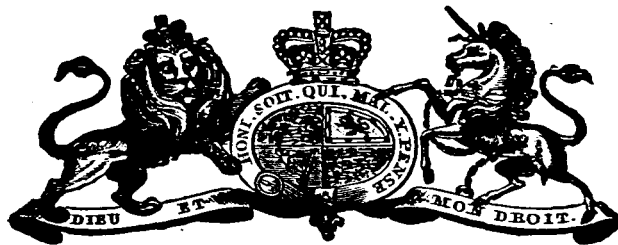


GOVERNMENT OF INDIA.
FINANCIAL DEPARTMENT.

FINANCIAL STATEMENTS

FOR

1880-81.



CALCUTTA:
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1880.

FINANCIAL STATEMENT FOR 1880-81.

SPEECH IN THE LEGISLATIVE COUNCIL OF HIS EXCELLENCY
THE GOVERNOR GENERAL OF INDIA, BY THE HON'BLE
SIR JOHN STRACHEY, G.C.S.I.

FEBRUARY 24TH, 1880.

1. My Lord, I have now to lay before the Council the Financial Statement Preliminary for the coming year 1880-81. It takes what has become the somewhat unusual form of a speech by myself, instead of a Resolution published in the Gazette. I shall state to the best of my ability all facts necessary to enable the Council and the public fully to understand the present condition and apparent prospects of our finances.

I propose in the first place to give a summary of the main facts and figures for the year 1878-79, for the year 1879-80, now about to close, and for the coming year 1880-81, and to reserve for a later part of my statement the observations which I may wish to make upon some of the more important questions of our financial policy.

2. The Council will see, from the Abstract Statements which have been laid on the table, that a few changes have been made in the forms of the accounts. CHANGES IN THE FORMS OF THE ACCOUNTS.

New major heads have been opened to show separately the revenue from REGISTRATION. *Registration* and the expenditure on that department of the administration.

The *Guaranteed* and *State Railways* are now shown together under the RAILWAYS. single head *Railways*. The purchase of the East Indian Railway by the State, involving its transfer from the category of guaranteed to that of state railways, has made comparisons of the current estimates with the past accounts in each separate category impossible; and a like disturbance will ensue on the acquisition of other lines constructed by private capitalists under a guarantee of interest from the public revenues. Moreover, negotiations are already in progress for the working of the Indus Valley State Railway by the Sindh, Punjab, and Delhi Railway Company. It would be difficult to distinguish between the transactions of the two railways under one management. Similar arrangements for the management of other state railways are likely in the future.

Regular
Estimates,
1879-80.

IRRIGATION AND
NAVIGATION.

For like reasons, the transactions with the *Madras Canal and Irrigation Company* will henceforth be entered under the major head, *Irrigation and Navigation*, under which head the cost of agricultural works (drainage and embankments) will also, hereafter, be shown.

Thus the public works heads of account will now be *Railways, Irrigation and Navigation*, and *Other Public Works*.

Accounts,
1878-79.

3. In March last the Regular Estimate for 1878-79 showed a probable surplus, on the ordinary Account, of £1,300,000; the actual surplus was £2,044,391, or £744,391 better than the estimate. The differences between the Accounts and the Regular Estimates are for the most part unimportant, and there are not many of them which now call for remark.

WAR IN AFGHANIS-
TAN.

The net cost of the war in Afghanistan in 1878-79 was £676,381, a close approximation to the estimate of £670,000 made last year. Against this must be set the gain, the amount of which cannot be exactly stated, under the heads of *Railways* and *Telegraphs*. We estimate at £575,000 the ultimate net total cost of the operations in Afghanistan recorded in the Accounts of 1878-79. The sum of £313,420 was spent on *Famine Relief*.

FAMINE RELIEF.

COMPARISON WITH
1877-78.

4. Compared with 1877-78, the Revenues of 1878-79 show an improvement of £6,238,393, of which, however, £2,400,331, under the head of *Provincial Rates*, for the first time incorporated in these accounts, is nominal. The largest increase was under *Land Revenue*, £2,460,919; the loss under this head in 1877-78, in consequence of famine, had been very large. There was a saving of £5,032,355 in *Famine Relief*; there was an increase of expenditure of £1,705,767 under *Loss by Exchange*, and £1,339,281 under *Public Works*. The apparent increase under *Public Works* is explained by the transfer of charges in the earlier year from this head to that of *Famine Relief*, and does not represent a real fluctuation of Public Works expenditure. Altogether the expenditure of the year exceeded that of the previous year by £650,915. The net result is £5,587,478 better than the result of 1877-78.

GENERAL RESULT
FAVOURABLE.

5. Thus the financial outturn of 1878-79 was very satisfactory; with the help of the additional taxation imposed in that and in the previous year, amounting to £1,227,891, of which £313,420 was spent on Famine Relief, the true surplus of the year exceeded the amount of £2,000,000, decided to be necessary to meet our obligations on account of famine, and to leave a margin for other contingencies; and this result was obtained, notwithstanding the expenditure on the war, and the remission of the Inland Sugar Duties and some of the Customs Duties on cotton goods and other articles. The standard at which, for ordinary times, the Government aims, namely, a surplus of £2,000,000, less any expenditure on Famine Relief and exclusive of extraordinary charges such as those for great military operations, would have been attained if the accounts had shown a surplus of only £1,010,199, or £1,034,192 less than the actual surplus.

DOUBTFUL
PRODUCTIVE
PUBLIC WORKS.

6. I see only one drawback to entire satisfaction with these results; some of the capital expenditure under productive public works, as, for example, that on the Indus Valley and Punjab Northern Railways, cannot at present be regarded as directly reproductive. The works themselves possess the highest value; and for the future, as the Council is aware, no expenditure which is not really and directly reproductive is to be excluded from the comparison upon which the Surplus or Deficit of the revenue is ascertained. It will be seen later on that we are acting strictly on this principle in the present and coming years.

Regular
Estimates,
1879-80.

COMPARISON WITH
ORIGINAL ESTI-
MATE.

7. I come now to the Regular Estimates for the present year, 1879-80.

It is now expected that the revenue will amount to £67,583,000, or £3,021,000 more than the original estimate, and that the ordinary expenditure will be £67,464,000, or £1,507,000 more than was estimated. Thus, instead of a deficit of £1,395,000, with which, when our budget estimates were framed, we expected that the present year would close, our estimates now show a surplus of £119,000.

8. The original estimates provided for an additional military expenditure of £2,000,000 for the war in Afghanistan; if the war had ended with the treaty of Gundamak, I believe that this estimate would not have been exceeded; but, in consequence of the renewal of hostilities, the estimated additional charge has risen to £3,216,000. In addition to this amount, we have had to undertake the construction of railways on our frontier. I shall have to speak of them further on; but in the present year they are estimated to cost £1,670,000. Thus the total provision on account of the war has now been increased to £4,886,000. With the exception of £230,000 on account of the Railway from Jhelum to Rawal Pindi, which is included under the head of *Railways*, the whole of this sum, under orders from the Secretary of State, is charged against *Army*. It was a question whether they ought not to have been included under the head of *State Railways*, and as they will undoubtedly, quite independently of their present military importance, possess great and permanent value to the country, much was to be said in favour of this view. But, as their construction was primarily due to the war, it was decided to include their cost in the war expenses. The result will be to exaggerate the apparent amount of our military expenditure.

Regular
Estimates,
1879-80.
WAR IN AFGHAN-
ISTAN.

RAILWAYS CHARGED
AS WAR EXPENDI-
TURE.

An expenditure of £10,000 upon *Famine Relief* was estimated; this, on account of distress in parts of the Bombay Presidency, has been raised to £99,000. On the other hand, the Railway and Telegraph receipts are better, by reason of the war, to the extent of about £300,000.

FAMINE RELIEF.

9. Thus, but for war and famine, the Regular Estimates of the present year would have shown a surplus revenue of about $4\frac{3}{4}$ millions sterling. The taxes imposed in 1877 and 1878, to enable us to discharge our obligations in time of famine, will, it is estimated, yield £1,184,000; and, if we deduct the sum of £99,000, actually spent on famine relief, there will remain of this revenue £1,085,000. To this extent, the new taxes have had the effect of preventing debt. Making allowance for other abnormal items on both sides of the account, the true surplus of the year for comparison with the standard surplus of £2,000,000, at which we aim, will be about £4,160,000. This surplus, if it had been actually obtained, would have been much in excess of the whole expenditure on productive public works, which is estimated at £3,700,000.

SURPLUS COM-
PARED WITH
STANDARD.

If present prospects are fulfilled, the financial outturn of the present year 1879-80 will leave nothing to be desired.

10. The most important variations from the original estimates are the following:—

DETAIL OF VARI-
ATIONS.

Land Revenue.—Improvement, £450,000; more than half of this has been collected on account of arrears of former years, and the increase is due to the increased prosperity of the country.

LAND REVENUE.

Salt.—Net improvement £362,000; this also is highly satisfactory, as showing a general increase of consumption.

SALT.

Opium.—Net improvement, £1,900,000. In September last the duty on Malwa Opium was raised by Rs. 50 a chest; the revenue from Opium this year has been unprecedentedly large.

OPIMUM.

Assessed Taxes.—Decrease £93,000. This is the result of the orders given during the year for the exemption of the smaller incomes from taxation.

ASSESSED TAXES.

Stamps have improved by £114,000. The stamp revenue has been constantly increasing; during the last seven years it has risen from £2,516,400 in 1872-73 to £3,090,000 in 1879-80, or by £573,600.

STAMPS.

Under no head of the revenue has there been any serious decrease.

11. On the expenditure side of the account, the following are the chief variations from the original estimates:—

Interest on debt.—Decrease £389,000; the chief saving is in the discount on the loan of March 1879.

INTEREST ON
DEBT.

Regular
Estimates,
1879-80.

There has been a satisfactory increase in the Savings Bank Deposits, which now exceed £2,000,000; in December last new rules were issued increasing the rate of interest from $3\frac{1}{2}$ to $4\frac{1}{2}$ per cent., and for preventing trouble to depositors.

POST OFFICE.

Post Office.—Increase £63,000. The new contract with the Peninsular and Oriental Company came into force in February 1880. The yearly subsidy has been reduced from £430,000 to £360,000; the efficiency of the service has been increased, and the rates of postage to Great Britain have been reduced. Post cards costing $\frac{1}{4}$ anna each were introduced in April 1879, and are already so popular that it is difficult to supply the demand.

TELEGRAPHS.

In *Telegraphs*, the excess of expenditure over receipts will, this year, be only £6,000; there has been a satisfactory growth of revenue, amounting to £145,000, of which, however, £50,000 is attributed to the war.

STATIONERY AND
PRINTING.

Stationery and Printing.—Decrease of expenditure, £99,000; this is to some extent nominal. Supplies will, in future, be largely bought in India, instead of in England.

SUPERANNUATION.

Superannuations.—Increase of net expenditure, £168,000; this is owing to the reduction of Public Works establishments, to which I shall have again to refer.

RAILWAYS.

Including an expenditure of £230,000 on the Jhelum and Rawal Pindi line; *Railways* are worse by £204,000, of which, however, £150,000 appears as a transfer under *Gain by Exchange*. If these adjustments are made, the Railways show an improvement of £176,000. But the Railways, and especially the Great Indian Peninsula and the Oudh and Rohilkund lines, have not been as prosperous as, at one time, we hoped they would be.

PUBLIC WORKS.

Public Works.—There has been a saving of £747,000, to which I shall refer again.

PROVINCIAL AND
LOCAL SURPLUSES,
AND BALANCES.

Provincial and Local Surpluses.—Net surplus £265,000. Improvement £456,000.

There was a like improvement of £469,000 in the accounts of 1878-79, as compared with the regular estimates. The provincial and local balances at the end of 1879-80 are now expected to exceed the sums last estimated as follows:—

	Provincial.	Local.	Total.
	£	£	£
Now estimated	1,331,800	1,336,700	2,668,500
Estimated last year	837,000	716,900	1,553,900
Better	494,800	619,800	1,114,600

This result is the more remarkable and satisfactory in that, during the year, the Local Governments agreed to contribute from their balances in special aid of the imperial treasury the sum of £670,000, half of which, £335,000, is charged in the accounts of the current year. The other half will be charged in 1880-81. The reduction of their expenditure on public works and the general improvement of their provincial resources has enabled the Local Governments to afford this timely help to the general finances with little apparent difficulty.

ARMY.

The *Army* shows an increase of £2,768,000; which I have already noticed. Apart from the war, the regular estimate is for a net expenditure of £15,487,000; the excess of £112,000 over the original estimate being due to high prices.

EXCHANGE.

Exchange shows an improvement of £1,010,000; the original estimate was for the remittance to the Home Treasury of £15,000,000 at an exchange of 1s. 7d.; it is now hoped that £15,750,000 will be remitted at an average rate of 1s. 8d.

PRODUCTIVE
PUBLIC WORKS.
RAILWAYS.

Productive Public Works, on which £3,700,000 was spent, show a small increase; 511 miles of railways have been opened for traffic during the year. At the end of the year there will be 8,724 miles in use and 1,462 under con-

struction. I shall speak again of the frontier railways. Great progress has been made during the year with the Rajputana Line. The Lines in Bengal have been completed, and fair progress has been made on the Line from Nágpur to Ráipúr.

Budget
Estimates,
1880-81.

Irrigation Works show an expenditure of £797,000. In Madras, much progress was made with the Godaveri and Kistna Delta and other works. In Bengal, the Orissa project, so far as the works have been sanctioned, approaches completion. In the North-Western Provinces and Punjab, much useful work has been done on the Upper and Lower Ganges Canals, and on the Western Jumna and Sirhind Canals.

IRRIGATION.

Satisfactory progress has been made with the Madras Harbour Works.

Revenue and Working expenses of Productive Public Works show an improvement of £638,000, due mainly to the inclusion, so long desired, of the land revenue in the Madras Presidency attributable to these works.

12. The details of the Loan operations of the year are as follows:—

Debt incurred.—Net £5,131,000. More than estimate £804,500, of which £540,700 was in India, where less was paid off than was expected, and £263,800 in England, where £270,016 less than was estimated in March last was raised at the close of 1878-79.

LOAN OPERATIONS.

The loan of £5,000,000, which was notified on the 13th March 1879, was subscribed at an average of 95-0-6 per cent. The discount upon it charged in the accounts of 1879-80 was £247,239. Of the outstanding portion of the 5½ per cent. Loan of 1859-60, £1,123,900 will be paid off during the year, leaving £105,600 still due. Other outstanding notes, amounting to £2,400, have been discharged. The net sum borrowed is thus £3,850,000.

13. A Local Debenture Loan of £45,020 was raised for the Cawnpore-Farakhábad Light Railway at 4 per cent. interest with share of profits.

LOCAL DEBENTURE
LOANS.

A Local Debenture Loan of £50,000 was offered at Nágpur in November at par at 4½ per cent. interest, with half the percentage of surplus profits on the Nágpur-Ráipúr Railway. The subscriptions amounted to £42,700, of which £17,300 is payable this year and £25,400 next year.

The Secretary of State received £2,000,000 without interest from Her Majesty's Imperial Government under the Indian Advance Act, 1879: but on the other hand he repaid sterling debt amounting to £736,200.

14. Thus the net debt incurred amounted to £5,131,000, or, excluding the loan from Her Majesty's Government, £3,131,000. Including railway capital transactions, savings bank deposits, service funds, loans to native states, &c., and the repayment of such loans, the net amount borrowed in 1879-80 was, apart from the £2,000,000 advanced as aforesaid under the Indian Advance Act, £3,523,000.

NET DEBT IN-
CURRED.

The equation of the year 1879-80 may accordingly be stated thus—

		£			£
Borrowed ...	...	5,523,000	Net expenditure ...	...	3,581,000
Net other receipts	...	143,000	Balances decreased	...	2,090,000
		5,671,000			5,671,000

15. The price of public securities has risen rapidly during the year. The price of 4½ per cent. paper has for some time been more than 101, and that of 4 per cents. now exceeds 94.

PUBLIC SECURITIES.

16. I come now to the Budget Estimates for the coming year 1880-81.

Budget Estimates,
1880-81.

The revenues are estimated at £66,746,000. The ordinary expenditure is estimated at £66,329,000; we expect therefore a surplus of £417,000.

GENERAL.

17. The estimated expenditure includes excess military charges, amounting to £4,360,000, of which £2,090,000 is for military operations proper, and £2,270,000 for the frontier railways; against this, there will be a set-off on account of improvement in the Railway and Telegraph revenues, estimated to £300,000, leaving the net charge for the war on the estimates of 1880-81 at £4,060,000.

EFFECT OF WAR ON
ESTIMATES.

Budget
Estimates,
1880-81.

But for the war expenditure, the true surplus of the year, to compare, as before, with the standard surplus of £2,000,000, would not have been less than £4,000,000.

The estimated revenue includes £982,000 obtained from the taxes imposed in 1877 and 1878, to enable the Government to meet its famine obligations.

SATISFACTORY
RESULT.

18. The estimates for 1880-81 thus show an extraordinarily satisfactory result, far surpassing the standard at which two years ago the Government of India aimed. The result is the more satisfactory, because the total estimated expenditure on the productive public works of a doubtful character, to which I have before referred, is only £398,000.

Revenue.

19. I will notice a few only of the heads in which the Budget Estimate differs from the Regular Estimate of the present year.

ASSESSED TAXES
AND CUSTOMS.

20. *Assessed Taxes and Customs* show a decrease of revenue, to which I shall refer later on. I may, however, notice here that, in February 1879, the Hon'ble Mr. Hope and Mr. J. D. Maclean were appointed Commissioners to report *inter alia* whether it was desirable to revise the tariff valuations yearly, and, if so, how such revision should be made. The Commissioners recommended a yearly revision of the tariff values, and advised that the materials for such revision should be systematically collected throughout the year at the ports of Calcutta, Bombay, Madras, Rangoon, and Kurrachee, and collated in Calcutta, in February of each year, by a Committee of three persons to be appointed by the Government of India, one of them being *ex-officio* the Collector of Customs at Calcutta. The first Committee of revision was accordingly appointed in January last; the Hon'ble Mr. Hope, and, on the nomination of the Bengal Chamber of Commerce, Mr. J. W. O'Keefe, a member of the firm of Messrs. Kettlewell, Bullen, and Company, consented to serve upon it, with Mr. J. D. Maclean, Collector of Customs, Calcutta. The Committee has just completed its revision, which is estimated to produce an increase of £15,000 to the Customs revenue.

SALT.
OPIUM.

21. *Salt* shows an increase, of which also I shall speak separately.

22. The net revenue from *Opium* is estimated at £7,250,000; this estimate, although £1,150,000 less than the amount we expect to receive in 1879-80, is largely in excess of any estimate made in any previous year. Although the actual net revenue of the last two years has been more, it is not thought prudent to take the estimate for the coming year at a larger amount than that which I have stated.

The Bengal crop of 1878-79 yielded 29,876 chests 75 % consistence and 20,175 chests 70 % consistence. Thus the stock in hand on the 1st January 1880 was 38,179 chests 75 % consistence, and 43,404 chests 70 % consistence, total 81,583 chests. The provision for sale during 1880 is 28,200 chests of each consistence, so that the reserve on the 1st January 1881 will be 9,979 chests 75 % consistence, and 15,204 chests 70 % consistence, total 25,183 chests.

TELEGRAPHS.

23. Under *Telegraphs* we estimate for the first time that the revenue will exceed the expenditure.

RAILWAYS.

24. *Railways*.—Net revenue £794,000, of which £250,000 is attributed to the military operations in Afghanistan. Improvement £1,080,000.

