profit on coinage, interest and discount, and profit by exchange up to 31st March, 1918, have been as follows:—

Profits on Coinage—	£
1900–1905	8,128,377*
1905–6	3,677,880
1906–7	4,014,426
1907–8	2,247,207
1908–9	102 (arrears).
1909–10	25,190 („)
1910–11	—
1911–12	—
1912–13	3,265,698
1913–14	2,150,000
1914–15	25,110
1915–16	3,205
1916–17	4,032,397
1917–18	1,274,000
Total	28,843,592
Interest and discount...	8,074,195
Profit by exchange	194,917
	37,112,704

Of this sum £1,123,655 has been used for capital expenditure on railways; the remainder has been paid to the Reserve.

* Separate figures for the years 1900–1905 will be found in the Explanatory Memorandum for 1914–15. [Cd. 7539.]

The following table shows the disposal of the sums paid to the Reserve up to 31st March, 1918 :—

Profits on Coinage—	£	£		£
Total Profits realised 1st April, 1900, to 31st March, 1918	28,843,592			
Deduct amount used for Capital Expenditure on Railways	1,123,655			
Profit paid to Gold Standard Reserve...		27,719,937		
Interest and discount received up to 31st March, 1918	8,074,195			
Profit by exchange	194,916			
		<u>8,269,111</u>		
Profits and Interest paid to Reserve from 1st April, 1900, to 31st March, 1918		35,989,048		
Deduct—				
Loss on Sale, Redemption, and Conversion of Securities	1,191,251			
Loss through depreciation	323,782			
Miscellaneous Charges	20,578			
Total deductions		<u>1,535,606</u>		
Amount of Reserve on 31st March, 1918		<u>£34,453,442</u>		<u>£34,453,442</u>

The Securities, estimated at £28,452,943 (as shown above), were as follows :—

Securities.	Nominal Value.	Cost Price.	Estimated Value on 31st March, 1918.
	£	£	£
5 per cent. War Loan, 1929-47	3,762,181	3,525,192	3,527,045
Local Loans 3 per cent. Stock	200,000	195,105	117,000
Guaranteed 2½ per cent. Stock	438,720	407,187	234,715
Exchequer Bonds	10,128,900	10,084,083	10,192,270
Treasury Bills	13,494,000	13,211,755	13,365,838
Transvaal Government 3 per cent. Guaranteed Stock	1,092,023	1,076,524	748,035
New South Wales Stock	113,000	112,442	111,870
Canada 3½ per cent. Bonds	161,000	164,437	156,170
Total	<u>29,389,824</u>	<u>28,776,725</u>	<u>28,452,943</u>

The net profit on the Gold Standard Reserve Investments up to 31st March, 1918, is shown below :—

Cost price of securities held on 31st March, 1918	£	28,776,725
Estimated value on 31st March, 1918		<u>28,452,943</u>
Loss through depreciation		323,782
Loss on sale and redemption of securities		<u>1,191,251</u>
Total losses		1,515,033
Miscellaneous charges		<u>20,578</u>
Total of losses and charges		<u>1,535,606</u>
Interest and Discount received up to 31st March, 1918	£	8,074,195
Profit by exchange		<u>194,916</u>
		<u>8,269,111</u>
Net profit on Investments		<u>£6,733,505</u>

EXCHANGE AND REMITTANCE.

The sales by the Secretary of State of bills and transfers on India and by the Government of India of bills and transfers on London during the last ten years have been as follows :—

Sales by Secretary of State.

1907-8	...	£15,307,062	at an average rate of 1s. 4'029d. the rupee.
1908-9	...	£14,144,545	" " 1s. 3'9305d. "
1909-10	...	£27,444,609	" " 1s. 4'041d. "
1910-11	...	£26,212,866	" " 1s. 4'061d. "
1911-12	...	£27,058,550	" " 1s. 4'083d. "
1912-13	...	£25,743,710	" " 1s. 4'058d. "
1913-14	...	£31,200,827	" " 1s. 4'070d. "
1914-15	...	£7,794,002	" " 1s. 4'004d. "
1915-16	...	£20,371,460	" " 1s. 4'088d. "
1916-17	...	£33,021,429	" " 1s. 4'148d. "
1917-18	...	£34,913,141	" " 1s. 4'534d. "

Sales by Government of India.

1908-9	...	£8,058,000	Bills at 1s. 3 $\frac{2}{3}$ d. the rupee.
1909-10	...	£156,000	" " " " " "
1914-15	...	£8,707,000	" and Transfers { Bills at 1s. 3 $\frac{2}{3}$ d. the rupee. Transfers at 1s. 3 $\frac{1}{8}$ d. and 1s. 3 $\frac{3}{4}$ d. the rupee.
1915-16	...	£4,893,000	deferred Transfers at 1s. 3 $\frac{2}{3}$ d. " "

SEA-BORNE TRADE.

The following figures show the Exports from, and Imports into, India during the last three years :—

	1915-16.	1916-17.	1917-18.
<i>On Private Account.</i>			
	£	£	£
Imports of Merchandise	87,990,800	99,748,000	100,204,900
Exports of Merchandise	131,586,800 (a)	160,591,100 (b)	153,926,300 (b)
Net Exports of Merchandise	43,596,000	60,843,100	53,721,400
Net Imports or Exports of Gold	764,400	8,850,700	—
Net Imports or Exports of Silver	3,717,400	2,213,500	—
Net Imports of Treasure	2,953,000	6,637,200	—
Net Exports of Merchandise and Treasure on Private Account	40,643,000	54,205,900	—
<i>Government Transactions.</i>			
Imports of Merchandise	4,122,000	7,075,800	9,286,000
Exports of Merchandise	1,400,100	1,440,300	1,559,600
Net Imports of Merchandise	2,721,900	5,635,500	7,726,400
Net Imports or Exports of Gold	25,000	27,100	—
Net Imports or Exports of Silver	497,600	14,746,900	—
Total Net Imports or Exports of Treasure	472,600	14,719,800	—

(a) Includes £4,599,300, being value of wheat exported on Government account.

(b) Includes the value of wheat, tanned cowhide, and other articles of national importance exported on Government account.

India Office,

, 1918.

APPENDIX I.

Notes on certain heads of Net Revenue and Expenditure.

NET REVENUE.

Land Revenue.

	£
Accounts, 1916-17	21,262,433
Budget, 1917-18	21,435,100
Revised Estimate, 1917-18	20,819,700
Budget, 1918-19	22,011,700

The fall in the Revised Estimate for 1917-18 as compared with the Budget is mainly due to a decline of about £500,000 in Burma owing to a postponement of collections as a result of the unsettled condition of the paddy market. Small decreases in certain of the other provinces are partly set off by a rise of about £100,000 in the Punjab as the rabi harvest there has proved better than was anticipated in the Budget.

The estimates for the current year are framed on the basis of normal monsoon conditions, and allow for the recovery of arrears in Burma and other provinces, and generally for normal growth in the revenue demand.

Forest.

	£
Accounts, 1916-17	2,462,119
Budget, 1917-18	2,257,700
Revised Estimate, 1917-18	2,637,400
Budget, 1918-19	2,673,000

The improvement of £379,000 in the Revised Estimate for 1917-18 over the Budget of that year is due to increased demands in connection with the war for timber and other forest produce and to higher prices. All the provinces contribute to the improvement. The Budget anticipates increased receipts in the United Provinces, Bengal and the Punjab, a decline in Madras, and normal receipts in the other provinces.