Of this large amount, £268,337 is nominal, owing to only three-quarters of the East Indian Railway annuity falling due in the financial year 1880-81, against which, however, may be set a payment of £235,000 due to the Company under the old contract for the second half of 1879. The purchase of the East Indian Railway is expected, upon the estimates of 1880-81, to produce a net revenue of £300,000 in excess of what it would have yielded, under the old system. The guaranteed Railways will, it is hoped, in the prosperous season which we anticipate, yield £405,000 more than this year.

From the State Railways an improvement of £231,000 is expected from increased mileage open and from development of traffic.

There is no doubt always an element of speculation in the estimates of Railway revenues; but an increasing return may fairly be expected from the constantly increasing capital expenditure on the construction of these works; which by the end of 1880-81 will amount to £130,000,000, or 144 crores of rupees.

The chief event of the year is the purchase of the East Indian Railway for the State with effect from the 1st January 1880. The price paid was £37,200,000. I need not repeat the details of the new arrangements under which the line has been purchased, and under which it is to be worked.

Budget
Estimates,
1880-81.

On the expenditure side of the account an improvement is expected of £212,000 under *Interest*; this partly arises from the proposed conversion of the 5 per cent. sterling loan, and is partly nominal.

PURCHASE OF EAST
INDIAN RAILWAY.
Expenditure.
INTEREST.

25. Under *Administration* there is a decrease of £30,000, in consequence of various reductions in Imperial Establishments.

ADMINISTRATION.

26. The grants for 1880-81 for *Ordinary Public Works* are less than those for 1879-80 by £597,000; the grants for *Productive Public Works* have been reduced by £1,000,000. There is thus a total gross reduction in Public Works expenditure of £1,597,000, of which the saving in establishments is estimated at £247,000. Against this, however, must be set the special grant of £230,000 under *Railways* on the Jhelum and Rawal Pindi line.

PUBLIC WORKS.

The reduction in the ordinary expenditure on Public Works, apart from establishments, is more apparent than real; for the actual expenditure in past years has never exceeded the amount granted for 1880-81. I shall again refer to the question of expenditure on Public Works.

27. I have already spoken of the *Army* expenditure. Apart from the war, the estimate stands at £15,330,000. According to our present accounts and estimates, the net cost of the war from 1878-79 to the end of 1880-81 will be about 9½ millions, of which about 3¼ millions is for the railways, and 5½ millions for military operations. The estimates of the cost of the war must of course be to a great extent speculative; but they have been prepared with much care; and their accuracy up to the present time is highly creditable to Major Newmarch and the Military Department. There is no reason to suppose that they err on the side of being too low.

ARMY.

To what extent it will be found hereafter that stores, chiefly camp equipage, have been expended and wasted and lost, we cannot possibly know accurately until the war is over; but every thing bought for the war is included in the estimates, and the reserves in our arsenals are being maintained at their proper standard, the cost being charged, for the present, as current expenditure.

28. Our estimates show under *Loss by Exchange* a net loss of £3,174,000, being an increase on the regular estimate for the present year of £310,000; in 1880-81 it is proposed to remit £16,900,000; the expenditure of the Home Treasury will be largely increased by the payments for stores for the frontier railways. We assume that the average rate of exchange will be the same as that of the present year, or 1s. 8d.

LOSS BY
EXCHANGE.

29. The rate of exchange for the adjustment of the public accounts between the English Treasury and India has been fixed at 1s. 8½d.

ADJUSTING RATE,
1880-81.

30. *Productive Public Works (Capital expenditure)*.—Grant £3,312,000. Decrease £388,000. The grant is thus distributed:—

PRODUCTIVE
PUBLIC WORKS.

	£
Irrigation and Navigation ...	630,000
Madras Harbour (besides £50,000 granted under 34, <i>Other Public Works</i>) ...	70,000
East Indian Railway ...	630,000
Other State Railways ...	1,982,000
TOTAL ...	<u>3,312,000</u>

This grant is made in strict accordance with the conditions prescribed by the Secretary of State as follows:—

	£
Fixed grant... ..	2,500,000
Saving in 1879-80 re-granted ...	182,000
Capital expenditure on the East Indian Railway	630,000
TOTAL ...	<u>3,312,000</u>

Budget
Estimates,
1880-81.

Expenditure.
RAILWAYS AND
IRRIGATION.

It is hoped that 988 miles of railway will be opened for traffic in 1880-81. This will complete the communication between Bombay and the North-Western Provinces through Rajputana. Good progress will be made towards the completion of railways and works of irrigation already begun, but the funds at our disposal for productive works are now so small that we cannot commence in the coming year any new works of magnitude. In Madras the chief outlay on irrigation works will be in the Godaveri Delta. In Bombay and Bengal the sanctioned works will be nearly all completed. In the North-Western Provinces the principal work will be on the Lower Ganges Canal. In the Punjab the weir at the head of the Sirhind Canal and the remaining large masonry works will be nearly finished; the new main line of the Western Jumna Canal will probably be opened, and the new Delhi branch will be well advanced.

MADRAS HARBOUR.

It is hoped that the Madras Harbour works will be finished in 1880-81. It was not possible to grant on this account more than £70,000 under the head of *Productive Public Works*, but the completion of the work being very important, this amount has been supplemented by a grant of £50,000 under the ordinary head.

NET REVENUE
FROM PRODUCTIVE
PUBLIC WORKS.

31. *Revenue and Working expenses, Public Works.*—Net revenue £318,000. The improvement is under Railways.

Ways and
Means, 1880-81.

32. I now come to the important subject of the provision of the Ways and Means for the service of the ensuing year.

HOME REMIT-
TANCES.

33. In this respect the responsibility of the Government of India is confined chiefly to the requirements of the public service in India. Its direct concern with the provision of Ways and Means to meet the demands of the Home Treasury is limited to the remittance of the amount for which the Secretary of State intimates his intention of drawing bills during the year. The Secretary of State has resolved to raise, in this way, during 1880-81, the sum of £16,900,000. Owing to the heavy estimated expenditure at home for the frontier railways (£360,000 in 1879-80, and £1,070,000 in 1880-81), this large sum will not much exceed the current requirements of the Home Treasury. The Secretary of State could not therefore frame his requisition upon us for less than £16,900,000; but he has authorised the Government of India to state that his drawings may be reduced if the demand for his bills upon India proves insufficient.

ASSETS AND
LIABILITIES.

34. According to present prospects, the balances in the treasuries in India on the 31st March 1880 are expected to amount to Rs. 14,19,00,000. The surplus of Imperial revenue in India during 1880-81 is estimated at Rs. 12,88,68,000, or, deducting from the expenditure the loss by exchange on the Secretary of State's bills, Rs. 16,26,68,000. We expect to receive in India the sum of Rs. 1,01,38,000 for remittance to England, and, in the shape of Savings Banks and Service Funds Deposits and recoveries of Railway Capital, Rs. 56,15,000. Besides the Secretary of State's bills, provision must be made for the estimated deficit in the Provincial and Local revenues of Rs. 11,60,000 and for the net disbursement of Rs. 19,50,000 on the Remittance and Deposit Accounts. Thus, including Rs. 20,28,00,000 for the Secretary of State's bills, we have to contemplate a liability of net Rs. 20,59,10,000, against which we have net assets amounting to Rs. 17,84,21,000, showing a deficiency of Rs. 2,74,89,000.

NO LOAN.

35. The Government of India has had to consider whether the whole or any part of this sum should be provided from the balances, or whether it shall raise the whole or any part of it by a loan. After due deliberation we have resolved to adopt the former alternative, and to endeavour to meet all the expected demands in India, during the coming year, without recourse to the money market for a loan.

REDUCTION OF
BALANCES.

36. In consequence of this resolution the balances in the treasuries in India on the 31st March 1881 are expected to fall somewhat below 11½ crores of rupees, a sum considerably less than the minimum sum which the Government of India usually estimates.

FREE POWER TO
BORROW RESERVED

37. The estimates of the Home remittance and Loan Transactions are habitually presented with expressed reserve; and this reserve must be understood to be this year greater than usual. But while thus emphatically reserving to our-

selves the freest discretion to raise, during the year, any loan which actual events may render necessary, we consider the prospects of our being able to dispense with a loan during the year sufficiently substantial to make it unnecessary for us to enter any loan upon the estimates. We shall not in any case hesitate to raise any small Local Debenture Loans which may seem expedient during the year. Trade.

38. The year 1878-79 was one of restricted and depressed trade as compared with the trade of the year immediately preceding it, though the value of the merchandise imported and exported (excluding gold and silver) was hardly below the average of the four years ending with 1877-78. When it is considered that famine still afflicted extensive provinces, that the war with Afghanistan was in progress, interfering with ordinary traffic on railway lines, causing a scarcity of carriage, and increasing the effects of drought and floods on the prices of food, and that trade generally in Europe and America was passing through a prolonged period of depression, it is a matter for congratulation that the industry of the country was able to bear up so well against adverse influences. TRADE, 1878-79.

The value of the exports of raw cotton, oilseeds, hides and skins, indigo, silk, wheat, saltpetre, lac, teakwood, and sugar, exhibited a sensible decline, most strongly marked in cotton, seeds, indigo, wheat, and sugar. The fall in cotton followed on a continuous decline of some years; the crops of seeds failed extensively, and at the same time the European and American demand for them fell off; the wheat trade was for the time almost annihilated, the low range of prices and enormous supplies from America forbidding the competition of Indian wheat; and sugar, after a large trade in the two previous years, suffered from the increase of prices caused by exhaustion of stocks and a failure of the sugarcane crop in the North-Western Provinces. Large quantities in excess of the imports of the previous year were imported to supply the deficiency. EXPORTS AND IMPORTS.

But while the trade in these articles diminished, owing to what we may hope were in most cases temporary causes, the exports of cotton twist and piece goods, rice, jute and jute manufactures, tea, coffee, and wool, afforded indications of prosperity in some of our chief staples.

The value of the cotton manufactures imported was smaller than it had been for many years. Metals, railway materials, liquors, coal, and apparel all declined, and there was an increase in silk, sugar, provisions, woollen goods, machinery, and spices.

The net imports of silver were nearly £10½ millions less than those of 1877-78, and gold was sent out of the country to the value of nearly £900,000. IMPORT OF SILVER.

The trade of the ten months of the current year for which figures are available shows a marked recovery from the depression of 1878-79, a recovery which, with abundant harvests, a decline in the prices of food stuffs, and renewed vitality in European and American trade, may reasonably be expected to continue. RECOVERY OF TRADE.

Even raw cotton has shared in the recovery, both quantities and values having, for the first time for years, increased instead of diminished. Twist, rice, jute, hides and skins, tea, indigo, wheat, and saltpetre, have all increased, in some cases remarkably. The recovery of the rice trade, with the fall of prices and the reduced demand for consumption in India, is very satisfactory. So also is the increase in the trade in tea, although it is said that the planting interest has not been a gainer by the increased exports.

The imports of merchandise also, like the exports, are much larger than in 1878-79. A large and active trade is being done in cotton goods, in the development of which there is reason to believe that the remission of duty on the coarser kinds of grey goods has aided. On the whole, the prospects of trade are satisfactory.

39. I have now, my Lord, stated the general facts and figures for the past and present years, and for the year that is about to commence. The result must be considered highly satisfactory. The aggregate actual and estimated surpluses of the three years amount to £2,580,000. Let it be remembered that this will be arrived at after spending, out of our ordinary revenue, 5½ millions on the war, 3½ millions on frontier railways, and £400,000 on GENERAL SATISFACTORY RESULT.

Afghan War.

famine relief; let it be remembered that the amount charged in these three years under the head *Loss by Exchange* has been nearly 10 millions; let it also be remembered that we have given up £340,000 from the License tax; £150,000 from Salt; £150,000 from the Inland sugar duties; £300,000 on cotton goods, and a multitude of other articles; and that the sum raised by taxation is thus less than the sum raised at the beginning of 1878, by more than £900,000.

WAR IN
AFGHANISTAN.

40. I shall now, My Lord, proceed to notice some of the more important questions of policy which the Government has had to consider. And first I may refer to that question which, at the present time, chiefly occupies our thoughts, the war in Afghanistan.

ITS POLICY DOES
NOT AFFECT FINAN-
CIAL ASPECT.

My Lord, I do not now propose to discuss the reasons which led the Government to undertake this war. The discussion by me of such questions on the present occasion would be irrelevant to the matter before me. Whether the war has been just and necessary, or iniquitous and foolish, it has now to be carried on and paid for, and my present duty is confined to showing how the Government proposes to meet the obligations which, whether rightly or wrongly incurred, cannot now be avoided.

COST TO BE BORNE
BY INDIA OR
ENGLAND.

41. There is, however, one question to which I must refer. It has been maintained by many persons that England, and not India, ought to bear the cost of the war in Afghanistan. I must explain why I consider this opinion incorrect.

Circumstances may be imagined under which it would be just that England should bear the whole cost of military operations carried on by the Government of India, even though the finances of India might be so prosperous that they could without difficulty dispense with such assistance. It is conceivable that a war might be undertaken for the maintenance or defence of purely English interests, real or imaginary does not matter, and that India might be called upon by England to co-operate in such a war, although no Indian interests could be possibly served by it. In such a case the liability of England could not justly be denied.

It will be said by those who are opposed to the policy which the Government has followed, that the war in Afghanistan falls precisely within this category, and that this war has been entered upon in defence of no Indian interest whatever, but in furtherance of the so-called Imperial policy adopted by Her Majesty's Government. Persons who hold this opinion may reasonably object to throwing any part of the cost of this war upon India; but this is not the opinion of the Government.

INDIAN INTERESTS
INVOLVED.

42. Her Majesty's Government, and the Government of India, and, I will make bold to say, the intelligent loyalty of the people of India itself, hold that the war in Afghanistan was undertaken for the protection of India from the menaces of foreign aggression, and for the maintenance within her borders of permanent domestic tranquillity. The Government believed that this war could not be avoided, unless we were prepared to acquiesce in the establishment on our North-West Frontier of new conditions, which would infallibly lead to a great increase of military expenditure, to intolerable financial burdens and difficulties, and to the disturbance throughout India of the very foundations of our power. Great as is the interest of England in preventing such consequences, the questions at issue were primarily and essentially Indian questions.

Believing that the true interests of India are indissolubly bound up with the peaceful maintenance of our own dominion, we say that this war was undertaken with the conviction that justice to India herself rendered it unavoidable. If it be right to expend the revenues of India in maintaining the armies by which British supremacy is ordinarily secured, in giving to her internal peace and good administration, in the development of her wealth and civilization, and on the thousand other beneficial objects which we desire to promote, it is right to spend those revenues in rendering it impossible that any hostile influence should grow up on her borders, to threaten the existence of everything which the duty of England to India makes us most desirous to develop.

NECESSITY OF
FINANCIAL
INDEPENDENCE OF
INDIA.

43. I can imagine few greater misfortunes to India than the loss of her financial independence, and the acceptance by England of financial responsibility for

her Indian Empire. It would signify to India the loss of control over her own affairs in every department of her administration, the possible subordination of her interests to those of a foreign country, and the substitution of ignorance for knowledge in her Government. Although some rare instances may be quoted in which, when there seemed to be a conflict between English and Indian interests, it may perhaps be doubted whether India has been treated with perfect fairness, there can be no question that, on the whole, the government of India has been carried on with as honest and thorough a regard for Indian interests as if India had a separate national existence of her own. England may rightly be proud of the way in which she has treated her great dependency. These fortunate results have, however, been due not only to her justice, but also to the wisdom with which she has left to India a separate financial responsibility. England has felt that it would be no kindness to take upon herself burdens which India now bears, to guarantee Indian debts, pay for Indian wars, and relieve Indian famines. England has also felt that it was wise, in her own true interest, to refuse to take into her own hands the control of the £67,000,000 which now constitutes the revenue of India. England does not choose that there should be grounds for even a suspicion in regard to the purity of her motives. I say this in the belief that India has before her a future of increasing wealth and prosperity; but if this anticipation should not be verified, and her future should be one of financial embarrassment, the loss of her financial independence would bring with it other misfortunes. I trust that the people of England may never find cause for believing that the maintenance of their Indian Empire means the imposition of heavy burdens on themselves.

Afghan War.

44. If, My Lord, India is ever to have a separate national existence, she must have self-respect and self-reliance, and I am sure that Indian patriots, who, with perfect loyalty to British rule, may nevertheless have, as they may rightly have, visions and aspirations of a distant future of another kind, ought to be the first to declare that their magnificent country shall bear its own burdens. India expects justice from England, but does not ask for charity. She feels that, with her ample and splendid resources, her two hundred millions of people, her revenue, which is surpassed by that of two only of the greatest European nations, she is a source of strength, not of weakness, to the British Empire. Whether we look to the extent of her territory, or to the numbers and character of her population, her military strength and capabilities, her public revenue and credit, India is one of the great powers of the world, ready at all times to stand side by side with England, and to fulfil every obligation which she owes to the common interest. If England be wise, she will not suffer either her own people, or her friends, and still less will she suffer her enemies, to be ignorant of the fact that her Indian Empire possesses almost inexhaustible resources. I repudiate, as unworthy of India and of England, the notion that India requires help to protect herself against the hostility of an Afghan Chieftain, encouraged though he may have been by a great power beyond. Nor does the fact that English as well as Indian interests are at stake, afford any reason for asking England to help us with her money. Everything which conduces to the safety and prosperity and progress of India, is a matter of concern to England; but there is no more reason that England should help us to pay for a local war, necessary for the protection of the interests of India, than that she should help us in the relief of our famines, or in meeting the ordinary charges of our administration.

RESOURCES OF INDIA.

45. Holding, my Lord, these views, it was, I confess, with some regret that I saw India, a year ago, accepting from England even the small amount of assistance which was given to us in the shape of a loan of £2,000,000, to be repaid without interest in seven years. But the circumstances of the time were peculiar. India had been suffering from a succession of famines and other unavoidable misfortunes, which had thrown enormous burdens on her finances, and there was a strong feeling in England, shared by men of all classes and parties, that, when the new calamity of war was added to the calamities which had gone before, England should help India in her difficulties. Although the course prompted by this generous feeling may not have been

LOAN FROM ENGLAND TO INDIA.

Afghan War. politically wise, its motives were so honourable to the people of England that I cannot cavil at it.

COST TO BE BORNE
BY INDIA.

46. But, whatever may be thought of the action taken in the past, when we were in a position of temporary embarrassment, no reasons exist at the present time for asking England to help us to meet the charges of the war. The figures which I have stated to the Council show that we have in our possession ample means of defraying all expenditure which it is likely we shall have to incur. We have obtained these means not only without the imposition of fresh burdens on the people, but at a time when we are relieving important industries, and freeing from taxation a vast number of persons, who, if not actually, are still relatively poor. To say that when we are reducing the pressure of taxation, when the general condition of the people of India is one of great prosperity, when every branch of our revenue is flourishing, and when we have actually got all the money that we want, we ought nevertheless to ask England to tax herself, and relieve us from a burden which we are perfectly able to bear, does not seem to me reasonable.

COST OF WAR TO
BE MET OUT OF
CURRENT INCOME.

47. But it will be said that, even if India must bear the cost of the Afghan war, and must pay for the frontier railways, the construction of which the war has made inevitable, all these charges ought not to be thrown on the present generation of tax-payers; that this expenditure is undertaken for the future, rather than for the present protection of India; that posterity should pay its share of burdens imposed for its benefit; and that these charges should be met by loans, not out of the income of the year.