Opium.

	Accounts, 1916-17.	Budget, 1917-18.	Revised Estimate, 1917-18.	Budget, 1918-1919.
	£	£	£	£
Receipts	3,160,005	3,389,300	3,068,500	3,191,800
Charges	915,978	1,324,600	1,118,800	1,257,900
Net revenue	2,244,027	2,064,700	1,949,700	1,933,900

The decrease in the Receipts anticipated in the Revised Estimate for 1917-18 is due to the fact that owing to freight and exchange difficulties and the large stocks in hand less than one-fifth of the chests offered for sale by auction at the beginning of the year were actually sold. The greater part of the opium disposed of is, however, not sold by auction but is supplied direct to certain Governments (*e.g.* Straits Settlements, Hong Kong, Netherlands Indies, Siam, British North Borneo) or sold in England for medicinal purposes. The decrease in the charges is mainly due to the reduction anticipated in payments to cultivators in the United Provinces owing to the area brought under cultivation in 1917-18 having fallen short of original expectations.

Including the expected requirements of the Governments mentioned above, and taking into account opium sent to England for medicinal purposes, the Budget for 1918-19 provides for the sale of 15,700 chests of Bengal opium at an average price of about Rs. 2,555 a chest.

The Budget provides for an expansion of the area cultivated in the United Provinces, and in the case of the Central Indian States for final payments on account of the crop of 1917-18, and for advances in respect of the cultivation in 1918.

	<i>Salt.</i>	£
Accounts, 1916-17	...	4,562,164
Budget, 1917-18	...	3,704,200
Revised Estimate, 1917-18	...	5,177,000
Budget, 1918-19	...	3,179,900

The revised figures are higher than those shown in the Budget for 1917-18 by £1,472,800. The excess is considerable and is attributable in the main to the heavy advance payments of duty made by traders in Northern India from July to November, 1917, to secure priority. Owing to a consequent accumulation of indents, at the end of the latter month receipts of duty and of indents were stopped. These advance payments are reflected in the decrease expected in the Budget Estimate for 1918-19.

	<i>Stamps.</i>	£
Accounts, 1916-17	...	5,719,504
Budget, 1917-18	...	5,895,200
Revised Estimate, 1917-18	...	5,683,700
Budget, 1918-19	...	5,879,500

The fall in the Revised Estimate is shared by all provinces except Bihar and Orissa, Bombay and Assam. The Budget for 1918-19 provides for a moderate growth in all the provinces.

	<i>Excise.</i>	£
Accounts, 1916-17	...	9,106,081
Budget, 1917-18	...	9,219,100
Revised Estimate, 1917-18	...	9,957,600
Budget, 1918-19	...	10,528,400

The revised figures show an improvement in consequence of the favourable agricultural and economic conditions of the year and the prohibitive prices prevailing for imported liquors. Nearly half of the increase anticipated in the Budget for 1918-19 is expected in Bombay, and a moderate growth of revenue is allowed for in other provinces.

	<i>Customs.</i>	£
Accounts, 1916-17	...	8,393,383
Budget, 1917-18	...	9,170,100
Revised Estimate, 1917-18	...	10,878,900
Budget, 1918-19	...	10,525,800

The effect of the rise in prices on ad valorem duties has brought about an improvement in the revised figures for 1917-18 of about £1,700,000 in spite of import restrictions. This course has operated especially in the case of cotton manufactures which show an increase of about £800,000 over Budget expectations, but the majority of other heads show similar enhancements to a less degree. The export duties on jute, rice and tea are not on an ad valorem basis but have also exceeded anticipation owing to the heavy demands by the U.K. and allied Governments for these commodities.

The Budget Estimate for 1918-19 allows for an increase under jute, but decreases under silver bullion and coin, owing to the prohibition placed during 1917-18 on the import of silver into India on private account, and under cotton manufactures and spirits and liqueurs.

The gross receipts in detail, without deduction on account of drawbacks, &c., are as follows :—

	Accounts, 1916-17.	Budget, 1917-18.	Revised Estimate, 1917-18.	Budget, 1918-19.
Special Import Duties :—	£	£	£	£
Liquors	834,300	818,500	752,300	693,500
Petroleum	301,300	251,600	236,700	233,300
Silver Bullion and Coin	100,100	33,300	115,300	—
Sugar	867,000	858,700	953,300	1,000,000
Tobacco	306,800	304,300	410,000	400,000
Other Articles	76,800	87,800	49,900	41,300
Duty at 2½ per cent. :—				
Metals—Iron and Steel	123,200	89,500	112,000	90,000
Other articles	121,300	103,600	97,500	87,300
Duty at 7½ per cent. :—				
Articles of Food and Drink (excluding sugar)	346,700	285,500	366,700	333,300
Raw Materials and Manufactured Articles ...	257,000	221,700	262,700	253,300
Cotton Manufactures	1,194,400	1,900,000	2,711,600	2,533,300
Other Yarn and Textile Fabrics	410,900	378,000	352,300	346,700
Other Manufactured Articles	1,480,500	1,331,400	1,548,300	1,493,700
Export Duties :—				
Jute (raw and manufactured)	785,800	1,200,000	1,254,300	1,400,000
Rice	578,100	566,700	669,300	666,700
Tea	283,600	233,300	297,700	288,400
Excise Duties :—				
Cotton Goods	297,400	323,900	542,100	533,300
Motor Spirit	—	150,000	183,100	180,000
Miscellaneous	294,000	257,000	289,100	240,300
Total	8,659,200	9,394,800	11,204,200	10,814,400

Posts and Telegraphs.

	Accounts, 1916-17.	Budget, 1917-18.	Revised Estimate, 1917-18.	Budget, 1918-19.
Indian Postal and Telegraph Department :—	£	£	£	£
Receipts	3,969,879	4,168,300	4,297,300	4,566,600
Expenditure	3,218,623	3,491,800	3,419,600	3,745,600
Net Receipts	751,256	676,500	877,700	821,000
Indo-European Telegraph Department :—				
Receipts	204,728	177,400	194,800	216,200
Expenditure	222,764	110,100	179,400	185,800
Net Receipts	18,036	67,300	15,400	30,400
Net Receipts—Posts and Telegraphs ...	733,220	743,800	893,100	851,400

The increase in revenue during the year 1917-18 is due mainly to the activity of internal trade and a growth of revenue from State messages owing to war conditions; while expenditure has decreased in consequence of further credits for stores supplied to the Indian Expeditionary Forces. The Budget for 1918-19 allows for a further advance in collections in India, chiefly as a result of enhanced charges, and for an increase in expenditure owing generally to the rise in wages and prices of stores.

Railways.