The question thus raised is an old one; but I think I may be allowed, without disrespect to those who think differently, to say that, in England at least, statesmen of all parties have agreed about the principles on which such questions are to be decided. Those principles are, that, especially in a country with a heavy public debt, and not able to reckon confidently on a large and constantly recurring surplus, by means of which new debt can certainly and speedily be cleared off, the wise course is undoubtedly to provide for war expenditure out of the revenue of the year, so far, but so far only, as this is possible without throwing excessive burdens on the taxpayers, and overloading (to use Sir Stafford Northcote's words) the springs of industry and commerce; and that, if the expenditure cannot thus be covered, the deficiency may properly be made good by loans or other temporary resources not included within the regular revenue of the year. This is the doctrine which I understand to be held by that great authority in matters of finance, Mr. Gladstone, and I have partly stated it in his own words, although at one time he went further in his advocacy of meeting such expenditure without recourse to loans. In India there may undoubtedly be special reasons for charging heavy war expenditure against loans, in preference to placing new burdens on the country. Not only is it difficult to make a very large and sudden addition to our existing taxation, but it may be politically unwise to do so. There would therefore be no cause for surprise if, in the case of having to meet a large expenditure on war, we were unable to contribute from current revenue as large a proportion of the cost as in England would be thought right. Nevertheless, the general principle is as true in India as in England,—that, to the utmost of our ability, we ought to provide for the expenses of every year out of the year's income, and to allow no borrowing that is not really unavoidable. As the late Prince Consort, contrasting these two plans of meeting war charges, observed:—"The former course is manly, statesmanlike, honest; the latter is convenient, cowardly, perhaps popular."

NO NEED FOR
INCREASED
TAXATION.

48. For the reasons which I have given, it is improbable that the Government would, if our finances had been less prosperous, have thought it right to propose the imposition of fresh taxation to meet the expenses of the present war; but it is fortunate that no such question now arises. We can carry out the wise principles which I have quoted, not only without any fresh demand upon the resources of the country, but while we are giving relief from present taxation. I can hardly conceive that it can seriously be maintained that, having in our possession all the money that we are likely to require for the prosecution of the war, we should not spend it on that object, that we should abandon existing income, and then borrow to supply the loss.

49. The reasons for which it is right to provide for the charges of the war out of current income apply equally, and indeed with greater force, to the charges for the frontier railways. Although they will permanently benefit the country, it is plain that we could not construct them with borrowed money on the grounds on which we borrow for productive public works, and that their cost must be included among our ordinary charges. If, however, we could not have paid for them out of our ordinary revenue, it would have been quite right to borrow for their construction. I should have said this because the works are absolutely necessary, and because the political and financial evils of borrowing would be less serious than those involved by fresh taxation. I should not have defended borrowing for these railways on the ground that they will benefit posterity as well as the present generation. That is a matter about which I know nothing; but I know that posterity will have quite enough to do in bearing its own burdens.

License Tax.

COST OF FRONTIER
RAILWAYS
SIMILARLY
TREATED.

50. I may add, with reference to these railways, that the urgent necessity for pushing on their construction is not likely to be denied even by those who have opposed the policy under which the war in Afghanistan was undertaken. The estimates show a probable expenditure on this account of £1,440,000 in the present year, and of £2,270,000 next year. The Council is aware of the great and unprecedented speed with which the Railway from the Indus to the foot of the Biluchistan hills, on the line towards Kandahar, has been pushed on. The extension of the Punjab Northern Railway from Jhelam to Rawalpindi and Peshawar, and to Khushalgarh, is making rapid progress. In less than four months from the commencement of operations, trains were running for 140 miles towards Kandahar; while on the Peshawar line, where the rails have to be carried over viaducts 100 feet high and through cuttings of rocks 60 feet deep, the engines are expected to reach the banks of the Indus before the end of 1880. Independently of military considerations, which possess, of course, at the present time, extreme importance, the completion of these lines, within the shortest practicable time, has become very urgent. As the Government of India has written on this subject, "it is obvious that immediate outlay upon the early and effectual improvement of our means of transport would be amply repaid by reduction in the excessive, and, to a great extent, wasteful expenditure which must otherwise be prolonged throughout the course of our present military operations, with the certainty of its recurrence on the first occasion of their renewal. The financial and economical interests affected by the inadequacy of our present Frontier communications are far-reaching, and the injury they sustain can scarcely be exaggerated."

URGENT NECESSITY
FOR IMPROVED
FRONTIER
COMMUNICATIONS.

51. I have now, my Lord, to state to the Council the course which the Government proposes to take in regard to the Bill for amending the License Acts. It will be remembered that, when this measure last came before us, I announced, on behalf of the Government, that it was not proposed to take any further steps in the matter, until after the publication of the Financial Statement.

LICENSE ACTS
AMENDMENT BILL.

The changes proposed in the existing law, when the Bill was introduced in November last, would, if they had been adopted, have had no appreciable effect upon the revenues, the amount surrendered by the exemption from taxation of the lower classes of traders being just made good by the extension of taxation to the official and professional classes. The effect of the further modifications subsequently proposed, and of the additional exemptions in favour of the poorer traders, would have been a loss on the one hand of £340,000 a year, and a gain on the other hand of £240,000, thus leaving us, as the general result, with £100,000 less revenue than we get now. The measure was essentially one which had for its object the equitable re-adjustment of taxation, and it had no financial importance.

PROPOSED
CHANGES.

52. Before going further, I wish to ask the Council to recall the circumstances under which fresh taxation was imposed two years ago.

ORIGINAL
INTENTION OF
INCREASED
TAXATION.

The object of the new taxes was described in the preamble of the License Act passed by this Council; and nearly the same words were used in the other similar Acts passed for the various provinces of the Empire. It was stated that—"in order to provide means for defraying the public expenditure from time to time incurred, and to be incurred, for the relief and prevention of famine in British India, it is necessary to effect a permanent increase of the revenue."

License Tax.

In making this quotation, I do not attach any exaggerated importance to the declaration that these taxes were intended to give a "permanent increase" to the revenues. It is, of course, competent to the Legislature to alter its policy in regard to this, as to any other matter. The declaration, nevertheless, has this value, that it shows the intention of the Legislature, when these measures were enacted two years ago; and since the object for which they were enacted—the protection of the country against famine—is undoubtedly as important now as it was then, and as earnestly desired by the Government, it is reasonable to say that very good cause ought to be shown, before we consent to give up taxes avowedly imposed to make a "permanent increase" to the revenues.

TOTAL AMOUNT OF
FAMINE INSURANCE
TAXATION.

53. I may remind the Council what this increase really was. Taking together the measures adopted in the two years 1877 and 1878, the first new taxation was the Public Works cess, imposed on the land in Bengal: this yielded in 1878-79 £355,590. In 1878, new cesses were also imposed on the land in the North-Western Provinces, Oudh, the Punjab, and the Central Provinces, yielding about £170,000. The total amount of new taxation on the land was therefore about £525,000; the actual receipts during the last two years have, however, not been so large, because it was thought right to postpone for a time the collection of the cess in parts of Northern India which had suffered from drought. Similar taxation was not imposed on the land in Madras and Bombay: the principal reason for this exemption was, that the salt duties had just been increased in those presidencies, and it was held to be inexpedient to impose cesses on the land at a time when the effects of the famine were still being felt, and when the salt duties were being increased. A license-tax on traders was first imposed in 1877 in the North-Western Provinces, and, in the following year, the present License Acts were applied throughout India. They yielded, at their maximum, about £820,000 net.

The total amount of what has been called the Famine Insurance taxation was therefore about £1,345,000.

LOCAL RATES AND
LICENSE TAXATION
STAND ON SAME
BASIS.

54. Considering that precisely the same reasons were given by the Government, and accepted by the Legislature, for imposing fresh taxation on the trading and on the agricultural classes, with the object of protecting the country against the financial consequences of famine, and that special stress was laid upon our desire to make the burden fall with approximate equality on each of these classes, it would be difficult, for the present Government at least, to accept any proposition for treating them differently now. In fact, it would be hardly possible to maintain the cesses on the land, if the tax on trades were abolished. It might be more possible to defend the abolition of the cesses on the land and the maintenance of the tax on trades. But it is needless to discuss such questions. Practically, so far as we are now concerned, these taxes on the agricultural and trading classes stand on the same basis.

THEY CANNOT BE
ABANDONED.

I need hardly say, after what has been said on former occasions, that the Government can entertain no idea of giving these taxes up, and of sacrificing a million a year of revenue. Even if these taxes were as bad as some think them, a time like the present, when we have to meet the heavy obligations entailed by a serious war, would not be opportune for abandoning them; still less could such a course be approved by those who believe with me, that these taxes are far less objectionable than others that could be named, and that when the time comes for remitting taxes, it is not with these that we ought to begin.

EXEMPTION OF
SMALL TRADERS
FROM TAXATION.

55. At the same time, the Government desires to make all practicable improvements in the assessment and the administration of the License Acts. It was this desire which led the Government to the conclusion, explained by me to the Council, when the Bill for amending those Acts last came forward, that it was desirable to exempt from liability all persons whose annual earnings are less than Rs. 500 a year. As I formerly said, we expect by this change to exempt from taxation about a million and three quarters of the smaller traders, and to lose £340,000. The Government still adheres to these conclusions.

EXTENSION OF
TAXATION TO
PROFESSIONAL AND
OFFICIAL INCOMES
RECONSIDERED.

56. Although, when this Bill was last before the Council, I was able to state that there had been great improvement in the financial position of the Government, I did not then venture to anticipate that the improvement would, when

we came to make our estimates for next year, be so considerable as it is now shown to be. It has necessarily obliged the Government to reconsider the question of the propriety of extending taxation to the official and professional classes, and thus making good the greater part of the loss incurred by the exemption of the smaller traders from the License Acts.

Although the main object of the Government in this part of its proposals was a more equitable adjustment of taxation, we felt that it was hardly prudent to give up £340,000 of income without any compensation, and this was one of the reasons assigned for the proposal to tax the officials and professional men. The Government has now had to consider this question:—admitting—as we must do, in the present state of the finances—that we do not absolutely require the £240,000 which the contemplated taxation of these classes would yield, is it now desirable to impose it merely for the purpose of making our system of taxation more theoretically equal, and removing to some extent the reproach, which undoubtedly is true, that certain classes do not at present bear their full share of the public burdens?

If it had now been possible to attempt the removal of the numerous inequalities and anomalies which are inseparable from any such partial system of taxation as that which now exists, this would have been an object of high importance; but the mere extension of taxation to the official and professional classes would clearly be no complete solution of such a problem, although it might be a step towards it. On the whole, the Government thinks it better, for the present at any rate, not to press this part of its proposals. We have given up £340,000 from our existing taxes, and we do not ask that any fresh taxation shall be imposed. The amendment of the present law is desirable to carry out the exemption of the lower classes of traders, and for the removal of one or two difficulties which I shall explain later on; but with these exceptions no change is proposed in the License Acts now in force.

57. I do not intend, My Lord, on this occasion to discuss afresh the vexed question of the Famine Insurance Fund or Surplus. There has been much misunderstanding between the Government and some of its critics as to what was said and as to what, though unsaid, we are presumed to have meant when the taxes to which I have referred were first imposed in 1877 and 1878: for this misunderstanding, so far as it has been due to want of precision in the explanations of our policy, I am prepared to accept my full share of responsibility, but for my part, I do not intend to refer to it again. I shall only say further that there has been, in regard to this matter, no change in the financial policy of the Government, nor is any change proposed now. In the following remarks, I shall endeavour to avoid controversy, and to refer only to actions and to facts which, whatever their motives and origin, can hardly be misconstrued.

58. When the serious character of the financial obligations of the State in times of famine had been recognized, it became the duty of the Government of India to make sure that the public resources were adequate to meet the fresh strain imposed upon them. Upon careful inquiry we came to the conclusion that we must contemplate a liability from famine amounting, in loss of revenue and actual expenditure, to, on an average, £15,000,000 in ten years. It was clear that this liability must be included among our ordinary obligations, and that it would have been a fatal error to go on increasing the public debt to meet charges which must periodically occur. To enable us to discharge the liability thus estimated, we determined to aim constantly at a surplus of £1,500,000, supplemented by a further surplus of £500,000 to provide for extraordinary and abnormal demands other than famine, as, for example, to name the most serious of such demands, for war.

This standard surplus of £2,000,000 was to be ascertained on a comparison of the revenues with the expenditure, exclusive of:—First, Productive Public Works, which, to whatever extent might be necessary, it was assumed might be provided for by loan; Secondly, Famine Relief, and loss of revenue due to famine; Thirdly, Protective works, *i. e.*, works not strictly fulfilling the definition of Productive Public Works, but constructed specially for the pro-

Famine Finance. Standard Surplus. tection of the country against famine; and Fourthly, Abnormal expenditure, other than for famine, as, for example, on war.

I do not stay to inquire afresh how far the standard thus adopted was adequate to the object in view, namely, the solvency of the State, although I believe it to have been so; I only recite facts.

MEASURES FOR SECURING THE SAME.

59. In order to secure this standard average surplus of £2,000,000, the Government next resolved that it was necessary to increase the revenues of the country. The occasion for such increase was the recognition of the increased obligations of the State in times of famine, and the measures of taxation adopted were framed in the belief that there were certain classes upon which this particular burden ought primarily to fall. As I have already explained, that taxation amounted originally to £1,345,000. It has now been reduced to £1,000,000.

PREVENTION OF DEBT BY INCREASED FAMINE TAXATION.

60. Whether the public accounts show surplus, equilibrium or deficit, it is indisputable that these taxes must prevent debt by the exact amount which they yield, and that, when famine occurs, our resources for meeting it will be increased by an amount exactly equal to the amount obtained from these taxes, with compound interest upon them. This part of the subject needs no further remarks.

I have shown to-day that the precise burden borne by the country during these three years for this purpose has been or is estimated to be—

					£
in 1878-79	...	...	...	...	1,227,891
in 1879-80	...	...	...	...	1,184,000
in 1880-81	...	...	...	...	982,000
					<u>3,393,891</u>

The actual expenditure on famine relief has been or is estimated to be:—

					£
in 1878-79	...	...	...	...	313,420
in 1879-80	...	...	...	...	99,000
in 1880-81	...	...	...	...	5,000
					<u>417,420</u>

Therefore, the taxation thus levied in these three years, has enabled us to defray the expenditure on famine relief, and, moreover, to prevent debt to the amount of £2,976,471, with interest upon this sum. That this result has been achieved is self-evident, and, being independent of the surplus or deficit of the revenue as a whole, requires no further demonstration.

STANDARD SURPLUS SURPASSED.

61. I have perhaps already said enough upon the other part of this subject. The standard which we accepted was £2,000,000 revenue in excess of the expenditure on the ordinary account, excluding the expenditure upon famine, and other abnormal obligations. In my opinion this standard has been, in each of the three years of which I am speaking to-day, greatly surpassed.

It will doubtless be always right to scrutinise rigidly and jealously the validity of the grounds upon which any part of the public expenditure is excluded from the account upon which the surplus for comparison with our standard surplus of £2,000,000, is ascertained; but I believe that, if the accounts and estimates of the three years before us are subjected to the most severe criticism, it will be found that the actual and estimated surplus of revenue during this period, does truly far exceed the £6,000,000 which, according to the standard which we have prescribed for ourselves, should be attained in three years, if the solvency of the State is to be ensured.

ILLUSTRATION FROM TEN YEARS' ACCOUNTS.

62. I find an apt illustration of our policy in this matter, ready to my hand, which I quote the more willingly because it is, in other respects, of much interest. According to present prospects, in the ten years ending with 1880-81 we shall have spent, all-told, including productive public works, war, and

famine, £36,818,000 more than our whole revenue. The items included in this expenditure, which should be excluded before applying our standard, are—

		£
Productive Public Works*	...	35,881,000
War in Afghanistan	...	9,250,000
Famine	...	14,607,000
TOTAL		59,738,000

Our revenue will have exceeded the rest of our expenditure by £22,890,000; and, but for loss of revenue from famine, this surplus would have been £25,890,000, or, on an average, £2,589,000 a year.

Thus, during these ten years, with an average surplus of £2,589,000 to compare with our standard of £2,000,000, we expect to have defrayed the whole cost of our famines and our wars, from our revenues, excepting only the trifling deficiency of £967,000. Considering the magnitude of our expenditure on famine and war during this period and the immense increase of charge under Loss by Exchange, this retrospect appears to me highly satisfactory.

63. I wish I could say that our plans for the construction of works for the actual prevention and relief of famine had been as successful as our financial arrangements have been. And this brings me, My Lord, to another part of my subject.

Financial safety was by no means our sole object. We felt not only that we had financially to provide the means of relieving famine when it occurred, but that the equally important duty devolved upon us of doing everything which it was possible for a Government to do, towards preventing these most terrible of all natural calamities, and furnishing the country with the machinery by which, when they occurred, the largest practicable amount of relief could be most speedily and effectually distributed. The new taxation and the other measures by which our finances were improved, would give us, we believed, the means of carrying out these objects with a certainty and rapidity which would otherwise have been difficult.

The investment of our surplus in Productive Public Works was, from a merely financial point of view, in no sense essential to our scheme, and it will be seen, from what has been said elsewhere, that this part of our plans was modified by the orders of the Secretary of State in a manner to which, on financial grounds, we could take no exception. But we certainly contemplated the extensive construction of works for the protection of the country against famine; and it was to these projects that public attention was mainly directed, and in them the public naturally and rightly felt a deeper interest than it could take in any merely financial arrangements.

64. A nobler programme was, in my opinion, never put forth by any Government than that put forth by Your Excellency; a more beneficial scheme was, in my judgment, never formed for the material improvement of any country, than the scheme which Your Excellency explained to this Council on the 27th December 1877, in your Minute of March 1878, and on other occasions I desire to remind the Council and the public of what the plans of the Government of India were, and to explain why they have not been carried into effect as completely as we desired.

65. I wish, My Lord, it were possible for me to read to the Council, and incorporate in this Financial Statement, Your Excellency's speech of the 27th December 1877. As I cannot do this, but am anxious to place the whole case in the clearest light, I must ask Your Excellency's permission to string together some passages from that speech, for I could not describe the programme of the Government in any words so good as those which Your Excellency used—

"The measures now before the Council have, for their principal object, the provision of that increase of the public income which experience has proved to be the first condition of any

* Including £11,076,000 spent on what I have called doubtful works.

Famine Finance.
Public Works.

practical insurance against famine; and, therefore, it is only proper that the Council should know how we intend to employ the resources which its adoption of these measures will place at our disposal for that purpose. * *

"Of the countless suggestions made from time to time, and more especially during the present year, for rendering less bitterly ironical than it still seems, that famous inscription on the huge granary built at Patna, for 'the perpetual prevention of famine in these provinces,' there are only three which merit serious consideration. These are firstly, Emigration; secondly, Railways; and, thirdly, Irrigation Works. Unfortunately for India, the first of these three material factors in the practical solution of problems similar to those we are now dealing with, is inapplicable, or only very imperfectly applicable, to the actual conditions of this country; * * though emigration unquestionably claims our fostering encouragement, I fear that, for many years to come, we must practically exclude this expedient from the list of those on which we mainly rely as a means of insuring the population of India against the calamities of periodical famine. The conclusion thus arrived at forcibly confines our immediate efforts to the most rapid development, by the cheapest methods, combined with the most appropriate and efficient application, of the only two remaining instruments for increasing the produce of the soil, facilitating its circulation, and thereby improving the general social condition, and augmenting the collective wealth, of the whole community. Those instruments are railroads and irrigation works.

"Now the incalculable value to India of her present railways has been unmistakably demonstrated during the past year; and the Government is unquestionably bound to stimulate the extension of this class of works to the greatest extent and with the greatest rapidity, consistent with the requirements of financial prudence.

"* * It is an unquestionable fact, that the railways, and the railways alone, were the salvation of the situation in Northern Behar during the famine of 1874; and that they have again been the salvation of the situation in Madras during the famine of the present year.

"* * Had there been no railway within reach of these districts, the people, where they have now died by hundreds, must have assuredly succumbed by thousands.