	Accounts, 1916-17.	Budget, 1917-18.	Revised Estimate, 1917-18.	Budget, 1918-19.
State Railways :—	£	£	£	£
Gross Receipts	41,964,600	41,839,200	45,607,200	47,000,500
Working Expenses	19,979,096	20,900,000	20,666,600	23,044,300
Net Traffic Receipts	21,985,504	20,939,200	24,940,600	23,956,200
Surplus Profits paid to Companies, &c. ...	770,442	780,000	993,400	1,066,600
Interest charges—				
Interest on capital spent or advanced by the State.	7,759,322	8,132,700	7,827,800	7,932,900
Interest on capital deposited by Companies.	2,225,940	2,275,600	2,264,700	2,188,700
Annuities in purchase of Railways ...	3,357,650	3,357,700	3,357,700	3,357,600
Sinking Funds	323,847	230,000	333,600	242,800
Total	14,457,001	14,776,000	14,777,200	14,788,600
Net Receipts	7,548,503	6,163,200	10,163,400	9,167,600
Guaranteed Railways :—				
Miscellaneous receipts (net) or charges (net)	66,628	57,600	11,400	34,100
Net Receipts from all Railways	7,481,875	6,105,600	10,174,800	9,201,700

The position of the Railway Revenue Account in recent years is exhibited in the following table :—

	£
1909-10 Net receipts	824,922
1910-11	2,017,496
1911-12	3,787,770
1912-13	4,803,354
1913-14	4,789,533
1914-15	2,158,034
1915-16	4,075,438
1916-17	7,481,875
1917-18 (Revised Estimate) ..	10,174,800
1918-19 (Budget)	9,201,700

These figures are arrived at after charging in the Account not only all interest charges, but also payments in redemption of capital which are made partly through sinking funds and partly through the annuities created for the purchase of various railways.

The following are the amounts of such payments in the three years under review :—

	£
In 1916-17	1,284,807
In 1917-18	1,327,613
In 1918-19	1,270,826

State Railways.—The profit derived by the State from the railways arises from the State lines, under which head are included not only the lines worked by the State (of which the most important are the North-Western, Eastern Bengal, and Oudh and Rohilkhand systems), but also lines which, while classified as State railways, are worked by companies receiving guaranteed interest on their share capital and a share of the surplus profits. Among the most important of the lines included in the latter class are the East Indian, Bengal-Nagpur, Bombay, Baroda and Central India (including Rajputana-Malwa), Madras and Southern Mahratta, South Indian (including the Indian Midland Railway), Great Indian Peninsula, Assam-Bengal, and Burma Railways.

The Budget for 1917-18 was based on a cautious estimate anticipating a decrease from the high earnings of 1916-17, but actually, the Revised Estimate shows an increase of £4,000,000 over the Budget on the gross earnings. The increase is shared by all principal Companies and is mainly due to larger receipts from the carriage of troops and military stores, and from wheat and coal traffic, and to a less extent to the enhancement of fares and freights.

A considerable decline in working expenses is also shown in the Revised Estimates attributable to the increasing difficulty experienced in obtaining railway materials from the United Kingdom, and the consequent restriction of renewals and repairs.

In the Budget for 1917-18 £500,000 is included in the Gross Receipts on account of the Freight Tax imposed last year. The proceeds of this tax are now shown in the Government of India's accounts under a miscellaneous head and, therefore, not included in the two last columns.

The Budget for 1918-19 estimates for an increase of about £1,400,000 in gross receipts on the assumption that the conditions which led to the increased earnings of 1917-18 will still prevail, and for an increase of about £2,400,000 in working expenses, this being due partly to the larger traffic anticipated and partly to a larger programme of special repairs and renewals and to the increase of pay for railway subordinates recently sanctioned.

Irrigation.

	Accounts, 1916-17.	Budget, 1917-18.	Revised Estimate, 1917-18.	Budget, 1918-19.
MAJOR WORKS:	£	£	£	£
Receipts	4,838,335	4,830,400	4,861,700	5,013,900
Working Expenses	1,351,194	1,391,300	1,408,300	1,469,000
Interest on Debt	1,413,205	1,526,200	1,441,300	1,469,300
Net Receipts	2,073,936	1,912,900	2,012,100	2,075,600
<i>Expenditure on Protective Irrigation Works in addition to that charged under Famine Relief and Insurance.</i>	—	—	—	—
MINOR WORKS:				
Receipts	317,289	294,900	313,000	306,500
Expenditure	785,513	916,600	883,200	990,400
Net Expenditure... ..	468,224	621,700	570,200	683,900
Net Receipts, Major and Minor Works.	1,605,712	1,291,200	1,441,900	1,391,700

The Revised Estimate of net receipts from Major Irrigation Works shows an increase of about £100,000 as compared with the Budget figure, and a further small improvement is expected in 1918-19.

Mint.

	£
Accounts 1916-17	522,455
Budget 1917-18	30,500
Revised Estimate 1917-18	350,900
Budget 1918-19	206,000

The excess shown in the Revised Estimate for 1917-18 over the Budget for that year is due for the most part to seigniorage on new coinage of rupees amounting to nearly £300,000 not allowed for in the Budget, and there has also been an increase of £50,000 from the profit on the circulation of nickel coins, which has been stimulated by trade activity. *Per contra*, as a result of the heavy coinage of purchased silver working expenses have considerably increased. In this connection it is to be noticed that in 1917-18 new rupees and small silver coins were coined to the value (at Rs. 15 = £) of £16,000,000. A moderate provision is made in the Budget for 1918-19 for seigniorage on new coinage of rupees and for profit on the circulation of nickel and bronze coins.

NET EXPENDITURE.
Debt Services.

	Accounts, 1916-17.	Budget, 1917-18.	Revised Estimat., 1917-18.	Budget, 1918-19.
	£	£	£	£
Total payments for Interest on Debt	9,624,645	15,578,500	16,225,500	16,269,500
<i>Deduct amount chargeable to Railways (included under Railways, page 17).</i>	7,759,322	8,132,700	7,827,800	7,932,900
<i>Deduct amount chargeable to Irrigation (included under Irrigation, page 18).</i>	1,413,205	1,526,200	1,441,300	1,469,300
Interest on Ordinary Debt	452,118	5,919,600	6,956,400	6,867,300
Interest on other Obligations	722,746	913,200	841,100	917,000
Total	1,174,864	6,832,800	7,797,500	7,784,300
<i>Interest Receipts on loans, &c., in England and India ...</i>	<i>1,136,504</i>	<i>2,095,700</i>	<i>2,245,300</i>	<i>3,552,600</i>
Net Interest Payments or Receipts other than those chargeable to Railways and Irrigation.	38,360	4,737,100	5,552,200	4,231,700

The charges for the service of the Indian War Loan which were placed at £500,000 in the Budget Estimate for 1917-18 are estimated in the Revised Estimate for that year at £1,847,000, owing to the large increase over the estimated proceeds of the loan. The increase in interest on the War Loan is counter-balanced by a corresponding reduction in the amount to be applied to meeting interest and sinking fund charges on the balance of the Home Government's War Debt for which India has assumed liability. The Revised Estimate includes a sum of £600,000, which represents the discount on Treasury Bills issued during the year (*vide p. 7*).

The Budget for 1918-19 makes provision for a full year's interest on the War Loan raised in 1917-18 and for a sinking fund of £273,300 in respect of the long term portion of that loan. It also sets aside £666,700 for the service of the Second Indian War Loan and £700,000 for discount on Treasury Bills which it is anticipated will be sold in 1918-19.

The total permanent debt is classified in the Accounts as (1) Public Works Debt and (2) Ordinary Debt.* The amount entered as belonging to the former category is the equivalent of the total capital expenditure which has been incurred by the State on Railways and Irrigation Works, including the amount advanced to Railway Companies for capital expenditure, and the interest on this portion of the debt is charged under Railways and Irrigation (*see pages 17 and 18*); the "Ordinary Debt" consists of the difference between the total debt in existence and the amount entered as Public Works Debt. In any year in which, owing to the use, for the construction of Public Works, of surplus revenue or deposits or a portion of the Famine Grant appropriated to the Reduction or avoidance of Debt (*see page 22*), the capital expenditure exceeds the amount of debt incurred in the year, the effect of this system of classification is to cause a decrease to be shown in the amount of the Ordinary Debt, the interest thereon showing a corresponding reduction in due course, while there is a corresponding increase in the Public Works Debt and the interest on it. In 1917-18, owing to India's contribution to the war of £100,000,000, the ordinary debt was increased to £87,969,200, and it is expected that by the end of 1918-19 this figure will stand at £86,063,900. These figures do not include the value of Indian Treasury Bills outstanding nor certain temporary loans by the Presidency Banks. These forms of short term debt amounted to £31,713,700 on 31st March, 1918, and are estimated at £17,017,000 at the end of 1918-19. The receipts from the sale of Post Office Cash Certificates (*see p. 7*) are treated as additions to unfunded debt and are thus included under "other obligations."

The most important of the remaining "other obligations" referred to in the table above are the Savings Bank Balances, the Service Funds and other special funds held by the Government of India. The sums paid in the form of annuities in respect of the purchase of various railways, being directly chargeable to the Railway Revenue Account (*see page 17*) are not shown under the head of "Debt Services," though their payment is of course an obligation similar to that of the interest on debt.

The amount of the debt and other obligations is shown on page 9 above, under "Liabilities and Assets."

The receipts shown in the table above include the interest received in India on loans granted by the Government to Native States, Municipalities, Port Trusts, Railway Companies, &c., and in England on the balances of the Secretary of State in Council. They also include the interest, in India and England, on the invested portion (now about £57,700,000) of the Paper Currency Reserve.

* Ordinary Debt includes debt incurred in the New Capital at Delhi which stood at £1,753,700 on the 31st March, 1918, and is estimated to amount to £2,040,700 by 31st March, 1919.

Military Services.

	Accounts, 1916-17.	Budget, 1917-18.	Revised Estimate, 1917-18.	Budget, 1918-19.
	£	£	£	£
Army	23,144,485	24,229,600	26,554,200	26,646,800
Marine	328,653	577,700	435,600	651,700
Military Works	1,499,137	1,078,700	1,782,300	1,701,500
Special Defence Works	18,536	14,000	10,400	—
Total	24,990,811	25,900,000	28,782,500	29,000,000

The details of the Army Charges, which form the most important part of the charges grouped together in the table above, are as follows :—

Net Army Charges in India.

	Accounts, 1916-17.	Budget, 1917-18.	Revised Estimate, 1917-18.	Budget, 1918-19.
	£	£	£	£
NET CHARGES IN INDIA.				
Effective Services :—				
Army and Garrison and Administrative Staff ...	557,977	578,300	604,500	624,500
Regimental Pay, Allowances and Charges ...	5,147,066	5,133,800	5,349,700	5,531,500
Supply and Transport	1,653,420	1,888,100	1,903,200	1,946,700
Medical Establishments, Supplies and Services	158,182	187,600	225,700	221,200
Ordnance Establishments, Stores and Camp Equipage	657,378	817,600	905,900	1,099,000
Other Effective Services... ..	8,928,438	9,714,100	10,649,600	12,029,400
Compensation for dearness of food and forage	226,728	82,400	53,300	49,800
Total Effective Services	17,329,189	18,401,900	19,691,900	21,502,100
Non-effective Charges... ..	772,636	1,014,300	886,800	988,100
Total, India	18,101,825	19,416,200	20,578,700	22,490,200

Net Army Charges in England.

	Accounts, 1916-17.	Budget, 1917-18.	Revised Estimate, 1917-18.	Budget, 1918-19.
	£	£	£	£
Effective Services :—				
Charges—				
Payments to War Office for British Forces in India.	930,700	930,700	930,700	930,700
Furlough Allowances	205,003	210,000	217,000	217,000
Indian Troop Service and Passage of Officers...	283,646	297,300	306,000	279,300
Miscellaneous	25,073	39,500	29,500	33,500
Stores	1,747,121	1,522,900	2,619,200	919,800
Total	3,191,512	3,000,400	4,102,400	2,379,500
Receipts—				
Contribution of Imperial Government towards Sea Transport Charges.	130,000	130,000	130,000	130,000
Contribution of Imperial Government towards Military Charges for Aden.	100,000	100,000	100,000	100,000
Payment by Imperial Government (on capita- tion basis) for Indian Native Regiments serving in the Colonies.	48,500	30,000	8,000	10,000
Transfer and Sale of Stores, Recoveries, &c. ...	13,701	6,000	6,300	6,000
Total	292,201	266,000	244,300	246,000
Net Charge for Effective Services	2,899,311	2,734,400	3,858,100	2,133,500
Non-effective Charges (net)	2,143,349	2,079,000	2,117,400	2,023,100
Total, England	5,042,660	4,813,400	5,975,500	4,156,600
Grand Total	23,144,485	24,229,600	26,554,200	26,646,800

The net Army Charges for 1917-18 exceeded the Budget Estimate by £2,224,600. This large increase is due to various causes arising directly from the War. Of these the more important are an enhanced outlay on account of special war services in respect of internal defence, the grant of increased pay to British soldiers, and an increase of £900,000 in England for the completion of the supply of rifles and ammunition.

The Budget for 1918-19 is higher by £92,600 than the Revised Estimate. This increase is represented by a larger net provision of £1,911,500 in India, chiefly due to an enhanced reserve for unforeseen charges, and a smaller provision of £1,818,900 in England, £1,700,200 of this being the decrease in the estimate for stores.

Under Non-effective Charges (India) is included an increase of £100,000 for wound and family pension charges arising out of the War; this is counterbalanced by a corresponding reduction of (Home) non-effective payments to the Imperial Government, which bears the extra pensionary charges attributable to the War.

Schedule Expenditure.—Any new measure, the expenditure on which during the first year is likely to exceed £3,300, is included in a Schedule for special sanction. The Budget grants for such expenditure are determined by the urgency of the need, the claims of other branches of the administration and the condition of the revenue. Excluding recurring expenditure on completed measures and the recurring expenditure already attained on measures in progress, the total outlay on special measures in 1916-17, 1917-18, and 1918-19 is estimated to be approximately as follows:—

	£
1916-17 } (Revised Estimate) ...	1,711,300
1917-18 } ...	3,302,500
1918-19 (Budget)	2,171,800

These figures include outlay under the four military heads of account, "Army," "Marine," "Military Works" and "Special Defences." During the War, in addition to measures specifically classed as "Schedule," there has been considerable expenditure on measures immediately necessitated by war requirements.

Civil Departments.