"I am satisfied that the development of a network of subsidiary lines of railway, giving the means of transport through every district of British India, has become a matter of vital necessity for the attainment of the great object now before us. Our present object is to render available within the shortest possible time a maximum length of line, especially constructed for a slow goods traffic, rather than to provide those more ample conveniences for passengers and goods, which have commonly been deemed necessary for all Indian railways hitherto constructed. * * *

"The early conclusion of such an undertaking must necessarily depend upon its financial practicability; and, for this reason, all minor considerations must be subordinated to the most rigid economy in construction, and the most severe limitation of the works to what is indispensable for the efficient exercise of their special function. But, if these conditions be duly complied with, I have confidence that, at a comparatively early period, we shall, without any strain upon our financial resources, have extended to all parts and provinces of our empire the most efficacious protection, not indeed from dearth (for that is impossible), but from those terrible effects of dearth which now generally terminate in famine.

"These, then, are the principles on which we are prepared to apply at once to the extension of our railway system, as a means of insurance against famine, an adequate proportion of the resources at our command for that purpose. * * * *

"We propose to apply to the extension of irrigation works precisely the same principle and policy. * *

"I am not now speaking of what we ought to do, or would do, to ensure this country against the worst effects of future famine, had we only the means of doing it; but of what we can do, and will do, with the means already provided for in the measures now before the Council. I do not mean to say that the construction of such an extensive system of local railroads and irrigation works as we propose to undertake, will not be the gradual task of many years. But I do mean to say that, in the manner and on the principles already explained, we are now providing for the prompt commencement, and uninterrupted continuation, of this great and necessary task. We are systematising a policy, the principles of which have been repeatedly proclaimed and approved by our predecessors. We are associating with it the interests, the powers, and the duties of our local administrations. We are providing them with the means of permanently prosecuting and developing it, not without reference to our financial control, but exempt from the distressing uncertainty which has hitherto been inseparable from the practical execution of this policy, in consequence of the obligation, which has till now rested upon the Government of India, with the very limited funds at its disposal for the prosecution of public works, to choose, from year to year, between the conflicting claims upon its purse of the various and dissimilar localities of this spacious Empire."

66. My Lord, I am convinced that the policy, which Your Excellency thus proclaimed your resolution to carry out, was not only wise and humane, because it provided the only possible means by which the Government could protect the country against the future calamities of famine, but that, financially,

CONSTRUCTION OF
PRODUCTIVE
PUBLIC WORKS
DEFENDED.

it was sound and prudent. Notwithstanding many mistakes which, in transactions of such magnitude, were inevitable, the policy by which, for many years past, we have been constructing railways and canals in India was, in my belief, sound and statesmanlike in its conception, and its practical results have been triumphantly successful. The wealth of the country, and the prosperity and happiness of its people, have been increased by it to an incalculable extent; the consequent gain to the country and the public finances has been immense, and is not to be measured by figures showing only the direct returns from the works which have been constructed. For my part, I see no drawbacks, no dangers, and no disadvantages, which deserve to be weighed for one moment against the benefits which have been derived. The Government of Your Excellency desired to extend and develop this policy, and hoped, by the construction of a network of cheap railways and of carefully planned works of irrigation, to do all that it was in the power of a Government to do, to prevent the frightful calamities of famine to which the country is now periodically exposed. We believed, and I believe still, that we could do this not only without financial risk, but with certain financial advantage.

Limitation of construction of Productive Public Works.

67. The Local Governments shared our convictions and our expectations. Sir Ashley Eden, the Lieutenant-Governor of Bengal, was prepared to undertake, from the resources already assigned to him, a system of railway communications which, without costing the imperial revenues a shilling, would, he believed, have added millions to the wealth of his great province. Sir George Couper sent us up a scheme, carefully prepared by my friend General Fraser, for constructing a complete system, some twelve or thirteen hundred miles in length, of light railways, which, in combination with works of irrigation, would have gone far, if not to make future famines in the North-Western Provinces improbable, at least to render the relief of such famines a comparatively easy and a certainly successful operation.

AND SUPPORTED BY LOCAL GOVERNMENTS.

68. My Lord, these visions have for the present, but I hope only for the present, faded. The plans which Your Excellency described to the Council two years ago, and which I have repeated to-day, have not yet been carried out; we have had to defer the hope of protecting the country against famine by the rapid development of railways and works of irrigation; and not only this, but we have even been compelled largely to reduce the expenditure which, for many years past, we have been incurring on works of this description.

BUT DEFERRED OWING TO RESTRICTION OF EXPENDITURE ON PRODUCTIVE WORKS.

My Lord, I shall not call in question the sufficiency of the reasons which led Her Majesty's Government, and a Committee of the House of Commons, to think that a very large reduction should be made in the expenditure of the Government of India on Productive Public Works; nor is it necessary that I should now repeat those reasons, because they have been fully explained in the Report of the Committee, which was published during the last session of Parliament. Nor do I wish it to be supposed that I am insensible to the advantages which we derive from this temporary restriction of expenditure. It has enabled us to carry out in a way which might otherwise have been hardly practicable, important reforms in the Public Works Department, and to get rid of hugely overgrown establishments.

69. The limit of £2,500,000 which has been placed on our annual expenditure on productive public works has avowedly no sort of finality. "The amount to be annually expended" (I am quoting from the Report of the Committee of the House of Commons) "should mainly depend upon the financial condition of India, and should, therefore, for the present, be limited to an amount of £2,500,000, as recently fixed by the Secretary of State for India in Council." Considering what our financial condition already is, and what we hope it will be in the future, I predict with confidence that the check, which has been placed upon our expenditure on useful works essential to the progress of the country and to its protection against famine, will be only temporary, and that the execution of the plans described by Your Excellency two years ago has been only temporarily deferred. But at the same time I wish to make it clear that, if the Government of India has failed for the present fully to carry out its programme for the construction of material works for protecting the country against famine, no responsibility

PRESENT LIMIT OF SUCH EXPENDITURE.

Cotton Duties. for that failure rests upon us. While I say this, I must again ask the Council to remember that, however much we may regret this disappointment, it in no way affects the financial efficacy of the measures taken to enable us to discharge our obligations in times of famine without fear of insolvency. Nothing can prevent the success of those measures, which have been subjected to this modification only, that, owing to the improvement of our general financial position, we have ventured to dispense with about a quarter of the additional taxation (amounting at its maximum to £1,345,000 a year) which was their main feature.

POLICY AS TO EXPENDITURE ON PRODUCTIVE PUBLIC WORKS DEFINED.

70. I may here notice, with regard to the policy of the construction of productive public works, that, although the correspondence on the subject between the Government of India and the Secretary of State is not concluded, it is understood that the following points have been settled for the present:—

- i. That any money which it may be necessary to borrow for the construction of such works shall be borrowed in India in rupees, and not in London in sterling money.
- ii. That not more than £2,500,000 a year, on an average, shall be thus borrowed, in addition, however, to any capital expended upon the East Indian Railway or any other undertaking which may be hereafter acquired by the State in like manner; in addition also to any money which may be lent to the Government of India by Native States for the construction of productive public works.
- iii. That the yearly grant for the construction of productive public works shall not exceed £2,500,000 in addition to the capital expended upon the East Indian Railway or any undertaking similarly acquired hereafter, and to the expenditure upon any works the funds for the construction of which are lent to the Government of India by Native States.
- iv. That the unexpended portion of the grant of the past year may be re-granted for expenditure in the following year. The object of this provision is to prevent the waste and inconvenience incident to the lapse of unspent grants for the construction of public works.

As already explained, the grant for the construction of productive public works in 1880-81 has been regulated strictly by these principles.

CUSTOMS TARIFF DUTY ON COTTON GOODS NOT FURTHER REDUCED AT PRESENT.

71. There are, My Lord, various questions connected with the customs tariff to which I must now refer.

Beginning with the import duties, there is first the duty on cotton goods, and this is a subject of which I cannot speak without some reserve, because there has been in past times, as everybody knows, no unanimity of opinion regarding it among the members of the Government. Speaking, as I now am, on behalf of the Government generally, I desire to say nothing to which any of my colleagues might take exception, and, although it will not be possible for me altogether to avoid the expression of my own opinions on questions of past and future policy, I hope it will be understood that I shall, in giving such opinions, be stating only what I myself think.

The Government does not at present propose to make any alteration in the duties actually levied on cotton goods. There are, however, obvious and serious defects in the existing system, and no one can say that it can long be maintained.

NO LONGER PROTECTIVE BUT ADMITTEDLY ANOMALOUS.

72. The measures taken during the last two years, whatever other results may have followed, have at least effected the particular object for which they were declared necessary. They have, for the present, removed all grounds for the complaint, that we were levying protective duties in favour of the Indian mills in their competition with English manufacturers. Some classes of English goods may be unduly favoured in comparison with other classes of English goods; but no protection remains for the special benefit of goods produced in India.

When, last year, Your Excellency decided that it was impossible to defend the maintenance of the duty on certain classes of cotton goods, because it had a distinctly protective character, it was thought right to make a considerable sacrifice of revenue for its immediate removal. Whether the course adopted was right, as I then thought and think still, or whether it was wrong, is a question which I will not now discuss, but the Government feels that it

cannot at the present moment go further, or submit to loss of revenue beyond Cotton Duties. that which the measures of the last two years have rendered unavoidable.

73. I must say something of the effect which those measures have actually produced. Mr. Hope's Commission stated in its report last year that the remission of duty on all goods made of 30s and under "would probably soon effect a complete revolution in the piece goods trade," and it quoted, in support of its own conclusions, a report by Mr. Pritchard, the Commissioner of Customs in Bombay, who, with reference to this remission, wrote as follows:—

EFFECT OF ABOLITION OF DUTY ON COARSER COTTON GOODS.

"It will operate to create a new class of shirtings made of yarns 28 by 29 or 30, instead of the present standard quality of 32 by 36. This will pass free of duty, and, if it finds favour in the market, will take the place to a large extent either of the long cloths or of the shirtings now used, or of both."

The Commission also quoted the following opinion of a large mercantile firm:—

"There can be no doubt that a trade in cloth made of yarn just within the limit of exemption of duty would be fostered, and which might gradually become of considerable importance. Such cloth would probably be appreciated by consumers for its intrinsic value, as well as for its comparative cheapness, owing to there being no duty upon it; and, if this should be the case, it might do away with the importation of cloth made of yarns varying from 32s upwards."

74. I quote these passages, because the actual results have closely corresponded with the anticipations thus formed by the Commission and adopted by the Government. The chief difference has been that those results have followed more rapidly than either the Commission or the Government expected.

ANTICIPATED.

The immediate consequence of the exemption from duty of goods containing no yarn of a higher number than 30s, was the rapid development of the manufacture and import of a new class of goods made of 30s and lower counts. In consequence of their superior relative cheapness, these duty-free goods have rapidly become popular; and the experiment having thus proved successful, the tendency is now to make of the coarser yarns all cloth for which they can be used, and to substitute the coarser for the finer fabrics formerly made of yarns ranging from 30s to 40s. This process has already reached such a point, that last month the duty-free shirtings and longcloths constituted more than 74 per cent. of those kinds of imported goods, and the dutiable qualities of some other classes of goods have almost disappeared from the market. We estimated last year that we might lose in the first year revenue to the amount of £150,000, and in subsequent years more. It is now probable that the loss in the first year, now about to close, will be nearly £200,000, and for the coming year it is estimated at £50,000 more.

75. Now, clearly, the present state of things is not satisfactory. We are holding out to English manufacturers a strong inducement to supplant finer by coarser classes of goods, and it has been forcibly represented that these and other anomalies ought not to be left uncorrected. I may refer in particular to a letter addressed to us by the Bengal Chamber of Commerce. The Chamber points out that the declaration made last year by the Government, that "it is not reasonable that certain goods should be admitted free, while large quantities of goods of almost precisely the same character in every thing but name remain liable to duty," is still true, with this difference, that the hardship is now "not caused by the competition between Lancashire and our local mills, but by competition amongst Lancashire manufacturers themselves, to secure the full benefit of the Government of India's last act. They do not, however, carry less weight on that account." The letter of the Chamber has been seen by the Council; I need not repeat the forcible illustrations which it contains of the anomalies which now exist, but I fully admit the accuracy of its statements.

BUT ANOMALOUS AND OBJECTIONABLE.

The Chamber says that "to all appearance, these duties are dying a natural death, and as that process involves serious anomalies and hardships, it is a question whether the present is not a fitting moment to abolish them *in toto*. To the Committee there does not appear any other course open, consistent with the declarations of Government, to which they have referred."

Cotton Duties.

76. If I could now put aside financial considerations, I should say that this conclusion of the Chamber is perfectly right. I may add that the alternative course which it has suggested as possible, namely, the recall of last year's exemptions, and the re-imposition of a uniform duty of $2\frac{1}{2}$ per cent. on all imported cotton goods, would not only be, in my opinion, objectionable in itself, but seems impracticable, because it would be opposed to the policy laid down for our guidance by Parliament, and by Her Majesty's Government. That policy was declared on the 4th April 1879, by the House of Commons, in the following Resolution:—

“That the Indian import duty on cotton goods, being unjust alike to the Indian consumer and the English producer, ought to be abolished, and this House accepts the recent reduction in these duties as a step towards their total abolition, to which Her Majesty's Government are pledged.”

PRESENT ANOMALIES CANNOT BE IMMEDIATELY REMEDIED.

I need not pursue this subject further. It is impossible to deny that the present state of things is anomalous and objectionable. The Government will give to this question in the future that constant attention which its importance demands, but it cannot, at the present moment, make the large sacrifice of revenue which its complete solution would involve, and, as a provisional arrangement, meanwhile, it does not seem possible to draw any line better than that drawn last year. The abolition of the remaining duties on cotton goods would cost us £600,000, in addition to the £250,000 which we have given up already.

I may remind the Council that the measures of last year were not hastily taken, and that they were in precise accordance with the specific recommendations of the Chambers of Commerce of Manchester, of Bengal, and of Bombay. I may add that, although I cannot doubt that the objections to which I have referred must have been felt as strongly in Lancashire as anywhere else, the Government has not received from the English manufacturers any complaints regarding them.

PERSONAL EXPLANATION.

77. Although, my Lord, I do not intend to discuss the propriety of the course that has been followed in regard to the removal of the duty on cotton goods, I must ask Your Excellency's permission to say a few words on what is, in some respects, a personal matter. We are constantly told that these measures have been adopted in disregard of the interests of the people of India, and in obedience to the selfish demands of the Manchester manufacturers. If, my Lord, we had, indeed, manipulated, in the interests of England or of any political party in England, the taxes paid by the people of India, our conduct would have been not only shameful and odious, but absolutely criminal, and I, as Your Excellency's chief constitutional adviser in the financial measures of the last two years, must have borne my share of the responsibility. But for myself; who have taken part in these measures, I wish to say that I hardly remember the time when I did not argue, in the interests of India, for the removal of these and all other restrictions on her commerce. I advocated the abolition of these duties before, to the best of my belief, Manchester had herself discovered that she was injured by them, and long before Lord Salisbury had proved in his despatches, in a manner which seems to me unanswerable, the serious injury which they were inflicting upon this country. As I said in my first Financial Statement three years ago, I would not have accepted my present office, if I had not hoped that I should have an opportunity of co-operating with Your Excellency in carrying out what, I may say without exaggeration, have been the convictions of a life-time. I have had that opportunity. The cotton duties are, in my opinion, virtually dead.

APPROACHING PROBABLE ABOLITION OF ALL CUSTOMS DUTIES IN INDIA.

78. Before leaving this subject, I think it right once more to point out that we ought not to shut our eyes to the consequences which, as it seems to me, must inevitably follow from the loss of the cotton duties. Whether those consequences ought, as I believe, to be welcomed as fraught with a great development of wealth and prosperity to India, or ought, as others think, to be looked on as disastrous, we cannot wisely shut our eyes to the fact that the abolition of the duty on cotton goods will involve in all probability the loss of a great

part of our revenue from sea customs. In the Financial Statements for 1877-78 Customs Re- and 1878-79 this was clearly pointed out. In the former of these, I said that I forms. looked forward with confidence to the almost total abolition of customs duties in India, and I used these words:—"I do not know how long a period may elapse before such a consummation is reached, but, whether we see it or not, the time is not hopelessly distant, when the ports of India will be thrown open freely to the commerce of the world."

My Lord, the fulfilment of this vision seems to me now not far off. It was shown in the Financial Statement for 1878-79 that, putting aside the duties levied on salt and alcoholic liquors, which stand on special grounds, and on which internal excise duties corresponding with the customs duties are imposed, there would remain, apart from the cotton duties, a very small amount of import duties. Taking the estimates for the coming year, the net sum which we expect to receive from the sea customs duties, exclusive of salt, alcoholic liquors, and arms, is £1,115,000. The cotton duties will yield say £615,000, and, if I am right in believing that they must ultimately be altogether given up, our whole import duties would then yield only about £500,000. The truth is that cotton goods are the sole article of foreign production, which the people of India now largely consume, and there is no present possibility of a large customs revenue from anything else. Will it be possible, when cotton goods have been freed from duty, still to tax woollen goods and many other articles? And can it be believed that we should long maintain our customs establishments for the sake of obtaining the insignificant revenue that would remain?

79. I know only one suggestion which seems to deserve discussion, for saving a considerable portion of our customs revenue. I do not remember by whom it was first made, but I have heard of it for a good many years past. I believe that it really had its origin in a plan which at one time Mr. Gladstone thought of for England. My hon'ble friend, Mr. Hope, has lately given it his attention.

SUBSTITUTION OF
REGISTRATION FEES
FOR CUSTOMS
DUTIES.

Starting with the assumption that our customs tariff on its present footing cannot be maintained, this suggestion is that, instead of customs duties properly so called, we should, with certain exceptions, levy on all articles imported into India, and possibly, also, on those exported, a registration fee at a very low rate. In this way, it is urged, we might obtain a considerable revenue in an unobjectionable way. I give no opinion of my own, much less do I give any opinion on behalf of the Government, in favour of this scheme, and all I say of it is that it deserves to be considered.

80. Another solution of these difficulties has lately been suggested, but it seems to me unsound in theory, and impossible in practice. It is that a sort of treaty of commerce should be entered into between England and India, on the principle that India will admit all English merchandize free, on condition that England gives up the duties which she now levies on Indian tea and coffee; if, it is added, England, in order to maintain her duty on China tea, prefers to continue to levy duty on tea and coffee from India, she might pay the proceeds amounting to a million a year, into the Indian Treasury.

SUGGESTED RECI-
PROCITY BETWEEN
ENGLAND AND
INDIA CONDEMNED.

Of course we should be glad to see the English or any other duties on Indian tea and coffee or on anything else removed; but, if free trade be good for India, it is good for her whether other countries maintain duties on Indian products or not, and the fact that England (for, as it seems to me, excellent reasons) taxes our tea and coffee, is no reason for our taxing her cotton manufactures, and almost everything else that we get from her. To maintain the contrary is, to maintain the old delusion of reciprocity. In regard to the suggestion that England should pay to India the million which she levies on Indian tea and coffee, this is clear, that, whoever else might profit from such an arrangement, it would not be our tea and coffee interests. They would have to pay as much as before, nor would they be reconciled to the new arrangement by the reflection, that it was almost equivalent to the imposition upon them of an export duty for the purpose of saving the English treasury from loss, and for the benefit of the general revenues of India.

NOT BENEFICIAL
TO TEA AND COFFEE
INTERESTS.

Customs Re-
forms.

EQUALLY APPLI-
CABLE TO TOBACCO.
BUT IMPRACTI-
CABLE.

DUTIES ON
EXPORTS.

EXEMPTION OF
INDIGO FROM
EXPORT DUTY.

81. I must add that I do not know why tea and coffee have alone been mentioned, as if they were the only articles of Indian production on which England levies any duty. There is tobacco, from which England derives a revenue of between eight and nine millions; I hope and believe that Indian tobacco has before it a great future; I should be delighted to see every legitimate encouragement given to its production; but I cannot conceive how it can be admitted into England free of duty. As, however, the adoption of the proposals, to which I have alluded, would practically lead to the surrender by England of the greater part of her customs revenue, I need hardly say more on this subject.

82. Leaving the import tariff, I come now to questions connected with the duties on exports. Since 1875, the only export duties have been those on indigo, lac, and rice.

83. It is surprising that the duties on the two first of these articles should have survived so long. Nobody has ever defended them, and the only reason assigned for keeping them has been that the Government could not give up the revenue yielded by them, though this has never been great. The average amount derived annually from the export duty on indigo is £42,000. The duty is levied at a fixed rate on quantity, so that the revenue does not fluctuate with the fluctuation of prices. On the finer qualities the incidence of the duty is not much over one per cent.; on the lower qualities it may be as much as four per cent. The cultivation of indigo by natives of the country has, in Northern India, been somewhat rapidly increasing, and the duty falls much more heavily on the qualities made by them, than on the better qualities turned out by the factories managed by Europeans. Indigo from Central America competes with ours in the European markets, but not very actively; and a more serious future danger to this industry is probably to be found in the competition of chemically prepared substitutes. The danger is not the less real because no efficient substitute has yet been found. The progress of scientific discovery is now so rapid, that we might hear almost any day that this highly important Indian industry was seriously threatened, and we should then be exposed to the deserved reproach that this competition had been stimulated by the suicidal folly of our fiscal legislation. Export duties enjoy the credit of having ruined the Indian trade in saltpetre; they were taken off when it was too late to repair the mischief; the Government does not wish to run any similar risk with indigo. A notification will, therefore, be issued to-day under the powers conferred on the Governor General in Council by the Sea Customs Act, 1878, exempting indigo from liability to export duty.

AND OF LAC.

84. The same notification will abolish the equally indefensible export duty on lac. The trade in lac has been in a depressed condition, and during the last two years the average amount of revenue yielded by the duty has been only about £9,000.

85. I do not think that any one will question the propriety of these exemptions. Taking them both together, they involve a loss of about £54,000 a year.

EXPORT DUTY ON
RICE RETAINED.

86. The only export duty, which will now remain, is that on rice. It yielded, in 1878-79, a net revenue of £556,000. As it is an export duty, it is often assumed that its effect must be more mischievous than that of any import duty. No one can be more alive than I am to the economical objections to export duties; but this duty on rice is, in my opinion, at the present moment, less open to objection than some of our other customs duties. I have before me a valuable note by Mr. O'Connor on the Indian rice trade. It is shown that more than half of our exports of rice goes to Europe. Of the remainder, the greater part is consumed in the countries near India, such as Arabia, Persia, Ceylon, the Straits, &c., or is sent to various colonies, of which Mauritius is the most important, for the supply of the cooly population. The table rice exported from Bengal to Europe is used as food; other qualities, and the rice from Burmah, a thick coarse grain, is chiefly used for distillation, or for conversion into starch.

87. There is practically, at the present time, no competition with India on the part of other countries in Asia or America in the rice trade. Great apprehensions were expressed some years ago of the competition of Saigon. Similar apprehensions have been felt in regard to Siam. As yet these apprehensions have not been justified; but I must observe that there has been this year a large increase in the export of rice from Saigon to Europe. Northern Italy produces a good deal of rice, and sends large quantities to France; other countries furnish smaller supplies. Rice cultivation, which was formerly very extensive in North Carolina, has ceased to be important, and little rice now goes from the United States to Europe. Thus, although it would not be correct to say that India has a monopoly of the trade in rice, she has something approaching to it, and, so long as this remains true, it cannot be said that the export duty has a seriously injurious effect on Indian interests. At the same time, it is impossible to say how long this may continue true; the Government cannot keep too watchful an eye on the rice trade, and must be prepared, if it should become necessary, to take immediate action. While, therefore, I am not prepared to say that our export duty on rice is at the present moment especially objectionable, I feel that we cannot count upon it as a permanent source of revenue, and if we could afford the loss, I should be very glad to get rid of it. The exports of rice from India, during the last seven years, have not very greatly varied in quantity. In 1873, the year before the Bengal famine, they were 1,164,697 tons; in 1875, in consequence of the famine, they fell to 869,646 tons, and this was the lowest amount reached; in 1879 they had again risen to 1,061,861 tons, and the trade is now again increasing.

Equalisation of
Salt Duties.
AND BY REASON
OF INDIA'S PRACTI-
CAL MONOPOLY
OF RICE TRADE,
NOT SPECIALLY
OBJECTIONABLE.

88. Considering that, between 1874 and 1878, the country was passing, with hardly any intermission, through a period of drought and famine, and that vast quantities of rice were absorbed in feeding the famine-stricken population, it is satisfactory to find that exports to other countries should have shown little diminution, and that the enormous increase in prices should not have interfered materially with the foreign demand. In 1878-79, although prices still ruled high and an active demand continued for internal consumption, the exports nearly attained the level of the trade previous to the famine period. This year the exports will, it is thought, exceed those of last year, and, if harvests continue good, next year will probably be a time of great activity in the rice trade.

PROSPECTS OF RICE
TRADE.

89. In leaving this part of my subject, I will only add, that I am as sure as ever that there is no country in the world in which the fullest application of the principles of free trade is more desirable than it is in India. India (to repeat what was said in the Financial Statement for 1878-79) "is a country which, from its poverty, the primitive and monotonous condition of its industrial life, and the peculiar character of its political condition, seems to require from its Government, before all things, the most economical treatment of its resources, and, therefore, the greatest possible freedom in its foreign exchanges." I confidently believe that the time is not far off when the truth of this will be generally recognized.

FULLEST APPLICA-
TION OF PRINCIPLES
OF FREE TRADE
DESIRABLE IN
INDIA.

90. The re-adjustment of the salt duties, to which I must next refer, has proved a very successful measure. It will be in the recollection of the Council that, at the end of 1877, a step was taken towards equalizing the rate throughout India, by raising it, in the Presidencies of Madras and Bombay, from 1 Rupee 13 annas to 2 Rupees 8 annas per maund, and by lowering it, in the Lower Provinces of Bengal, from 3 Rupees 4 annas to 3 Rupees, and, in the Upper Provinces, from 3 Rupees to 2 Rupees 12 annas per maund. In the following August, a further reduction was made of 2 annas in Lower Bengal, and of 4 annas in the Upper Provinces. By these means a uniform rate of 2 Rupees 8 annas per maund has been established throughout India, except in Bengal, where the duty is 6 annas higher, and in Burma and part of the Punjab trans-Indus, where it is nominal.

MEASURES FOR
EQUALISATION OF
SALT DUTIES SUC-
CESSFUL.

On the 1st October 1878, the salt sources which the British Government had, under recently negotiated agreements, obtained on lease from the Native States in Rajputana, were taken over, and at these, as well as at the Sambhar Lake already in our possession, the duty of 2 Rupees 8 annas per maund was then levied on all salt, excepting that exempted under the agreements just mentioned, the details of which were fully described in the Financial State-

Equalisation of
Salt Duties.

ment last year. Considering that this result has been obtained not only without any general increase in the rate of duty on salt, but with a large reduction of that rate throughout by far the greater part of India, and simultaneously with a reduction of price to the vast majority of the population, I think we may congratulate ourselves on the success of our policy.

It was formerly shown that, by the re-adjustment of the rates of duty, we hoped to lower the price of salt to 130,000,000 of people, while only 47,000,000 were affected adversely. Rajputana and Central India are now liable to the salt tax, but a portion of the population still obtains its salt free of duty, and another portion pays only half the usual rate. Throughout the greater part of these States the price of salt, independent of the duty, has been greatly diminished, not only directly, but by the extension of railways. The people have further been relieved by the abolition of local transit duties, and by the abolition of the British duty on sugar taken across the now defunct Inland Customs Line, which yielded £150,000 a year. The Government is now endeavouring to redeem all remaining transit duties on salt in Rajputana and Central India, so that the transport of salt may everywhere be free from restriction.

INLAND CUSTOMS
LINE FINALLY
ABOLISHED.

91. The Inland Customs Line, on the enormities of which I have so often dilated, finally disappeared at the commencement of the present official year. When I think of this abominable barrier, which was likened to the Great Wall of China, stretching 2,000 miles across the whole of India, so that, if it had been put down in Europe, would have reached from London to Constantinople, with the countless evils that it entailed, I find it difficult not to begin again my old expressions of indignation. However, it is now dead, and I congratulate Your Excellency and the country on the fact. By its disappearance we have saved about £100,000 a year.

RESULTS OF POLICY
AS REGARDS
CONSUMPTION OF
SALT AND SALT
REVENUE AND
EXPENDITURE.

92. I will state to the Council the principal facts in my possession, illustrating the effect produced by our measures on the consumption of salt and on the public revenues.

We have complete returns for the first ten months of the present year. Comparing these with the returns for the same period in 1877-78, the last year in which the old rates of duty were in force, there has been an increase of consumption, throughout India, amounting to about 2,400,000 maunds; the total consumption in the former period was 20,373,000, and in the latter period 22,776,000 maunds. More than 537,000 maunds of this increase is the increase in Lower Bengal, and nearly 1,900,000 maunds in Northern India. About a third part of the latter is attributed to the consumption in the Native States of Rajputana and Central India. In Madras and Bombay there was a small falling off in the consumption, which fell from 8,850,000 to about 8,654,000 maunds, or by 196,000 maunds. The reduction in Madras is believed to be more apparent than real, because a large number of the population consume untaxed salt. The law relating to salt in the Madras Presidency is as yet very leniently enforced, or is, perhaps, not sufficiently stringent.

In making the above comparison, I have taken the most unfavourable figures for my own argument that I could find; 1877-78 was the great famine year, but nevertheless for some reason, which I have failed to understand, the amount of salt taxed in Madras in that year was, as I noticed in the last Financial Statement, extraordinarily large.

If we compare the returns for the first ten months of the present year with those of 1876-77 (and, if I went further back, my case would be still stronger), we find that, taking the whole of India, there has been an increase in the total consumption of 2,718,000 maunds, or from 20,058,000 to more than 22,776,000 maunds; and this increase has been spread over the whole country. In Lower Bengal the consumption has risen from 6,822,000 to 7,682,000 maunds, and, notwithstanding the reduction of duty, the revenue has only fallen off by £30,000, or from £2,220,000 to £2,190,000.

In Northern India the consumption has risen from 3,775,000 to 5,442,000 maunds, and, in spite of the reduction of duty, the revenue has increased from £1,142,000 to £1,348,000. Even in Madras and Bombay, where the duty was

increased, and where the revenue has risen from £1,662,000 to £2,155,000, the consumption has increased from 8,641,000 to 8,654,000 maunds.

Financial
Improvement,
1879-80.

The figures I have just quoted refer to revenue derived from the duty on salt. There are, besides this, large receipts from other heads, such as the sale price of Government salt.

In 1877-78 the gross salt revenue of the whole year was under 6½ millions sterling; in 1878-79 it had risen to 7 millions; the Regular Estimates for the current year exceed 7½ millions, while, for next year, our estimate of salt revenue is 7½ millions. Thus the improvement is expected to be more than one million in four years.

While the revenue has thus increased, the salt expenditure has diminished from £508,000 in 1875-76 to £404,000 in 1878-79, and is estimated at £368,000 in 1880-81. Against this saving in expenditure, however, must be put £253,000 on account of the annual compensations paid to the Native States and to Portuguese India; this, with £70,000 for the Sambhar Lake, is charged in the public accounts under *Allowances and Assignments*.

93. I think, my Lord, I may now say confidently that the wisdom of the policy followed in regard to the equalization of the salt duties has been proved by experience. To what extent the increased consumption and lower price of salt throughout the greater part of India have been the consequence of the reduction of the duty, and to what extent they have been attributable to the extension of railways, to the general improvement of communications, the opening out of new markets, and the increase of the population, it is not possible to say; these various influences have, doubtless, all contributed to the result; but it was with the knowledge, and indeed with the certainty, that all the conditions with which we had to deal were highly favourable to the success of our policy, that we were induced to adopt it.

WISDOM OF POLICY
VINDICATED BY
EXPERIENCE.

94. I must add that we received a few weeks ago a representation from the President of the Salt Chamber of Commerce, Cheshire and Worcestershire, to the effect that one of the results of our late measures has been an increase of the former difference between the rates of duty on Liverpool salt and that produced in Northern India, which places the former at a greater disadvantage than heretofore, and has driven it back from markets in Behar formerly supplied by it. Although, as I have already shown, there has lately been a great increase in the consumption of Liverpool salt in Bengal, careful inquiry is now being made into this subject. But, whatever may be the result of that inquiry, I may say at once that, although the Government cannot, at the present moment, make any further reduction in the Salt Duty in Bengal, it fully recognises the necessity of completing, as soon as possible, the actual equalization of the duty throughout India. It is an essential part of our policy to do so, and I feel sure that the measures which have still to be taken will prove as satisfactory to the country, and as beneficial to the revenue, as those of which I have been describing the results.

NECESSITY FOR
FURTHER EXTEN-
SION OF POLICY
RECOGNISED.

95. When, my Lord, the Financial Statement for 1879-80 was published a year ago, we were far from foreseeing the extraordinary improvement which was about to take place in our financial position, and which we now perceive had even then commenced. The loss caused by the great disturbance in the relative value of gold and silver had reached alarming proportions, and there was nothing to re-assure us regarding the future. We were engaged in war; the surplus which we considered necessary to protect the country against the financial consequences of famine had disappeared; our estimates, apart from the war, showed a surplus of only £605,000. We decided, however (to quote the words of the last Financial Statement), that it was "wise to abstain from imposing any fresh burdens on the country, and to accept the temporary loss of the surplus by which it was hoped that an insurance against famine had been provided."

IMPROVEMENT IN
FINANCIAL POSITION
NOT FORESEEN.

96. I see nothing to be ashamed of in our want of foresight. I do not see how we were to know that there would be a great improvement in the exchange, which would last through nearly the whole year, and which, in spite of an increase in our remittances, would better our position by £760,000; that our

EXPLANATION.

Reduction of
Expenditure in
1879-80.

opium estimate, which we had taken at a higher amount than, with one exception, it had ever been taken at before, would prove, taking both sides of the Account, to be too low by £1,900,000; that in consequence of the most favourable season which India has known for many years, the increased prosperity of the people, and other causes, every great branch of the public income would show an increase; that we should get £450,000 more from Land Revenue, £335,000 more from salt, and so on.

BENEFICIAL
REDUCTION OF
EXPENDITURE.

97. Although, as I need hardly say, it was not a pleasant task which I had last year to perform, in laying before the Government and the public so unpromising a budget, there are now good reasons for not expressing much regret that we were not gifted with greater powers of foresight. For the result was to make us undertake a most searching examination into every branch of the public expenditure, with the firm resolution that everything superfluous should be ruthlessly sacrificed. The reductions which we have made already, and which we hope still to make, are not the least satisfactory part of the year's history.

The Local Governments throughout India loyally responded to our invitation to co-operate in the task which we had undertaken. We left it entirely to their discretion to decide where they could reduce their expenditure, and exercised no kind of interference in their proceedings. The result of our communications with them was, that, with their full consent in every case, the assignments made to them from the Imperial treasury in the present year have been reduced by £335,000, and a similar reduction will be made in the coming year.

ESPECIALLY ON
PUBLIC WORKS.

98. Besides less important savings, which I need not now detail, there has been in the present year a reduction in the Public Works expenditure of £661,000. I hope that £400,000 to £500,000 a year will eventually be permanently saved by getting rid of superfluous establishments. Some explanation is necessary on this subject.

REDUCTION OF
PUBLIC WORKS
ESTABLISHMENTS
NECESSARY.

99. Before any orders to reduce the expenditure on Productive Public Works had been issued by the Secretary of State, or the question of reducing the Ordinary Public Works expenditure had been taken up afresh by the Government of India, it was an acknowledged fact that the strength of our Public Works establishments was enormously in excess of what was necessary. When the Secretary of State ordered, subject to certain conditions, the reduction of our annual expenditure on Productive Public Works to the sum of £2,500,000, this excess became, of course, a still more serious evil. I will not now go into the question of the causes which led to the growth of these needlessly large establishments. It is easy to be wise after the event; they were, for the most part, the result of errors of system which were only discovered to be errors by experience. However, this may have been, we found ourselves, at the beginning of the present financial year, in this position, that our Public Works establishments were declared by the highest authorities in the Public Works Department to be costing not less than £500,000 a year more than was necessary for the expenditure on Ordinary and on Productive Works which had to be carried on. We therefore resolved that these superfluous establishments must be at once reduced.

AND CARRIED OUT
EFFICIENTLY.

100. The Local Governments and the authorities in the Public Works Department deserve the thanks of the Government of India for the efficient manner in which the serious task of making this great reduction has been performed. I think it will be admitted that the measures of the Government were carried out with the greatest possible consideration for individuals, and that the engineers with whose services we have unwillingly been compelled to dispense have been treated liberally. The reductions actually made will save us £250,000 a year. In the present year there will, of course, be a large set-off on account of pensions and gratuities; it amounts, indeed, to about £280,000; but the greater part of the cost of reduction will be incurred, once for all, in the shape of gratuities.

Although these great changes in the constitution of the Public Works Department could not be made without some temporary inconvenience, there can be no doubt, I hope, that they will lead to a permanent increase

of efficiency. Our difficulties, however, are not over; our Public Works establishments are still larger than they ought to be, and the constant supply of young engineers that pours in from Cooper's Hill will, if it be not speedily stopped, prove a cause of renewed embarrassment, and of useless and serious expense.

Reduction of
Expenditure,
1879-80.

101. Before leaving this subject, there is one important point that I must notice. It will be plain from what I have said, or have still to say to-day, that the Government of India looks with regret on the reduction of expenditure on Productive Public Works, and that it hopes to see that expenditure again increased hereafter. How, it may be asked, holding these opinions and expectations, can you justify this reduction of Public Works establishments? If, hereafter, your expenditure is increased as you hope it will be, you will have deprived yourself of the machinery necessary for the execution of your works.

NO DIFFICULTY IN
INCREASING
EXPENDITURE ON
PRODUCTIVE
PUBLIC WORKS
IN FUTURE.

102. If, my Lord, this were true, I should, for my own part, have thought our proceedings very foolish; but I am satisfied that we need be under no apprehensions of the kind. I think that I cannot better explain the views of the Government on this subject, than by reading to the Council the following extract from a despatch addressed by the Government of India to the Secretary of State in September last:—

THE PUBLIC
WORKS DEPART-
MENT BEING
RE-ORGANISED TO
MEET THIS
DIFFICULTY.

“ Our present difficulties have not disturbed our belief in the great importance of the most rapid possible development of the means of communication and other material improvements in India. * * * * *

With these convictions, we should not have acquiesced, without remonstrance, in the absolute permanent restriction to £2,500,000 a year, of our expenditure on the construction of Productive Public Works, if we had understood this to be Your Lordship's intention. * * * Accordingly, we have been careful so to frame our proposals for the re-organisation of our establishments, that we shall have no difficulty in hereafter increasing our expenditure on Productive Public Works to any extent which is likely to be considered expedient. We could not have undertaken any reductions not compatible with this condition.

The ordinary difficulty of organising an efficient and economical service has been aggravated, in the case of the Public Works Department, by the fluctuations of public policy which have manifested themselves in large variations of the grants made for expenditure in this Department. We need not now enquire into the causes of these fluctuations, and we do not wish to criticise the policy either of the school which advocates a lavish public expenditure on such works, or of that which regards with distrust any such expenditure which can be avoided. It only concerns us now to recognise the fact that we have no reason for expecting, hereafter, more immunity from such alternations of conflicting influences than we have enjoyed heretofore. Our duty, therefore, is to anticipate their recurrence, and frame our measures accordingly.