The following table shows the net charges for the several departments:—

	Accounts, 1916-17.	Budget, 1917-18.	Revised Estimate, 1917-18.	Budget, 1918-19.
	£	£	£	£
General Administration	2,083,137	2,056,900	2,223,100	2,263,500
Law Courts and Jails	3,632,924	3,754,900	3,633,900	3,721,300
Police	5,269,152	5,593,600	5,412,900	5,693,600
Ports and Pilotage	76,249	77,800	89,000	92,000
Education	2,834,670	3,318,100	3,061,500	3,908,700
Ecclesiastical	128,537	142,500	130,700	136,800
Medical and Sanitation	1,270,269	1,478,100	1,418,000	1,692,100
Political	1,282,443	1,853,200	2,251,600	2,632,700
Agriculture... ..	520,504	763,600	590,200	700,500
Scientific and Miscellaneous Departments	243,632	344,800	199,200	367,000
Total	17,341,517	19,383,500	19,010,100	21,208,200

The main increase in the Revised Estimate for 1917-18 falls under "Political" attributable to special expenditure in Persia necessitated by the war in connection with South Persia Rifles, and the main decrease under "Education," in consequence of lapses in ordinary grants in Bombay, Bengal, and Madras. There is a reduction also under Police as a result of the non-filling up of vacancies in the executive forces.

The Budget for 1918-19 allows for a considerable increase of expenditure, particularly under the heads of (1) "Education," where provision is made for the development of primary education and a general expansion of expenditure in all

provinces; (2) "Political," as a result of higher anticipated expenditure in Persia and (3) "Police," owing to the cost of various schemes of reform in Bengal, Central Provinces and elsewhere.

Famine Relief and Insurance.

	Accounts, 1916-17.	Budget, 1917-18.	Revised Estimate, 1917-18.	Budget, 1918-19.
	£	£	£	£
Direct Famine Relief	187,617	56,300	6,500	40,400
Protective Railways	— 476	— 500	100	— 500
Protective Irrigation Works	333,601	420,000	353,700	406,700
Reduction or avoidance of Debt.	479,258	524,200	639,700	553,400
Total	1,000,000	1,000,000	1,000,000	1,000,000

A sum of not less than £1,000,000 is annually appropriated for the purposes of Famine Relief and Insurance. When the outlay on direct famine relief is less than the sum appropriated, the balance is used (1) for the construction or maintenance of protective railways and irrigation works, and (2) for the construction of productive public works, which would otherwise require additional borrowing. The amount used for the last-mentioned purpose is shown under the head of "Reduction or Avoidance of Debt."

Up to the end of 1916 expenditure on famine relief was borne partly, if not entirely, by Imperial Revenues, under a somewhat complicated system, whereby Local Governments whose Provinces were liable to famine were annually credited with fixed sums in order to enable them to accumulate funds up to certain limits on which they could draw in case expenditure on famine relief became necessary.

With effect from the 1st April, 1917, a simpler scheme has been introduced, whereby expenditure for famine relief in all provinces is divided, when it occurs, between the Government of India and the Local Government concerned in the proportion of $\frac{3}{4}$ to $\frac{1}{4}$.

Civil Works.

	£
Accounts, 1916-17	4,309,162
Budget, 1917-18	5,259,600
Revised Estimate, 1917-18	4,803,600
Budget, 1918-19	5,752,800

The decrease in the Revised Estimates is due to the policy of retrenchment which has been followed since the beginning of the war. In the Budget for 1918-19 provision is made for a considerable increase of outlay in most provinces, especially Bombay and Burma.

Provincial Adjustments.

	Provincial Revenue (includ- ing Transfers from Imperial Revenues).	Provincial Expenditure.	Provincial Surpluses (net).	Provincial Deficits (net).
	£	£	£	£
Accounts, 1916-17	32,363,083	29,965,781	2,397,302	—
Budget, 1917-18	32,450,800	32,548,600	—	97,800
Revised Estimate, 1917-18	33,361,100	31,523,400	1,837,700	—
Budget Estimate, 1918-19	34,887,700	34,756,300	131,400	—

Under the present system of provincial finance, provincial surpluses are added to the balances at the credit of the Provinces, and charged against the revenue of the year; provincial deficits are met by withdrawals from the balances at the credit of the Provinces, and deducted from the expenditure of the year. The result of this system is that provincial revenue and expenditure always show an exact equilibrium in the general accounts of the Government of India.

APPENDIX II. (a.)

HOME CHARGES.

The following is an analysis of the Net Expenditure in England charged on the Revenue of the year :—

Net Expenditure.	Accounts, 1916-17.	Revised Estimate, 1917-18.	Budget Estimate, 1918-19.
	£	£	£
Interest on Debt (excluding Interest charged in Railway Revenue and Irrigation Accounts)	1,830,878	4,895,600	2,867,000
Railway Revenue Account	9,287,218	9,319,500	9,237,100
Irrigation : Interest on Debt	120,586	120,800	121,000
Bank of England and Bank of Ireland for Management of Debt	60,522	60,700	60,200
Civil Administration :			
Payments on account of Departments in India, passage, outfit, &c.	39,607	48,300	33,300
Postal Subsidy	39,849	22,800	— 4,200
Indo-European Telegraph Department	48,008	21,300	— 9,400
Public Works	1,111	1,200	1,000
Indian Civil Service: Allowances to Selected Candidates, &c.	5,088	4,000	3,300
Lunatics: Maintenance	439	300	300
Political Charges: Diplomatic and Consular Services	— 13,355	— 14,000	— 19,000
" Pensions: Territorial and Political	10,550	10,600	10,600
" Other Charges	16,472	31,100	16,000
India Office: Salaries of Establishment	168,255	185,000	195,000
" Auditor's Department	7,248	8,000	8,000
" Store Department	38,134	39,500	41,200
" Bureau of Information for Indian Students	2,809	3,000	2,800
" Stationery, Postage, Telegrams, Maintenance, and other Charges	29,782	44,700	45,400
Army and Marine, Effective: Home charges of British forces serving in India (deducting receipt of £100,000 from War Office on account of Aden)	830,700	830,700	830,700
" " Troop Service and Transport (deducting receipt of £130,000 from War Office)	146,876	175,700	149,300
" " Receipt on account of Indian Native Regiments lent for service in the Colonies	— 48,500	— 8,000	— 10,000
" " His Majesty's ships in Indian Seas	100,000	100,000	100,000
" " Other Charges	22,477	27,800	31,800
Stores: " Civil and Public Works	374,065	461,900	517,600
" Telegraph	205,222	230,000	367,800
" Marine	292,935	279,000	430,100
" Army	1,742,755	2,615,200	915,000
" Military Works	68,018	63,000	14,000
" Special Defences (1902)	4,482	100	—
" New Capital at Delhi	4,357	3,000	—
" Miscellaneous Charges	190,650	422,000	14,000
Furlough: Civil	251,007	194,000	194,000
" Army and Marine	206,678	218,200	218,200
" Posts, Telegraph and Public Works	51,486	39,700	39,700
Non-Effective Charges (including India Office Pensions):			
Civil	1,452,993	1,456,000	1,469,900
Army and Marine	2,678,780	2,638,300	2,534,600
Profits from purchase and sale of Wheat for 1915-16 and 1916-17 brought to credit of Revenue	—	— 173,500	—
Total	20,268,182	24,375,500	20,482,300

Expenditure in England not charged on the Revenue of the year :—

Expenditure.	Accounts, 1916-17.	Revised Estimate, 1917-18.	Budget, 1918-19.
	£	£	£
Capita outlay on construction of State Railways	318,654	607,100	763,000
" " on Irrigation Works	6,968	1,300	15,000
New Capital at Delhi	21,854	6,800	13,700
Total	347,476	615,200	791,700

APPENDIX II. (b.)

RAILWAYS.

MILEAGE AND TRAFFIC (including railways outside the Government accounts).