Hitherto, our establishments have been organised on a plan which demands, for successful and economical results, a steady and unbroken prosecution of works; engineers having been brought into the service on engagements which have been understood as ensuring to them continuous employment. But such employment is incompatible with the conditions on which we can provide funds for the construction of Productive Public Works; and, clearly, we must now so organise our establishments that their strength may be, at any time, readily reduced or increased. In other words, the cause of our present difficulties being that we have, on the whole, been burdened with establishments in excess of what, with the funds at our disposal, we could constantly and profitably employ, we must, for the future, take care to engage no establishments in excess of the greatest strength for which we can confidently expect to provide constant and full employment, whatever policy as to the material improvement of the country may be in the ascendant.

We have resolved, therefore, to organise our permanent establishment, rather upon the model of the staff of a great contractor, supplementing it, as occasion requires, by temporary establishments engaged for particular works only, with no claim to absentee allowances, pensions, employment upon any other work, or any of the rights and privileges of a regular establishment. Moreover, we desire to look, more and more, to the employment, upon considerable undertakings, of contractors with large capital, and to the development of the existing system of petty contracts for petty works. In this way, we expect to avoid a recurrence of the inconvenience from which we are now suffering.

We anticipate no difficulty in carrying out the policy thus designed: on the contrary, we believe that, while guarding us against a return of our present embarrassment, this policy will, by encouraging persons to adopt the profession of Civil Engineer, and otherwise, promote the general interests, and be favorable to the extended employment of Natives of India in this department of our service, an object which we have much at heart.”

103. Before leaving the subject of reduction of expenditure, I have still to mention what I hope may prove hereafter to have been the most important

PROPOSALS OF
ARMY COMMISSION
FOR REDUCTION OF
EXPENDITURE.

Financial prospects.

measure of the year. I refer to the appointment of the Special Commission presided over by Sir Ashley Eden, to inquire into the organisation and expenditure of the army in India. The Report of the Commission is now under consideration of the Government, and I should be going altogether beyond my own proper business, if I were to attempt in any way to discuss the recommendations which the Commission has made, or to give any opinion as to the extent which those recommendations may be carried out. But there are some facts which I may refer without impropriety, and which seem to me highly encouraging. This Commission, presided over by one of the most eminent Indian statesmen, and including among its members some of our great Indian soldiers, has arrived at unanimous conclusions on almost every one of the questions submitted to it. These high authorities believe that adoption of their proposals would greatly increase the efficiency of the army in peace and war; that it would add to the military strength of the British portion of our forces; that the strength and efficiency of the Native army as a fighting body, and the popularity of the service, would be increased; that the medical service would be placed in harmony with the true principles of army organisation; that in the departments of the army greater uniformity and power of administration would be obtained; that the great improvement of military communication would be improved and made permanently secure; that, under a more scientific system, the troops could be more rapidly and easily mobilised; and that (to quote the words of the Commission) "with improved transport arrangements, with a more thorough knowledge of the vast resources of the country in supply and transport, and with a decentralised military system the Government of India will be able, provided the details are thoroughly worked out beforehand, to place in the field a force which will be a powerful weapon of offence or defence, while the troops remaining in garrison will be ample to supply a reserve if needed, and to maintain the peace of the country undisturbed." The Commission believes that these great results, by which the efficiency of the army would be immensely increased, could be attained, not without additional expense, but with a positive saving to the State of £1,250,000 a year.

I have not been able to take credit for any part of such savings in the coming year; but I sincerely trust that this most important matter will not be allowed to sleep, and that no feeling that the improvement in our finances has rendered military economy less urgently necessary, will be permitted to cause delay in settling the questions which have been raised. As the Commission, quoting principles strongly enunciated by Lord Mayo, and reiterated by his successor, has observed, "the people of India ought not to be called upon to support pay for one unnecessary soldier."

FINANCIAL PROSPECTS THOUGH FAVOURABLE STILL SOMEWHAT UNCERTAIN.

104. The warning which I have now given, that we ought not to be induced by the improved state of our finances to relax our efforts in the direction of military economy, is not true in regard to military expenditure alone. It would be a dangerous mistake to conclude that our prospects are not still uncertain.

In the Financial Statement for last year, prominent attention was called to the consequences entailed upon India by the violent disturbance of the long-standing equilibrium between gold and silver. It was then stated that the Government of India had submitted its views on this subject to the Secretary of State, and, as the Council is aware, Her Majesty's Government did not think it possible to accept our recommendations.

Although the exchange has, during the present year, been less unfavourable to India than we anticipated, it would be a great error to suppose that the anxiety on this account has been removed, or even seriously diminished. The gravity of the subject can hardly be better illustrated than by this fact, that even in the present year, which has been comparatively favourable, the charge for Loss by Exchange amounts to £3,188,000, while for the coming year it is estimated at £3,411,000. Ten years ago, in 1869-70, the charge was £1,420,000. Although the relations between the two metals have, of late, been comparatively steady, yet, as this stability does not rest upon any known foundation, it cannot afford ground for confidence in the future relations of the two metals, which, under the existing conditions, cannot be predicted for a single month.

Obviously we cannot depend on the maintenance of our Opium revenue at its present unprecedentedly high amount. Other causes for a prudent anxiety are not wanting. It is, for example, plainly impossible to say what may be the actual cost, and the future obligations entailed upon us by the war in Afghanistan; although, so far as can now be foreseen, ample provision on this account seems to have been made. Altogether, while our financial prospects look, on the whole, far brighter than they were a year ago, we cannot say that there are not many causes for anxiety remaining. The prudent view to take is this, that we ought to take advantage of the breathing time that has now been obtained, to set our house in order.

105. I think, my Lord, that there is only one remaining subject to which I need refer. Attempts have recently been made in England to compare the financial condition of India as it is now with what it was in past periods, and it seems to have been assumed by many persons that, because difficulties are found in making such comparisons without more information than is given in the published abstracts of our accounts, therefore there is something wrong in the structure of our accounts themselves. The fact is that, for many years past, we have been steadily striving to make such improvements in our published abstracts as were called for by changes in financial circumstances, and in order to give fuller information. In this view, heads of accounts which used to be lumped up together have been separated, while others have been consolidated, and, instead of entries showing merely the net result of the differences between revenue and expenditure, the actual revenue and expenditure have been entered on each side of the account respectively.

COMPLAINTS OF
DIFFICULTY OF
COMPARISON OF
FINANCIAL
CONDITION WITH
PAST PERIODS
OWING TO CHANGES
IN FORM OF
ABSTRACTS.

106. For example, in Mr. Wilson's Budget Statement in 1860, there were only six revenue heads. The first was "Land Revenue, Sayer and Abkaree," and it included Land, Forest and Excise revenue, all lumped together; then came, separately, "Customs," "Salt" and "Opium;" then "Miscellaneous," a large item of over 4 millions; and lastly, "Receipts from Railway Companies," which at that time were only £330,000. On the expenditure side the charges on account of collecting the revenue on account of Land, Forest, Excise, Customs, Salt, Opium, Post Office and Stamps together with Political Pensions, Allowances, Assignments, and Charitable Grants, were all included under one head; the remaining heads were "Interest on Debt in India," "Military Charges," "Marine," "Civil Charges," which included all Political, Judicial, and Police Establishments, and all Public Works, except Military and Marine, "Miscellaneous," and "Guaranteed Interest on Railway Capital." The charges incurred in England were not classified at all. In the next year, 1861, the heads of Revenue and Expenditure were re-arranged and somewhat increased in number. The net charges in England were also shown separately.

ACCURACY AND
COMPLETENESS OF
ABSTRACTS NOW
PUBLISHED
COMPARED WITH
THOSE OF PAST
YEARS.

From that time the abstract has been, from year to year, improved in the manner I have indicated. In the last few years these changes have been considerable, involving the entry of large amounts on each side of the account, which were previously shown net on one side only. For instance, until quite recently, the excess of the Guaranteed Interest on Railway Capital over the net earnings of the Railways was shown in one entry on the expenditure side, instead of the net earnings being entered on the revenue side and the full Guaranteed Interest on the expenditure side; this obvious improvement has caused an addition to each side of the account of some 5 millions sterling. So again, the Provincial Revenue and Expenditure is now entered in the gross, under the appropriate heads, instead of net on one side only of the account. This has added about a million to both sides. Finally, local revenue and expenditure which, although as much public transactions as any other, used to be excluded altogether from the Financial Statements, have now been included, adding more than $2\frac{1}{2}$ millions to each side of the account.

Thus, under these three heads alone, the totals of our revenue and expenditure have been increased by about $8\frac{1}{2}$ millions, without any addition whatever to our revenue or expenditure. I will not say that our form of abstract is even now perfect; but it gives detailed information which it was impossible to obtain from the abstracts as formerly framed. The improvement of late years has been great, and it is certain that few countries now publish such full and

Present Expenditure compared with 12 years ago.

accurate accounts as India. It can hardly be contended that the difficulties which such changes throw in the way of persons who wish to make minor comparisons, ought to have deterred us, or should in future deter us, from rendering our published accounts as perfect and comprehensive in form as possible, or that because our published statements were incomplete ten or twenty years ago, they ought to have remained incomplete for ever.

GENERAL
COMPARISON OF
ACCOUNTS FOR
1868-69 & 1869-70
WITH ACCOUNTS
OF 1878-79 AND
ESTIMATES OF
1880-81.

107. I cannot now take up the time of the Council with any elaborate comparison between our present financial position and that of ten or twenty years ago. As, however, there seems to be an impression that there has been a great increase in the public expenditure, I will briefly compare the accounts of our net expenditure in 1868-69 and 1869-70 with the accounts of 1878-79 and the estimates of 1880-81. That this comparison may be effective, I have eliminated the expenditure from Local Funds, recently incorporated with the rest of the public expenditure, and also the expenditure on the war in Afghanistan. In like manner I have removed, throughout, the credits from the extinct Military Funds. I have then divided the net expenditure thus ascertained into four groups, as follows:—

First.—Land Revenue (except Charges of collection, Surveys and Settlements), Post Office, Administration, Minor Departments, Jails and Penal Settlements, Law and Justice, Police, Marine, Education, Ecclesiastical, Medical, Stationery, Printing, Political, and Miscellaneous.

Second.—Interest, Loss by Exchange, Furlough Allowances, Pensions, and Famine.

Third.—Public Works, Telegraphs, Railways, and Canals.

Fourth.—The Army.

The whole net expenditure thus classified is as follows:—

	1868-69.	1869-70.	1878-79.	1880-81.
	£	£	£	£
Group I.—Effective civil administration ...	10,042,000	10,489,000	10,997,000	11,255,000
Group II.—Non-effective civil expenditure ...	7,054,000	6,543,000	11,182,000	10,536,000
Group III.—Public Works ...	8,195,000	6,235,000	3,454,000	1,883,000
Group IV.—The Army ...	15,137,000	15,251,000	15,441,000	15,330,000
TOTAL ...	40,428,000	38,518,000	41,074,000	39,004,000

EFFECTIVE CIVIL CHARGES.

108. *Group I.*—The effective civil charges proper have increased in the twelve years by about one million sterling, of which £587,000, under the Head of Law and Justice, is due to the development of backward provinces, such as Assam, Burmah and Oudh, and to improved administration; and £233,000, under Education and Medical Services, is to be attributed to the constant demands for more schools and dispensaries. It does not seem to me that either the fact that the whole active civil administration of this great country costs only net 11¼ millions a year, or the increase of its cost in twelve years by one and a quarter million sterling, is indicative of any laxity of financial control or any disregard of the interests of the tax-payers.

NON-EFFECTIVE CIVIL CHARGES.

109. *Group II.*—The non-effective civil charges, many of which are not subject to control, show an increase of about 3½ millions, caused mainly by the disturbance of the relative values of gold and silver, but also notably by the growth of the pension list. Notwithstanding the addition of 37¼ millions (net) to our debt, the charge for interest shows little or no increase,* the rate of interest having been, by successive operations involving labour and forethought, constantly reduced. The average rate of interest upon the whole debt is now 4.40 per cent.

PUBLIC WORKS.

110. *Group III.*—The growth of the revenue from Railways, Telegraphs and Canals, and the reduction of the expenditure on Public Works Ordinary has produced a diminution of the net expenditure in this group of more than six and a quarter millions a year, which therefore largely exceeds the increase in Group II.

* 450,000*l.* was saved in 1874-75 by the redemption of the capital stock of the East India Company.

During this period we have spent $65\frac{1}{4}$ millions sterling upon Railways, including the Guaranteed Railways, Canals, and Telegraphs. The result shown in the figures here given is remarkable evidence of the manner in which India responds to outlay of this character.

We have seen that in the coming year, the revenue derived from productive public works is likely to exceed the interest on the capital expended in their construction, together with the working expenses. I have read criticisms, in which the policy of constructing these works has been condemned on the ground that they had not yielded, and in many cases were not likely to yield, any extra profit after fully paying their expenses. But if the Government has succeeded in making these magnificent works for nothing, that is, without throwing any permanent charge for them on the people of India, surely it may well be contented.

111. *Group IV.*—Although there was an intermediate reduction of the cost of the Army, the net military expenditure here shown is little larger in the later than it was in the earlier years. THE ARMY.

112. Owing to the rapid improvement in the financial results of our Railways, Canals, and Telegraphs, and to economy in the expenditure on public works ordinary, the whole net expenditure shows no increase, but a positive reduction. WHOLE NET EXPENDITURE.

113. Considering that, during this period, the charge for loss by exchange has increased by 3 millions, and that, including the guaranteed railways, we have invested no less than $65\frac{1}{4}$ millions in productive public works, this, My Lord, is a result of which the Government of India need not be ashamed, and which I earnestly commend to the study of those statesmen who, from motives worthy of all respect, but which appear to me to be founded upon a dangerous misapprehension of facts, would withhold from India those material benefits which are to be obtained only by the expenditure of capital upon the development of her vast resources. COMPARISON SATISFACTORY.

114. It now, My Lord, only remains for me to make the motion standing against my name. If it be adopted by the Council, it will be equivalent to a resolution that the Trades and Professions Bill shall be dropped altogether, and I shall afterwards ask permission to introduce a new Bill for the amendment of the present law. It will be understood, from what I have said to-day, that it will be a very short and simple measure, and its principal effect will be to relieve the poorer classes of traders from the taxation to which they are now liable.

FINANCIAL STATEMENT FOR 1880-81.

PART II.—(Not published).

*Resolution of the Government of India, Department of Finance and Commerce,
No. 985, dated 24th February 1880.*

Read—

- (1) The Accounts of the public revenue and expenditure and receipts and disbursements in 1878-79 ; ACCOUNTS AND ESTIMATES PRESENTED.
- (2) The Regular Estimates of the revenue and expenditure and receipts and disbursements in 1879-80 ; and
- (3) The Budget Estimates of the revenue and expenditure and receipts and disbursements in 1880-81.

RESOLUTION.

CHANGES OF FORM.

Changes of form.

115. A new major head has been opened on each side of the accounts to show separately the revenue from *Registration* and the expenditure on that department of the administration. The fees paid for mutations of names upon the land revenue registers and copies of the land revenue records, and the expenditure upon the land revenue record rooms, are also transferred to these new heads. HEAD OF REGISTRATION OPENED.

116. The heads of *Guaranteed* and *State Railways* are consolidated under a single head, *Railways*, on each side of the accounts. The purchase of the East Indian Railway by the State, involving its transfer from the category of guaranteed to that of state railways, has made comparisons of the current estimates with the past accounts in each separate category impossible; and a like disturbance will ensue on the acquisition of other lines constructed by private capitalists under a guarantee of interest from the public revenues. Moreover, negotiations are already in progress for the working of the Indus Valley State Railway by the Sindh, Punjab and Delhi Railway Company. It would be difficult to distinguish between the transactions of the two railways under one management. Similar arrangements for the management of other state railways are likely in the future. For like reasons, the transactions with the *Madras Canal and Irrigation Company* will henceforth be entered under the major head *Irrigation and Navigation*, under which head the cost of agricultural works (drainage and embankments) will also, hereafter, be shown. Thus the public works heads of account will now be *Railways, Irrigation and Navigation*, and *Other Public Works*. RAILWAY HEADS CONSOLIDATED INTO THE SINGLE HEAD "RAILWAYS."
MADRAS CANAL COMPANY MERGED IN IRRIGATION AND NAVIGATION.
PUBLIC WORKS HEADS RE-ARRANGED.

FINANCE AND REVENUE ACCOUNTS, 1878-79.

Finance and Revenue Accounts, 1878-79.

117. In the following synopsis, the Finance and Revenue Accounts, 1878-79, are compared with the Regular and Original Estimates, and with the Accounts

ACCOUNTS, 1878-79. of 1877-78:—

COMPARED WITH ESTIMATES AND WITH ACCOUNTS, 1877-78.

SYNOPSIS.

	ACCOUNTS, 1877-78.	1878-79.			ACCOUNTS OF 1878-79, COMPARED WITH					
		ORIGINAL ESTIMATES.	REGULAR ESTIMATES.	ACCOUNTS.	REGULAR ESTIMATES.		ORIGINAL ESTIMATES.		ACCOUNTS, 1877-78.	
					Better.	Worse.	Better.	Worse.	Better.	Worse.
	£	£	£	£	£	£	£	£	£	£
REVENUE	53,969,301	63,250,000	64,630,000	63,207,694	527,694		1,957,694		6,238,303	
EXPENDITURE, excluding Capital Expenditure on Productive Public Works	62,512,338	61,094,000	63,380,000	63,163,303	216,697				2,069,303	650,915
SURPLUS REVENUE	3,543,037	2,156,000	1,300,000	2,044,391	744,391				111,609	5,587,473
Capital Expenditure on Productive Public Works	4,791,052	4,553,000	4,599,000	4,331,898	217,102		173,102			409,154
EXCESS EXPENDITURE	8,334,139	2,399,000	3,299,000	2,337,507	961,493		61,493			5,996,632
Receipts other than Revenue	72,851,859	59,850,000	76,560,000	66,368,962		10,191,038	6,518,962			6,482,997
Disbursements other than Expenditure	64,407,426	55,951,000	74,635,959	65,636,336	8,939,623				6,745,336	1,288,910
EXCESS RECEIPTS OTHER THAN REVENUE	8,444,433	899,000	1,924,041	672,626		1,251,415			236,374	7,771,907
Public Balances reduced		1,500,000	1,374,959	1,664,681		289,922			164,981	1,775,175
Public Balances increased	110,294									
CLOSING BALANCES	15,574,959	14,500,000	14,200,000	13,910,078		289,922			589,922	1,664,891

GENERAL COMPARISON WITH THE REGULAR ESTIMATES.

118. In March last, the accounts of 1878-79 were expected to show a grand total expenditure in excess of the revenue by 3,299,000*l.* and a surplus of revenue, as compared with the expenditure other than the capital expenditure on productive public works, of 1,300,000*l.* The actual deficit of revenue was only 2,337,507*l.*, being 961,493*l.* less than was then estimated. Excluding capital expenditure on productive public works, there was a surplus of 2,044,391*l.*, being 744,391*l.* more than the regular estimate. The remainder of the accounts record an excess of receipts over disbursements smaller by 1,251,415*l.* than the regular estimates. Consequently, the closing balances were 289,922*l.* lower than was estimated in March 1879. Of the improvement in the accounts of the revenue and expenditure, as compared with the regular estimates, 744,828*l.* is in India, and 216,665*l.* at home. Of the 1,251,415*l.* by which the net receipts, other than revenue, fall short of the regular estimates, 941,475*l.* is in India, and 309,940*l.* at the Home Treasury.

GENERAL COMPARISON WITH THE ORIGINAL ESTIMATES.

119. The accounts of the revenue and expenditure differ, on the whole, very little from the original estimates, the accounts in India showing a result worse than the original estimates by 334,772*l.*, while the Home Accounts are better by 396,265*l.* The net receipts, other than revenue, differ from the original estimates by 226,374*l.* only: the Indian Accounts showing an improvement of 294,023*l.*, and the Home Accounts a worse result by 520,397*l.* This near accord of the accounts with the original estimates is accidental, the variations under the several heads neutralising each other; but it renders further comparisons of the accounts with the original estimates unnecessary.

120. But few of the differences between the Accounts and the Regular Finance and Revenue Accounts, 1878-79, Estimates amount to 100,000*l.*, and scarcely any call for particular remark,

The largest item on the revenue side is an improvement of 216,520*l.* under *Land Revenue*, the chief contributories thereto being *Bengal* (under-estimate) 73,000*l.*, *Burmah* (progress of re-settlements) 52,000*l.*, and *Madras* (famine arrears) 65,000*l.*

There was a loss of 113,439*l.* in *Customs*, which is to be attributed partly to the further remission of cotton duties when the Financial Statement was published. The net import duties on cotton goods in 1878-79 were less by 163,047*l.* than in 1877-78:

There was a satisfactory saving of 241,580*l.* under *Famine Relief* in *Madras* and the *North-Western Provinces*, the intrinsic value of the works executed by famine labour proving greater than was supposed.

Notwithstanding this transfer from *Famine Relief* to *Public Works*, the Accounts show an expenditure upon *Irrigation* and *Other Public Works* in the Provincial and Local Accounts, less by 216,284*l.* than was expected. This is owing to the stringent measures of economy adopted towards the close of the year.

The saving in *Public Works* is reflected in the important addition of 469,405*l.* to the Provincial and Local Balances under the two adjusting Heads *Provincial and Local Deficits* and *Surpluses*. The Provincial Governments spent during the year, altogether, 715,405*l.* less than they received. Their balances at the end of the year amounted to 2,412,382*l.*, as follows:—

Provincial	...	...	...	...	1,323,467
Local	...	...	...	...	1,088,915
TOTAL					2,412,382 <i>l.</i>

121. The net cost of the military operations in Afghánistán, recorded in the Accounts of 1878-79, is 676,381*l.*; a close approximation to the estimate (670,000*l.*) made in paragraph 142 of the last Financial Statement. Against this must be set the gains which may be attributed to these operations under the heads of *Railways* and *Telegraphs*. It is not possible to estimate with precision either these gains or, on the other hand, the extra expenditure in the general administration, both military and civil, in consequence of the rise of prices in Upper India attendant upon these operations. But the ultimate net total cost of the operations in Afghánistán, recorded in the Accounts of 1878-79, may be fairly estimated at 575,000*l.*

122. A careful investigation of the constituents of the surplus of 2,044,391*l.* in 1878-79 shows that the sets-off on both sides of the account are fairly balanced, and that the financial outturn of the year 1878-79 may be accepted, without reserve, as satisfactory. With the help of additional taxation, amounting in all to 1,227,891*l.*,* of which 313,420*l.* has been spent upon famine relief, and notwithstanding an abnormal military expenditure of 676,381*l.*, and the simultaneous remission of the inland duties on sugar and of some of the duties of customs on cotton goods, the true surplus of the year exceeds the amount (2,000,000*l.*), decided to be necessary to enable the State to meet its obligations in times of famine, and defray such abnormal expenditure as is now being incurred in the military operations in Afghánistán. The standard at which the Government of India aims (namely, a surplus of 2,000,000*l.* less any expenditure on famine relief or protective works or otherwise of an abnormal kind), would have been attained if the accounts had shown a surplus of only 1,010,199*l.*, being less by 1,034,192*l.* than the actual surplus.

123. The only drawback to entire satisfaction is that the following expenditure which is recorded in the category of capital expenditure on *Productive Public Works*, and has consequently been excluded from the accounts upon which

	Assessed Taxes (Net). £	Provincial Rates (Net). £	Total. £
* Bengal	172,112	355,590 P. W. cess	527,702
Bombay	225,478	...	225,478
Central Provinces	14,860	6,652	21,512
Madras	76,896	...	76,896
North-Western Provinces	202,283	...	202,283
Punjab	129,703	44,317	174,020
Total	821,332	406,559	1,227,891

DETAILED COMPARISONS WITH THE REGULAR ESTIMATES.
LAND REVENUE.
CUSTOMS.

FAMINE RELIEF.

PUBLIC WORKS.

PROVINCIAL AND LOCAL ACCOUNTS.

MILITARY OPERATIONS IN AFGHANISTÁN.

TRUE CHARACTER OF THE SURPLUS.

GENERAL OUTTURN COMPARED WITH STANDARD.

WORKS NOT DIRECTLY PRODUCTIVE INCLUDED AMONG THE PRODUCTIVE PUBLIC WORKS.

Finance and
Revenue
Accounts,
1878-79.

the surplus is ascertained, cannot, at present, be regarded as directly reproductive; namely, the capital expenditure on the—

Orissa Canals	...	...	55,740
Midnapore Canals	...	...	27,817
Western Jumna Canal	...	...	79,415
Punjab Northern Railway	...	...	276,870
Indus Valley Railway	...	...	816,105
			<u>1,255,947.</u>

But the whole of this sum does not much exceed the excess surplus of 1,034,192*l.*; and if the whole 1,255,947*l.* were removed from the category of productive public works, the accounts would still show a substantial surplus of 788,444*l.* Outlay of this class is coming rapidly to an end, and, for the future, no expenditure which is not satisfactorily and directly reproductive will be excluded from the comparison upon which the surplus or deficit of the revenue is ascertained.

FALLING OFF IN
NET RECEIPTS.

124. The falling off in the net receipts other than revenue is due, in India, to large remittances to the military disbursing officers in connection with the operations in the field. At home it is owing to less money having been borrowed than was estimated.

WAYS AND MEANS,
1878-79.

125. The deficit of revenue compared with the whole expenditure during the year was 2,337,507*l.* Including the amounts credited as revenue from the extinct Military Funds, the net repayments of *Deposits* amounted to 1,980,816*l.*, while the *Remittances* (outstanding Secretary of State's bills paid) amounted to 1,271,110*l.* Thus the total net disbursements amounted to 5,589,433*l.*, which was thus provided. There was a surplus of Provincial and Local Revenue of 715,405*l.* After setting off *Loans to Native States, &c.*, and *Repayments of Guaranteed Railway Capitals and Savings Banks Deposits*, the net amount borrowed was 3,209,147*l.* The balance, 1,664,831*l.*, was taken from the balances. The equation may be thus shown—

Surplus of Provincial and Local Revenue	...	715,405	Deficit of Imperial Revenue...	2,337,507
Net Debt incurred	...	3,209,147	Deposits repaid, &c.	1,980,816
Balances reduced	...	1,664,881	Remittances	1,271,110
		<u>5,589,433.</u>		<u>5,589,433.</u>

CONVERSION OF 5½
PER CENT. LOAN
1859-60 TO 4½ PER
CENT. LOAN 1879.

126. The Five and a half per cent. Loan of 1859-60 was converted during the year into the Four and a half per cent. Transfer Loan of 1879. The Five and a half per cent. Loan outstanding when the operation began amounted to 9,845,170*l.* To discharge this sum a loan of 10,000,000*l.* was invited by Notification No. 2005, dated 12th August 1878. The actual amount subscribed was—

Transfers from the 5½ per cent. Loan	...	...	8,606,347*
Cash subscriptions	...	...	1,409,480
			<u>10,015,827.</u>

The small excess of 15,827*l.* is due to the difficulty in ascertaining the transfers which would be ultimately confirmed: it was necessary to accept many such transfers conditionally in the first instance, and there is even now some uncertainty about transfers amounting to 4,350*l.* included in the total of 8,606,347*l.*, which have not yet been completed upon the books. The discount and commission paid upon the operation was 5,381*l.*

1878-79 COMPARED
WITH 1877-78.

127. Compared with 1877-78, the revenues of 1878-79 show an improvement of 6,238,393*l.*, of which 2,400,331*l.*, *Provincial Rates*, is nominal. The largest item is *Land Revenue* (2,460,919*l.*), the loss under this head in 1877-78 having been serious. Notwithstanding a saving of 5,032,355*l.* in *Famine Relief*, the expenditure exceeded the expenditure of 1877-78 by 650,915*l.*, the main items being *Loss by Exchange*, 1,705,767*l.*, and *Public Works*, 1,339,281*l.* The chief cause of the excess is, however, nominal, namely, the incorporation of Local Fund transactions amounting to 2,400,000*l.* The outturn of the year is 5,587,478*l.* better than the outturn of 1877-78.

* Of this total, 24,420*l.* was subscribed to the seven shillings sterling per cent. portion.

REGULAR ESTIMATES, 1879-80.

128. In the following Synopsis the present prospects of the revenue and expenditure and receipts and disbursements of British India are compared with the ORIGINAL ESTIMATES and with the ACCOUNTS of 1878-79:—

Synopsis.

Regular Estimates, 1879-80.

COMPARISON.

	ACCOUNTS, 1878-79.	1879-80.		REGULAR ESTIMATES OF 1879-80, COMPARED WITH			
		ORIGINAL ESTIMATES.	REGULAR ESTIMATES.	ORIGINAL ESTIMATES, 1879-80.		ACCOUNTS, 1878-79.	
				Better.	Worse.	Better.	Worse.
£	£	£	£	£	£	£	£
REVENUE ...	65,207,694	64,562,000	67,583,000	3,021,000	...	2,375,306	...
EXPENDITURE ...	63,163,303	65,957,000	67,464,000	...	1,507,000	...	4,310,697
SURPLUS REVENUE ...	2,044,391	...	119,000	1,514,000	...	...	1,925,391
Excess Expenditure ...	...	1,395,000	...	...	...	...	...
Capital Expenditure on Productive Public Works.	4,381,898	3,500,000	3,700,000	...	200,000	681,898	...
EXCESS EXPENDITURE ...	2,337,507	4,895,000	3,581,000	1,314,000	...	...	1,243,493
Receipts other than Revenue.	66,368,962	67,335,500	74,785,000	7,449,500	...	8,416,038	...
Disbursements other than Expenditure.	65,696,336	63,140,500	69,114,078	...	5,973,578	...	3,417,742
EXCESS RECEIPTS OTHER THAN REVENUE.	672,626	4,195,000	5,670,922	1,475,922	...	4,998,296	...
Public Balances Reduced ...	1,664,881	700,000	...	...	...	...	...
Public Balances Increased ...	...	...	2,089,922	2,789,922	...	3,754,803	...
CLOSING BALANCES ...	13,910,078	13,500,000	16,000,000	2,500,000	...	2,089,922	...

129. It is now expected that the revenue will amount to 67,583,000*l.*, being 3,021,000*l.* more than the original estimate; that the ordinary expenditure will be 67,464,000*l.*, being 1,507,000*l.* more than was estimated, and that 3,700,000*l.*, being 200,000*l.* more than was estimated, will be spent on the construction of productive public works. Thus, in place of a deficit of 1,395,000*l.*, a surplus of revenue as compared with the ordinary expenditure, amounting to 119,000*l.*, is now anticipated, and the whole deficit is reduced from 4,895,000*l.* to 3,581,000*l.*, or by 1,314,000*l.*

130. The original estimates provided for an abnormal military expenditure of 2,000,000*l.* for the war in Afghanistan (see para. 262 of the last Statement). In consequence of the renewal of hostilities, that provision has now been increased to 4,886,000*l.*, as follows:—

Military Expenditure proper	...	...	...	3,137,000
Frontier Railways	...	...	...	1,670,000
Post Office*	...	...	...	37,000
Telegraphs	...	...	...	42,000
TOTAL	...	...	...	4,886,000

Of which, 4,656,000*l.* is provided under 36, Army, and 230,000*l.* under 32, Railways.

Moreover, instead of 10,000*l.* as granted, a famine expenditure of 99,000*l.* is now estimated. So that the Regular Estimates provide for an abnormal expenditure amounting to 4,985,000*l.* as follows:—

War	...	...	...	4,886,000
Famine	...	...	...	99,000
				4,985,000 <i>l.</i>

* Besides expenditure on Military train.

Regular
Estimates,
1879-80.

On the other hand, it is estimated that the railway and telegraph revenues are net better by reason of the war than they would otherwise have been by about 300,000*l.* Then, but for war and famine, the regular estimates would have shown a surplus revenue as compared with ordinary expenditure amounting to 4,769,000*l.* or about 4 $\frac{3}{4}$ millions sterling.

FAMINE INSURANCE
TAXATION.

131. The regular estimates of revenue contains the following items originally raised in 1878 in order to enable the State to discharge its obligations in times of famine without risk of insolvency:—

	Assessed Taxes (net) less refunds.	Cesses.	TOTAL.
Bengal	198,000	350,000	548,000
Bombay	228,000	...	228,000
Central Provinces	15,000	19,000	34,000
Madras	81,000	...	81,000
North-Western Provinces and Oudh	114,000	82,000	196,000
Punjab	50,000	47,000	97,000
	<u>686,000<i>l.</i></u>	<u>498,000<i>l.</i></u>	<u>1,184,000<i>l.</i></u>

TRUE SURPLUS.

If the 99,000*l.* actually spent on Famine Relief be deducted from this sum, there remain 1,085,000*l.* as a contribution to prevent the growth of debt. A careful investigation shows that if count be taken of other abnormal items on both sides of the accounts the true surplus for comparison with the standard surplus of 2,000,000*l.* (after deduction of famine and other abnormal expenditure) is about 4,500,000*l.*

DOUBTFUL
PRODUCTIVE
PUBLIC WORKS.

132. As this surplus would have far more than covered the whole expenditure on productive public works, it is needless to refer further to the expenditure on the not entirely satisfactory works still included in the category of productive public works. The list may, however, be noted as follows:—

Indus Valley Railway ... ..	...	...	304,000
Punjab Northern Railway ... ..	...	...	433,000*
Orissa Canals ... ..	...	...	78,000
Midnapur Canals ... ..	...	...	7,300
Western Jumna Canal ... ..	...	...	58,100
			<u>880,400<i>l.</i></u>

SATISFACTORY
RESULT.

133. If the present prospects are realised, the financial outturn of the year 1879-80 will leave nothing to be desired.

The variations from the original estimates are as follows:—

DETAILS.

Revenue.

REVENUE, 1879-80.

LAND REVENUE.

134. *I. Land Revenue.*—22,389,000*l.* Improvement 450,000*l.* Of this, 105,000*l.* is nominal, being the revenue intercepted for the remuneration of the village servants in *Madras* now transferred to this head from *VI. Provincial Rates.* Of the remainder, 103,000*l.* is in *Burmah*, where the effect of the new settlements in progress was under-rated. The balance is due to famine arrears in excess of expectation.

TRIBUTES.

135. *II. Tributes* 714,000*l.*—Better 11,000*l.* Some arrears collected.

FORESTS.

136. *III. & 5. Forests.*—Net revenue 141,000*l.* Decrease 21,000*l.*; due to contraction of public works expenditure and the consequent falling-off in the demand for timber.

EXCISE.

137. *IV. & 6. Excise.*—Net revenue 2,655,000*l.* Better 31,000*l.* There has been a transfer to this head from *IX. Opium* in *Bombay*, so that there is little or no real improvement.

ASSESSED TAXES.

138. *V. & 7. Assessed Taxes.*—Net revenue 762,000*l.* Decrease 93,000*l.*

In September 1879, the tax upon incomes less than Rs. 250 a year and in December, the tax upon incomes less than Rs. 500 a year was abandoned. Moreover, pending consideration of the proposed tax upon trades and professions, assessments during the last quarter of the year have been suspended.

PROVINCIAL RATES.

139. *VI. & 8. Provincial Rates.*—Net revenue 2,656,000*l.* Decrease 31,000*l.* But for the transfer in *Madras* to *I. Land Revenue*, there would have been a considerable improvement which is attributed to the favorable season.

CUSTOMS.

140. *VII. & 9. Customs.*—Net revenue £2,030,000. Decrease 15,000*l.*; the loss of duty on cotton goods having been rather larger than was expected.

SALT.

141. *VIII. & 10. Salt.*—Net revenue 6,979,000*l.* or, deducting the salt compensation payments in *Rájputána*, *Cambay* and *Sáwantvári*, (total 301,500*l.*), 6,677,500*l.* Improvement 362,000*l.*, owing to a general increase of the consumption of salt.

* Besides 230,000*l.* provided under 32, *Railways.*

There have been no changes of taxation or system during the year, but Revenue. sundry measures have been taken to facilitate the transport of salt. The Government is now endeavouring to redeem all transit dues on salt throughout Rajpútáná and Central India, so that the transport of salt may be everywhere absolutely free from restriction. The intention to organise a preventive line between British Guzarát and Katch and Kattiáwár has been abandoned. CONTEMPLATED
REDEMPTION OF
TRANSIT DUES ON
SALT.

142. IX. & 11. *Opium*.—Net revenue 8,400,000*l.* Better 1,900,000*l.* of which 680,000*l.* OPIUM. is in Málwa and the rest in Bengal opium. The Bengal crop 1878-79, yielded only 49,961 chests of provision opium, being 9,130 chests less than the 59,100 chests sold. Accordingly, the outlay was less by 186,600*l.* than it would have been if the whole 59,100 chests sold had been paid for in the year. The revenue of 1879-80 includes 75,000*l.* unliquidated advances recovered from the cultivators.

By Notification No. 2316, dated 15th September 1879, the duty on a chest of Málwa opium was raised by Rs. 50, namely, to Rs. 725 if weighed at Ajmír and Rs. 700 if weighed elsewhere. The revenue this year is unprecedented.

143. X. & 12. *Stamps*.—Net revenue 3,090,000*l.* Better 114,000*l.* There is improvement STAMPS. everywhere except in the *North-Western Provinces* and *Bombay*.

There have been no changes in the law during the year. But much consideration has been given to the question whether, in presence of the frequent, though not usually formidable, frauds connected with the use of adhesive labels, it will be possible to persevere in this otherwise convenient method of levying the court-fee duties. Mr. F. R. Cockerell, who has had much experience in this branch of the administration, is now, under instructions from the Government of India, with the permission of the Secretary of State, investigating this problem in concert with Messrs. De La Rue & Co., who have brought all their well-known skill and resources to bear upon its solution.

Meanwhile, despite such drawbacks, the net revenue levied by stamps has grown from 2,516,400*l.* in 1872-73 to 3,090,000*l.* in 1879-80, or by 573,600*l.* in seven years, an average increment of about 82,000*l.* a year.

144. XI. & 13. *Registration*.—This head is shewn separately for the first time. Net revenue REGISTRATION. 100,000*l.*, being worse than the estimate by 12,000*l.* This decrease is attributed to returning prosperity.

145. XII. & 14. *Mints*.—Net revenue 150,000*l.*, an improvement of 83,000*l.* The imports MINTS. of silver (by estimate, about 8,000,000*l.*) have been larger than was expected.

146. XIII. & 30. *Miscellaneous*.—Net revenue 10,000*l.* Decrease 23,000*l.* The largest MISCELLANEOUS. item is a special payment of 15,000*l.* to the Rájá of Shusang (Garo Hills) in satisfaction of certain territorial claims. In *Bombay* there was a large outlay for the destruction of rats.

EXPENDITURE, 1879-80.

Expenditure.

147. 1 & XXII. *Interest on Debt*.—Net Expenditure 5,330,000*l.* Decrease 389,000*l.* INTEREST ON DEBT. The chief saving is 150,300*l.*, in the discount on the Loan of the 13th March 1879. Of the rest, 76,600*l.* is saved in England and 88,000*l.* in India. 75,000*l.* is improved receipts of interest on arrears of land revenue and interest due from municipalities.

148. 2. *Interest other Accounts*.—382,000*l.* Decrease 4,000*l.* No remarks. INTEREST OTHER
ACCOUNTS.