Length of railways open in India on 31st March, 1916		35,832.64 miles.
Additional mileage opened in 1916-17 :—		
I. State Lines worked by the State or by Companies	154.92 miles	
II. Lines under rebate or guarantee terms ...	115.72 „	
III. Railways subsidised by the Government of India	14.76 „	
IV. Native State Lines worked by Native States or by Companies and Lines Guaranteed by Native States	185.10 „	
Total addition		470.50 miles.
Length of railways open in India on 31st March, 1917, after allowing for minor corrections due to re-alignments, &c.		36,286.09 miles.

	1915-16.	1916-17.
Total number of passengers carried	476,039,800	499,843,800
Total weight of goods carried (in tons)... ..	88,738,000	93,284,000

CAPITAL OUTLAY AND NET TRAFFIC RECEIPTS.

The lines mentioned below are those of which the transactions are recorded in the Government accounts. The Mean Capital Outlay in 1916-17, including outlay by companies and local boards, is calculated by adding to the total Capital Outlay up to 31st March, 1916, half the outlay in 1916-17.

		Mean Capital Outlay, 1916-17.	Net Traffic Receipts, 1916-17.	Percentage of Net Receipts on Mean Capital Outlay.
		£	£	
	East Indian	56,514,717	4,631,634	8-19
	Bhopal	272,631	24,352	8-93
	Bengal-Nagpur	28,089,624	1,737,770	6-18
	Burma	14,164,220	780,903	5-51
	Assam-Bengal	10,892,370	109,623	1-01
	Jorhat	73,815	4,250	5-76
	Eastern Bengal	25,159,845	1,129,694	4-49
	Bombay, Baroda, and Central India (includes Rajputana - Malwa and Nagda-Muttra)	30,834,195	2,890,443	9-37
	Tirhoot	5,393,560	426,285	7-90
	Oudh and Rohilkhand	17,454,877	983,282	5-63
	Agra Delhi Chord	985,096	94,019	9-55
	Lucknow-Bareilly	896,239	102,254	11-41
	Cawnpore Banda... ..	527,105	10,046	1-91
	North-Western	60,931,484	3,220,701	5-28
	South Indian	14,850,129	1,073,121	7-23
	Bezwada Extension	83,195	13,881	16-68
	Dhone-Kurnool	67,509	3,681	5-45
	Baran-Kotah	313,016	8,103	2-58
	Tinnevely Quilon (British and Native Section).	1,079,904	27,917	2-59
	Great Indian Peninsula (includes Indian Midland).	51,765,133	2,921,219	5-64
	Madras and Southern Mabratta	26,578,410	1,554,772	5-86
	Jodhpur-Hyderabad (British Section)... ..	297,056	41,303	13-90
	Aden	30,337	2,945	9-71
		347,254,467	21,791,598	6-23
Unopened lines, stores, &c.	... ..	691,931		
		347,946,398	21,791,598	6-26
Private Companies: Government pay- ments.	... ..	3,690,722		
	GRAND TOTAL	351,637,120		

APPENDIX II. (c)

MAJOR IRRIGATION WORKS.

CAPITAL OUTLAY AND NET EARNINGS.

The Mean Capital Outlay in 1916-17 is calculated by adding to the total Capital Outlay up to 31st March, 1916, half the outlay in 1916-17.

	Mean Capital Outlay 1916-17.	Net Earnings 1916-17 (being gross receipts less working expenses).	Percentage of net Earnings on Mean Capital Outlay.
Bihar :—	£	£	
Orissa Canals	1,763,769	7,192	·40
Sone	1,729,862	77,824	4·49
Tribeni	488,424	— 12,686	—
Bengal :—			
Midnapur	553,942	4,888	·88
Central Provinces :—			
Tank Projects	616,120	1,364	·22
United Provinces :—			
Ganges	2,411,764	269,478	11·17
Lower Ganges	2,588,491	163,064	6·29
Agra	762,926	55,239	7·24
Eastern Jumna	325,080	93,887	28·88
Betwa	532,198	5,771	1·08
Punjab and N.W. Frontier Province :—			
Western Jumna	1,125,529	124,855	11·09
Upper Bari-Doab	1,407,694	259,405	18·42
Sirhind	1,624,226	203,937	12·55
Lower Chenab	2,087,061	951,571	45·59
Lower Jhelum	1,037,336	254,985	24·58
Upper Swat River	1,283,246	— 9,605	—
Upper Chenab	2,266,205	117,792	5·19
Upper Jhelum	2,819,763	— 35,745	—
Lower Bari-Doab	1,402,908	24,636	1·75
Madras :—			
Godavari Delta	861,840	216,113	25·07
Kistna Delta	1,015,551	188,297	18·54
Kurnool Cuddapah	1,521,212	8,359	·54
Pennér River Canals System	379,398	32,456	8·54
Periyar Project	685,850	28,166	4·10
Bombay :—			
E. Nara Works	451,536	30,251	6·69
Godaveri	629,220	6,240	·99
Mutha Canal and Matoba Tank	506,786	17,284	3·41
Jamrao	565,149	30,177	5·33
Mira Right Bank	667,474	—	—
Nira Canal and Shetphal Tank	406,449	23,185	5·70
Burma :—			
Mandalay	374,890	16,331	4·35
Mon	365,397	10,927	2·99
Shwebo	382,959	34,896	9·07
Twante	439,692	5,348	1·21
Other Works	6,791,213	282,259	4·15
Total	42,871,160	3,487,141	8·13

APPENDIX II. (d.)

TRADE TABLES.

SEA-BORNE TRADE:—

I.—General Summary.

II.—Analysis of Imports of Merchandise, showing the principal articles separately.

III.—Analysis of Exports of Merchandise, showing the principal articles separately.

IV.—Analysis of Imports of Merchandise on Private Account, showing separately the principal countries of origin.

V.—Analysis of Exports of Indian Merchandise on Private Account, showing separately the principal countries of destination.

I.—Summary of Sea-borne Trade.

—	Merchandise.	Treasure.			Total Merchandise and Treasure.
		Gold.	Silver.	Total.	
1915-16.					
Imports:—					
Private ...	87,990,800	3,496,100	4,407,400	7,903,500	95,894,300
Government ...	4,122,000	25,000	35,700	60,700	4,182,700
Total ...	92,112,800	3,521,100	4,443,000	7,964,200	100,077,000
Exports:—					
Private ...	Indian produce. } 128,356,200* Re-exports. } 3,230,600				
Government ...	131,586,800 1,400,100	4,260,500 —	690,000 533,300	4,950,500 533,300	136,537,300 1,933,400
Total ...	132,986,900	4,260,500	1,223,300	5,483,800	138,470,700
Excess of Imports over Exports:—					
Private ...	—	—	3,717,400	2,953,000	—
Government ...	2,721,900	25,000	—	—	2,249,300
Excess of Exports over Imports:—					
Private ...	43,596,000	764,400	—	—	40,643,000
Government ...	—	—	497,600	472,600	—
1916-17.					
Imports:—	£	£	£	£	£
Private ...	99,748,000	8,891,900	1,039,700	9,931,600	109,679,600
Government ...	7,075,800	—	15,703,500	15,703,500	22,779,300
Total ...	106,823,800	8,891,900	16,743,200	25,635,100	132,458,900
Exports:—					
Private ...	Indian produce. } 155,435,700† Re-exports. } 5,155,400				
Government ...	160,591,100 1,440,300	41,200 27,100	3,253,200 956,600	3,294,400 983,700	163,885,600 2,424,000
Total ...	162,031,400	68,300	4,209,800	4,278,100	166,309,600
Excess of Imports over Exports:—					
Private ...	—	8,850,700	—	6,637,200	—
Government ...	5,635,500	—	14,746,900	14,719,800	20,355,300
Excess of Exports over Imports:—					
Private ...	60,843,100	—	2,213,500	—	54,206,000
Government ...	—	27,100	—	—	—

* Includes £4,599,300, being the value of wheat exported on Government account.

† Includes the value of wheat, tanned cowhide and other articles of national importance exported on Government account.

I.—Summary of Sea-borne Trade—continued.

—	Merchandise.	Treasure.			Total Merchandise and Treasure.
		Gold.	Silver.	Total.	
1917-18.					
Imports:—	£	£	£	£	£
Private ...	100,204,900	†	†	†	†
Government ...	9,286,000				
Total ...	109,490,900	†	†	†	†
Exports:—					
Private ...	{ Indian produce. } 148,610,300* Re-exports. } 5,316,000				
Government ...	153,926,300 1,559,600	†	†	†	†
Total ...	155,485,900	†	†	†	†
Excess of Imports over Exports:—					
Private ...	—				
Government ...	7,726,400				
Excess of Exports over Imports:—					
Private ...	53,721,400				
Government ...	—				

* Includes the value of wheat, tanned cowhide, and other articles of national importance exported on Government account.

† The publication of treasure figures has been temporarily discontinued.

II.—Sea-borne Trade—Analysis of Imports of Merchandise, showing the principal articles separately.

	1915-16.	1916-17.	1917-18.
A. On Private Account.			
	£	£	£
I. Food, Drink, and Tobacco:—			
A. Fish (excluding canned fish) ...	164,600	119,200	91,400
B. Fruits and Vegetables ...	826,900	779,400	687,800
C. Grain, Pulse, and Flour... ..	542,600	121,600	51,500
D. Liquors	1,069,400	1,334,300	1,440,400
E. Provisions and Oilman's stores... ..	1,408,500	1,872,800	1,182,500
F. Spices	1,248,100	1,296,900	1,267,600
G. Sugar	11,078,500	10,300,200	10,213,200
H. Tea	225,300	179,000	405,500
I. Other Food and Drink	1,295,800	1,327,400	1,550,900
J. Tobacco	534,400	834,200	1,133,200
Total, Class I	18,394,100	18,165,000	18,024,000
II. Raw Materials and Produce and articles mainly un-manufactured:—			
A. Coal, Coke, and Patent Fuel	181,100	103,000	49,500
B. Gums, Resins, and Lac	126,000	192,700	194,300
C. Hides and Skins, raw	94,300	152,000	118,300
D. Metallic Ores and Scrap Iron or Steel for re-manufacture.	32,800	25,100	14,700
E. Oils	2,831,600	3,108,700	2,506,000
F. Seeds	138,000	168,500	616,400
G. Tallow, Stearine, and Wax	129,700	151,100	72,700
H. Textile Materials	1,005,500	1,152,600	1,264,300
I. Wood and Timber	450,700	676,100	769,400
J. Miscellaneous	694,500	948,400	851,600
Total, Class II	5,684,200	6,678,200	6,457,200

II.—Sea-borne Trade—Analysis of Imports of Merchandise, showing the principal articles separately—continued.

	1915-16.	1916-17.	1917-18.
<i>A. On Private Account—continued.</i>	£	£	£
III. Articles wholly or mainly manufactured :—			
A. Apparel	1,175,900	1,414,300	1,053,100
B. Arms, Ammunition, and Military Stores	195,800	235,500	192,500
C. Carriages and Carts (including Cycles and Motor Cars)	1,058,000	1,617,400	674,000
D. Chemicals, Drugs, and Medicines	1,915,200	2,339,200	2,867,400
E. Cutlery, Hardware, Implements (except Machine Tools), and Instruments	2,725,400	3,528,100	3,210,000
F. Dyes and Colours	864,500	1,555,200	1,604,400
G. Furniture, Cabinetware, and Manufactures of Wood	168,900	232,400	194,400
H. Glassware and Earthenware	1,033,500	1,338,700	1,345,600
I. Hides and Skins, tanned or dressed, and Leather	221,500	268,200	255,400
J. Machinery of all kinds, including Belting for Machinery	3,504,700	4,009,500	3,490,000
K. Metals, Iron and Steel, and Manufactures thereof	6,123,500	5,912,100	5,160,200
L. Metals, other than Iron and Steel, and Manufactures thereof	1,306,100	1,219,900	1,677,500
M. Paper, Pasteboard, and Stationery	1,340,300	2,070,900	1,970,600
N. Railway Plant and Rolling Stock	2,812,300	1,045,700	330,900
O. Yarns and Textile Fabrics	32,460,300	40,251,600	42,229,000
P. Miscellaneous	5,436,100	5,935,900	7,027,600
Total, Class III	62,342,000	72,974,600	73,282,600
IV. Miscellaneous and Unclassified	1,570,500	1,930,200	2,441,100
Total value of Imports of Merchandise on Private Account	87,990,800	99,748,000	100,204,900
B. Government Stores	4,122,000	7,075,800	9,286,000
Grand Total, Imports of Merchandise	92,112,800	106,823,800	109,490,900

III.—Sea-borne Trade—Analysis of Exports of Merchandise, showing the principal articles separately.

	1915-16.	1916-17.	1917-18.
<i>A. On Private Account.</i>	£	£	£
I. Food, Drink, and Tobacco :—			
A. Fish (excluding Canned Fish)	284,100	306,000	298,900
B. Fruits and Vegetables	400,300	400,600	343,800
C. Grain, Pulse, and Flour	19,380,800	23,269,600	34,878,300
D. Liquors	3,900	—	100
E. Provisions and Oilman's Stores... ..	351,300	452,600	454,000
F. Spices	619,300	722,900	655,700
G. Sugar	62,800	175,600	96,500
H. Tea	13,320,700	11,180,700	11,781,800
I. Other Food and Drink	660,800	697,900	599,200
J. Tobacco	293,400	346,600	327,600
Total, Class I	35,377,400	37,552,500	49,435,900

III.—Sea-borne Trade—Analysis of Exports of Merchandise, showing the principal articles separately—continued.

	1915-16.	1916-17.	1917-18.
A. On Private Account—continued.	£	£	£
II. Raw materials and produce and articles mainly unmanufactured :			
A. Coal, Coke and Patent Fuel	491,700	508,100	159,100
B. Gums, Resins and Lac	1,178,500	1,919,400	2,576,900
C. Hides and Skins, raw	6,530,200	9,605,700	5,225,300
D. Metallic ores and scrap iron or steel for re-manufacture.	928,200	1,614,400	1,376,700
E. Oils	812,600	1,007,200	1,326,400
F. Seeds	6,748,400	10,962,100	5,256,400
G. Tallow, Stearine and Wax	36,900	75,800	58,700
H. Textile materials	30,446,500	37,540,200	31,797,700
I. Wood and Timber	524,900	460,800	273,400
J. Miscellaneous	1,716,100	2,173,200	2,278,700
Total, Class II	49,414,000	65,866,900	50,329,300
III. Articles wholly or mainly manufactured :—			
A. Apparel	57,600	91,600	69,800
B. Arms, Ammunition, and Military Stores ...	100	100	100
C. Carriages and Carts, including Cycles and Motor Cars.	800	2,400	2,800
D. Chemicals, Drugs and Medicines	1,627,700	2,492,500	2,482,400
E. Cutlery, Hardware, Implements (except Machine Tools) and Instruments.	28,500	36,100	15,600
F. Dyes and Colours	2,093,300	2,004,800	1,406,600
G. Furniture, Cabinetware, and manufactures of wood.	24,700	21,300	16,000
H. Glassware and Earthenware	6,300	8,600	8,000
I. Hides and Skins, tanned or dressed, and Leather	3,758,700	6,293,200	4,245,600
J. Machinery of all kinds, including belting for machinery.	800	5,100	2,700
K. Metals, Iron and Steel, and manufactures thereof.	264,500	373,000	209,900
L. Metals, other than Iron and Steel, and manufactures thereof.	264,400	484,400	359,300
M. Paper, Pasteboard and Stationery	6,600	21,300	22,300
N. Railway Plant and Rolling Stock	13,300	9,700	8,800
O. Yarns and Textile fabrics	31,912,300	36,529,000	36,683,000
P. Miscellaneous	2,083,100	2,189,600	2,000,000
Total, Class III	42,142,700	50,562,700	47,532,900
IV. Miscellaneous and Unclassified	1,422,100	1,453,600	1,312,200
Total value of exports of merchandise on private account.	128,356,200(a)	155,435,700(b)	148,610,300(c)
B. Government Stores, exports	1,140,300	1,361,100	1,478,200
Total exports of Indian merchandise ...	129,496,500	156,796,800	150,088,500
C. Re-exports—On Private Account	3,230,600	5,155,400	5,316,000
Government Stores	259,800	79,200	81,400
Total	3,490,400	5,234,600	5,397,400
Grand Total, exports of merchandise	132,986,900	162,031,400	155,485,900

(a) Includes £4,599,800, being value of wheat exported on Government account.

(b) Includes £2,835,300, being value of wheat and tanned cowhide exported on Government account.

(c) Includes the value of wheat, tanned cowhides and other articles of national importance exported on Government account.

IV.—*Sea-borne Trade—Analysis of Imports of Merchandise on Private Account, showing separately the principal countries of origin.*

NOTE—The figures in this Table are based on the new system of registration according to country of consignment.

Countries.	1915-16.	1916-17.	1917-18.
	£	£	£
British Empire:—			
United Kingdom	52,205,800	53,521,000	54,481,200
Aden and Dependencies	320,900	472,100	658,300
Ceylon	636,700	827,500	1,607,500
Straits Settlements (including Labuan)... ..	2,502,100	2,589,500	3,527,000
Hong Kong	884,400	746,000	901,500
Egypt	474,200	426,600	691,600
Mauritius and Dependencies (including Seychelles)	1,419,000	550,400	723,700
Zanzibar and Pemba	243,900	257,300	322,100
East African Protectorate	78,300	220,200	282,500
Canada	5,600	5,700	50,400
Australia	447,000	647,700	596,500
Other British possessions	316,400	315,900	408,800
Total—British Empire...	59,534,300	65,579,900	64,251,100
Foreign countries:—			
Russia	57,500	164,300	87,400
Sweden	514,300	583,400	517,600
Norway	367,100	441,300	434,300
Germany	307,600	51,900	7,100
Holland	801,300	661,300	410,300
Belgium	153,800	25,800	3,700
France	1,328,600	1,357,600	1,087,100
Spain	367,200	291,300	282,600
Switzerland	433,800	454,200	265,800
Italy	1,336,900	1,648,600	1,184,300
Austria-Hungary	3,300	9,600	38,700
Turkey, Asiatic	300,900	449,000	390,800
Arabia	326,800	241,400	262,800
Persia	453,700	464,800	656,100
Sumatra, Java, and Borneo	9,611,500	9,272,800	8,055,000
Siam	229,900	277,700	370,200
China (exclusive of Hong Kong and Macao)	1,283,400	1,098,300	1,396,900
Japan	4,997,800	8,888,700	12,159,800
Portuguese East Africa	76,900	36,000	39,100
Italian East Africa	145,300	107,000	177,300
United States of America	5,247,400	7,303,900	7,874,900
Other Foreign countries	111,500	339,200	252,000
Total—Foreign countries	28,456,500	34,168,200	35,953,800
Grand Total	87,990,800	99,748,000	100,204,900

V.—Sea-borne Trade—Analysis of Exports of Indian Merchandise on Private Account, showing separately the principal countries of destination.

NOTE.—The figures in this Table are based on the new system of registration according to the country of final destination.

Countries.	1915-16.	1916-17.	1917-18.
	£	£	£
British Empire:—			
United Kingdom	48,788,100	52,274,600	39,147,000
Gibraltar	126,500	10,700	13,800
Aden and Dependencies	829,700	1,252,500	706,000
Ceylon	6,120,000	6,762,000	6,404,900
Straits Settlements (including Labuan)	3,336,700	4,016,600	4,337,300
Hong-Kong	2,746,400	2,757,600	2,633,800
Egypt	1,436,400	2,053,500	16,648,900
Cape Colony	281,400	292,500	573,400
Natal	676,900	820,200	1,213,300
Mauritius and Dependencies (including Seychelles)	789,500	1,094,100	764,100
Zanzibar and Pemba	179,900	333,400	256,800
East African Protectorate	291,200	504,100	373,800
Canada	1,061,600	969,500	1,547,700
British West India Islands	98,400	135,400	238,100
Australia (including New Zealand)	3,381,700	3,734,800	4,186,700
Other British Possessions	600,100	961,900	1,502,700
Total British Empire	70,744,500	77,973,100	80,548,300
Foreign Countries:—			
Russia	3,622,700	3,781,400	490,700
Sweden	204,000	46,100	—
Norway	126,000	136,800	123,300
Germany	—	—	—
Holland	144,800	266,100	51,500
Belgium	154,000	—	—
France	6,270,400	9,487,200	5,593,200
Spain	1,398,500	1,717,700	563,200
Switzerland	125,100	115,500	249,800
Italy	5,952,200	6,435,600	4,527,600
Austria-Hungary	—	—	—
Turkey, European	100	—	—
" Asiatic	534,900	1,143,800	1,450,800
Arabia	645,400	965,800	1,062,200
Persia	825,900	1,251,600	1,767,000
Sumatra	221,100	412,200	417,600
Borneo and Java	1,217,900	1,868,800	1,802,300
Siam	614,900	649,400	919,000
Indo-China	487,500	1,054,700	1,103,600
China (exclusive of Hong-Kong and Macao)	3,577,700	3,878,600	2,903,400
Japan	12,271,100	17,578,900	19,259,700
Portuguese East Africa	200,800	231,400	383,500
Other East African Ports	112,800	165,000	143,500
United States of America	14,098,200	20,757,400	20,182,900
West Indies	1,008,900	1,586,600	1,492,500
South America	3,217,100	3,276,700	2,647,700
Oceania	154,200	232,400	116,800
Other Foreign Countries	425,500	422,900	813,100
Total Foreign Countries	57,611,700	77,462,600	68,064,900
Grand Total	128,356,200(a)	155,435,700(a)	148,613,200(a)

(a) Includes the value of wheat, tanned cowhides and other articles of national importance exported on Government account.