By Notification No. 2037, dated 20th December 1879, the rate of interest on Savings Banks Deposits, excepting deposits in Regimental Banks, the rate of interest on which is regulated by Act 22 & 23 Vic., Cap. 20, was raised from 3½ to 4½; the personal attendance of depositors was dispensed with; the banks were thrown open whenever the treasuries are open for business; and the maximum amount which may be deposited in one year, on one account, was raised to 500*l.* 5,581 accounts have been opened during the year, raising the number open to 90,084. The deposits increased from 1,912,401*l.* to 2,057,639*l.*, or by 145,238*l.* SAVINGS BANKS.

149. 3. *Refunds and Drawbacks*.—350,000*l.* Decrease 6,000*l.* An item of 6,500*l.*, (land REFUNDS. revenue received in Ajmír in trust) struck off from *I. Land Revenue*, and here.

150. 4. *Land Revenue*.—2,945,000*l.* Decrease 83,000*l.*, of which 48,000*l.* in the LAND REVENUE. *North-Western Provinces*, 18,000*l.* in the *Punjab*, and 19,000*l.* in *Madras*, set off by some modifications elsewhere. Of the saving, 49,000*l.* is in the imperial portion, chiefly in settlements, and the rest in the provincial portion.

151. 15 & XIII. *Post Office*.—Net expenditure 163,000*l.* Increase 63,000*l.* This does POST OFFICE. not include 116,160*l.* spent by the Post Office, directly or as agents for the military authorities, in the Postal Department, on the military operations in Afghánistán and included under 36. *Army*. The excess expenditure otherwise, is due chiefly to high prices everywhere and to the original estimates having been, in some respects, too sanguine.

The new contract with the Peninsular and Oriental Company came into NEW CONTRACT
WITH P. AND O.
COMPANY. operation on the 1st February 1880 and will be in force for eight years, or

Expenditure,	till the 31st January 1888. By this contract, the yearly subsidy has been reduced from 430,000 <i>l.</i> to 360,000 <i>l.</i> , and a uniform speed of 11 knots an hour substituted for 11½ knots in the Mediterranean and 9¼ knots east of Suez; the Southampton route has been abandoned; and a fortnightly mail to Australia has been substituted for a monthly mail. In consequence of these modifications the postage <i>viâ</i> Brindisi upon a half-ounce letter, to Great Britain and countries served through Great Britain, was reduced, on the 1st February 1880, from 5 to 4½ annas, and that on newspapers (4 oz.), and packets (2 oz.) from 2 annas to 1½ anna.
POST CARDS.	Post Cards, inland and foreign, were introduced on 1st April 1879, the postage on an inland card being ¼ anna. The inland cards are so much used, especially by natives of India, that it is difficult to supply the demand. It is not expected that there will be a corresponding diminution of the sale of ½-anna labels and envelopes.
MONEY ORDER DEPARTMENT TRANSFERRED TO THE POST OFFICE.	From the 1st January 1880 the Money Order Department was transferred to the Post Office. Under the old system, there were 321 money order offices, and the value of orders issued in the latest year was 636,000 <i>l.</i> Under post office management, there are 4,850 offices, and the department expects to issue orders for 550,000 <i>l.</i> in the first quarter of the year, earning in commission 7,500 <i>l.</i> , or at the rate of 30,000 <i>l.</i> a year. There may probably be some loss, per contra, from the diminution of insurance payments and of parcels containing money, now sent by post: but these parcels are a temptation to the departmental officials, and their discontinuance will be an advantage.
TELEGRAPHS.	152. 16 & XIV. <i>Telegraphs</i> .—Net Expenditure 6,000 <i>l.</i> Improvement 145,000 <i>l.</i> , of which 50,000 <i>l.</i> is attributed to the war. The cost of constructing lines beyond the frontier (41,490 <i>l.</i>) is excluded here and entered under 36, <i>Army</i> . The improvement is attributed to the general growth of business.
TELEGRAPH CONSTRUCTION.	A capital of 72,900 <i>l.</i> is expected to be spent on the construction of works. One thousand one hundred and thirty-seven miles of line carrying 3,344 miles of wire, have been erected during the year, chiefly upon the new railways and in connection with the military operations on the North-West and North-East Frontiers. There are now 19,108 miles of line in India (excluding Ceylon) carrying 47,235 miles of wire. Arrangements have been made for the connection of the British telegraphs with the lines in Kashmir.
ADMINISTRATION.	153. 17. <i>Administration</i> —1,485,000 <i>l.</i> Saving 13,000 <i>l.</i> , all on provincial account. The saving (3,300 <i>l.</i>) under the Government of India from the amalgamation of the Department of Revenue, Agriculture, and Commerce, with the Home and Financial Departments was more than absorbed by other increases, especially in the cost of telegrams to England and Cabul.
MINOR DEPARTMENTS.	154. 18 & XV. <i>Minor Departments</i> .—Net expenditure 269,000 <i>l.</i> Decrease 48,000 <i>l.</i> Some items of revenue have been transferred from XXIV. <i>Miscellaneous</i> ; but the chief improvement is, as usual, in the sale proceeds of cinchona bark.
LAW AND JUSTICE.	155. 19 & XVI. <i>Law and Justice</i> .—Net expenditure 2,629,000 <i>l.</i> Increase 42,000 <i>l.</i> The provincial account is worse by 22,100 <i>l.</i> , chiefly under jails, owing to continued high prices. The increase in the imperial outlay is in the cost of the penal settlement at Port Blair.
POLICE.	156. 20 & XVII. <i>Police</i> .—Net expenditure 2,264,000 <i>l.</i> Increase 25,000 <i>l.</i> No remarks.
MARINE.	157. 21 & XVIII. <i>Marine</i> .—Net expenditure 352,000 <i>l.</i> Increase 12,000 <i>l.</i> for stores ordered from England.
EDUCATION.	158. 22 & XIX. <i>Education</i> .—Net expenditure 835,000 <i>l.</i> Saving 51,000 <i>l.</i> of which 27,000 <i>l.</i> is in the expenditure from local funds, mostly in <i>Madras</i> , and the rest is provincial.
ECCLESIASTICAL.	159. 23 <i>Ecclesiastical</i> .—156,000 <i>l.</i> , and, including the same expenditure in the <i>Army</i> , 186,100 <i>l.</i> Saving in the Civil Department 5,000 <i>l.</i> No remarks.
MEDICAL.	160. 24 & XX. <i>Medical</i> .—Net expenditure 619,000 <i>l.</i> Decrease 21,000 <i>l.</i> Net expenditure including army expenditure, 1,067,900 <i>l.</i> The chief improvement is in provincial receipts.
STATIONERY.	161. 25 & XXI. <i>Stationery and Printing</i> .—Net expenditure 391,000 <i>l.</i> Decrease 99,000 <i>l.</i> The saving is to some extent nominal. Supplies will in future be largely bought in India instead of in England. Under the old system, large stocks were maintained which are being consumed this year and will not be replaced till next year.
POLITICAL ALLOWANCES, &c.	162. 26. <i>Political</i> .—471,000 <i>l.</i> Increase 45,000 <i>l.</i> Owing chiefly to events in Afghánistán. 163. 27. <i>Allowances & Assignments</i> .—1,900,000 <i>l.</i> Saving 9,000 <i>l.</i> This is the net result of various changes.
FURLOUGH ALLOWANCES.	164. 28. <i>Civil Furlough Allowances</i> .—220,000 <i>l.</i> Saving 12,000 <i>l.</i> An unusually low expenditure.
PENSIONS.	165. 29 & XXIII. <i>Superannuations</i> .—Net expenditure 1,565,000 <i>l.</i> Increase 165,000 <i>l.</i>
SPECIAL MEASURES FOR THE REDUCTION OF PUBLIC WORKS ESTABLISHMENTS.	This excess expenditure is owing to the measures taken to reduce the Public Works establishments. It having been determined to curtail the expenditure on public works and to re-organise the Department, the follow-

ing concessions were offered by Resolution No. 2079, dated. 31st July 1879, Expenditure. in order to promote retirements :—

To civil engineers: (1) three months' pay in lieu of notice; (2) a special bonus of one month's pay for each year's service, not exceeding a year's pay in all; (3) a pension, subject to certain maximum limits, rising from $\frac{1}{15}$ th of salary for one year's service, to half salary for 25 years' service. To staff corps officers: the same special bonus as to civil engineers, besides the commutation of their expectations of Colonel's allowances on the usual conditions. To special royal engineers for whom employment could not be found: furloughs.

Two hundred and forty-three engineers and 109 civil upper subordinates THEIR RESULT. have retired upon these conditions, and special furlough has been granted to 12 officers of the Royal Engineers. There were 1,199 engineers on the 1st April 1879, and 961 on the 1st January 1880. Exclusive of the officers serving under the Governments of *Madras* and *Bombay*, the present staff is 806. So far as can be now ascertained, the staff actually required in the Bengal Presidency is 717, so that there are still 89 supernumerary engineers in Bengal. In the Accounts branch of the department, 9 officers on the superior establishment and at least 33 accountants have retired.

The yearly saving in salaries by these retirements is 247,500*l.* But pensions FINANCIAL EFFECTS. amounting to 59,700*l.* have been granted, and 266,100*l.* has been paid in gratuities and for capitalised pensions. It seems not improbable that the expenditure this year may exceed the amount shown upon the Regular Estimates.

166. *30 & XXV. Railways.*—Net expenditure 286,000*l.*, being worse than the original esti- RAILWAYS. mate by 204,000*l.*

This result is notwithstanding that the railway revenues are believed to have benefited to the extent of 250,000*l.* net by the military operations beyond the Frontier. Thus, the true net outturn of the railways appears to be about 450,000*l.* worse than the estimate. The following items explain the greater part of this difference :—

Construction of the Jhelum-Rawal Pindi section of the Punjab Northern Railway, which is henceforth to be treated as an ordinary work	...	...	230,000
Construction of certain branch lines for the Salt Department	...	...	37,000
Loss by exchange on the revenue transactions of Guaranteed Railways, charged for the first time by transfer to <i>XXX, Gain by Exchange</i>	...	...	150,000
			417,000 <i>l.</i>

The year has not been prosperous upon the railways generally, the Great DETAILS OF RAILWAY EARNINGS. Indian Peninsula and the Oudh and Rohilkhand lines, especially, having done badly. Table VII in the Appendix contains details of the gross earnings, working expenses, and net earnings of each railway, state and guaranteed.

By Notification No. 128, dated 10th January 1880, a scheme of State STATE RAILWAY SAVINGS BANKS. Railway Savings Banks was promulgated, under which a minimum sum of half an anna, and, if he has a family, one anna, will be deducted from each rupee of the salary of every railway servant not belonging to the superior engineer or account establishment of the Public Works Department, and deposited in the Savings Bank. To these compulsory deposits will be added by the Government a bonus which will ordinarily bear some proportion to the earnings of the railway on which the officer is serving.

167. *31. Famine Relief.*—99,000*l.* Increase 89,000*l.*, entirely in *Bombay*, where distress FAMINE RELIEF. continued much longer than was expected.

Of this sum 27,000*l.* represents the intrinsic value of work executed by famine labour on the Eastern Deccan Railway. The amount has nevertheless been entered here, because it seems improbable that the Eastern Deccan Railway will fulfil the conditions on which alone productive public works may be constructed with borrowed money; and the Government cannot foresee the time when funds will be forthcoming for its construction otherwise. Orders have, however, been issued for the conservation of the embankment constructed, which it is hoped will come into use at some future time.

Expenditure.
IRRIGATION.

168. 33 & XXVI. *Irrigation and Navigation*.—Net Expenditure 302,000*l.* Increase 5,000*l.* This close result is the net outcome of various considerable changes. In the first place, the expenditure (107,300*l.*) on agricultural works (drainage and embankments) has been transferred to this head from 34, *Other Public Works*. Then, provision is made for an outlay of 41,200*l.* on the Nira and other canals in *Bombay* as a measure of famine relief, the amount shown here being the intrinsic value of the work thus executed. Provision is also made for the payment of 19,500*l.* to the Madras Irrigation Company, being the residue of the cost (amounting to 60,000*l.* in all) of their abandoned surveys, which the Secretary of State has thought proper to recoup to the Company. Lastly, 11,100*l.* is being paid for the purchase of private rights on certain inundation canals in *Dera Ghazi Khan*, *Punjab*. On the other hand, the owners' rates, amounting to 27,000*l.*, have been transferred from 1, *Land Revenue* to this head. There has been also a considerable improvement of Canal Revenue.

Table VIII in the Appendix contains details of the gross earnings, working expenses, and net earnings of each canal:

OTHER PUBLIC
WORKS.

169. 34 & XXVII. *Other Public Works*.—Net expenditure 3,666,000*l.* Improvement 752,000*l.* Taking the two-heads 33 & 34 together, the improvement is 747,000*l.*, namely, 661,000*l.* less expenditure and 86,000*l.* more revenue.

PUBLIC WORKS
REDUCTIONS.

The 661,000*l.* saving in expenditure is thus distributed:—

Local	...	...	...	...	261,000
Imperial	...	...	...	...	250,000
Provincial	...	...	...	...	150,000
					661,000 <i>l.</i>

PROVINCIAL AND
LOCAL SAVINGS.

Inasmuch as the whole cost of the reduction of the Public Works establishment, estimated at 266,100*l.* this year, falls upon the imperial treasury, there has been no immediate and direct saving to it in 1879-80 from the reduction of public works expenditure. The real net saving, so far, has accrued to the provincial and local treasuries.

PROVINCIAL AND
LOCAL SURPLUSES
AND BALANCES.

170. 35 & XXVIII. *Provincial and Local Surpluses*.—Net surplus 265,000*l.* Improvement 456,000*l.*

There was a like improvement of 469,000*l.* in the Accounts of 1878-79, as compared with the regular estimates (*Paragraph 120*). The provincial and local balances at the end of 1879-80 are now expected to exceed the sums last estimated as follows:—

		Provincial.	Local.	Total.
Now estimated	...	1,331,800	1,336,700	2,668,500
Estimated last year	...	837,000	716,900	1,553,900
		494,800 <i>l.</i>	619,800 <i>l.</i>	1,114,600 <i>l.</i>

SPECIAL
CONTRIBUTIONS.

This result is the more remarkable and satisfactory in that, during the year, the Local Governments agreed to contribute from their balances, in special aid of the imperial treasury, the sum of 670,000*l.*, half of which, 335,000*l.*, has been charged in the accounts of the current year. The other half will be charged in 1880-81. The reduction of their expenditure on public works and the general improvement of their provincial resources has enabled the Local Governments to afford this timely help to the general finances with little apparent difficulty.

ARMY.

171. 36 & XXIX. *Army*.—Net expenditure 20,143,000*l.* Increase 2,768,000*l.*

This is in consequence of the renewal of hostilities in *Afghanistan* and, in particular, to provide for the construction of the railways to *Kandahar* and *Peshawar*. The original grant included 2,000,000*l.* for the operations in *Afghanistan*. The regular estimate contains the following provisions:—

Military expenditure proper	...	...	...	3,137,000
Frontier railways	...	...	...	1,440,000
Construction of telegraphs	...	...	...	42,000
Post Office	...	...	...	37,000
				4,656,000 <i>l.</i>

Apart from these operations, the regular estimate is for a net expenditure of 15,487,000*l.*, Expenditure. being in excess of the estimate by 112,000*l.*, which is due to high prices.

172. 57 & XXX. *Exchange*.—Net loss 2,864,000*l.* Improvement 1,010,000*l.*

EXCHANGE.

The estimate was for the remittance to the Home Treasury of 15,000,000*l.* at an exchange of 1*s.* 7*d.*; the entry under *Loss by Exchange* was thus 3,952,000*l.* It is now hoped that 15,750,000*l.* will be remitted at an average exchange of 1*s.* 8*d.*; the entry under *Loss by Exchange* in respect to these remittances would, in that event, be 3,150,000*l.* The excess (38,000*l.*) is for minor remittances to England. The remittances of the year are now expected to exceed the whole net current disbursements of the Home Treasury, including the war expenditure, by 21,460*l.* Of the improvement (246,000*l.*) in the receipts, 150,000*l.* is transferred from the Railways (*paragraph 166*).

173. 58. *Productive Public Works*.—3,700,000*l.* Increase 200,000*l.* £220,000 has been recorded under this head, being advances made to the East Indian Railway Company before the purchase of the line, which must now be written off. The Company will pay interest upon them. For the rest there has been a saving of 182,000*l.* in England, set off by certain additional grants aggregating 154,700*l.* to facilitate the introduction of a change of system under which the Local Governments are no longer allowed to supplement from provincial resources the grants made to them under this head.

PRODUCTIVE PUBLIC WORKS.

174. *Railway Construction*.—At the beginning of 1879-80, 8,213 miles of Railways were open to traffic and 1,015 miles were under construction. The construction of 958 miles of railway has been sanctioned within the year, and 511 miles have been opened for traffic. At the end of the year 8,724 miles of railway will be in use, and 1,462 under construction.

RAILWAY CONSTRUCTION, 1879-80.

Great progress has been made during the year in the connection of the Rajputaná Railway with the Barodá and Great Indian Peninsular Railways. The lines in Bengal have been completed, and fair progress has been made with the Nágpúr-Ráipúr Railway. But the great work of the year has been the rapid construction of the Frontier Railways towards Pesháwar, Kohát, and Kandahár. In less than four months from the commencement of operations, trains were running for 140 miles towards Kandahár; while, on the Pesháwar line, where the rails have to be carried over viaducts 100 feet high, and through cuttings of rock 60 feet deep, engines are expected to reach the banks of the Indus before the end of 1880.

175. *Construction of Irrigation Works*.—£797,000 was spent on the construction of works of irrigation and navigation as follows:—In *Madras*, much progress was made with the Godavery Delta works; the sanctioned portion of the Kistna Delta system is approaching completion; some small improvements were made in the Cauvery system, and the Srivaikuntum project was completed. In *Bombay*, the sanctioned portion of the Mutha Canals was finished. In *Bengal*, the Orissa project, so far as the works have been sanctioned, is approaching completion, and distributaries were added to the Midnapore and Buxar Canals. Estimates are under consideration for a navigable canal to connect the Hidgellee Tidal Canal with the Orissa system. In the *North-Western Provinces*, the remodelling of the Ganges Canal was carried on as rapidly as was possible without interference with the working of the canal. There was a small outlay on the Agra Canal in completing the distributary system. The Lower Ganges Canal was opened for irrigation in 1878-79; the outlay on it was on the branches and distributaries. In the *Punjab*, progress was made with the realignment of the Western Jumna Canal. The new main channel and junction with the old Hansi Canal was completed; the Delhi Branch is in hand; and a portion of the new distributary system is in operation. Work on the Swát Canal was hindered by the recall of officers to field service and by scarcity of labour. The Sirhind Canal works have been vigorously pushed on; difficulties at some of the head works in the Sutlej Valley, which at one time threatened to delay the opening of the canal, having been at last overcome.

CANAL CONSTRUCTION.

176. *Madras Harbour Works*.—1,344 feet were added to the North pier and 981 feet to the South pier during the year. The lengths of these piers on the 31st March next are now expected to be 2,870 and 2,070 feet respectively.

MADRAS HARBOUR WORKS, 1879-80.

177. *Revenue and working expenses of Productive Public Works*.—Net expenditure 586,000*l.* Improvement 683,000*l.*

PROFIT AND LOSS ACCOUNT, PRODUCTIVE PUBLIC WORKS.

This is due mainly to the transfer of 578,400*l.* on account of the land revenue of the *Madras Presidency* attributed to these works. This is the amount estimated in the local Public Works Department: it has not yet been checked in the local Revenue Department, but it appears sufficiently probable and reasonable for the Government of India to adopt it provisionally. The estimates of the land revenue attributed to the productive public works are now thus provisionally complete. The regular estimates also show a net improvement of 54,000*l.* under *Irrigation*, due in part to the transfer to this head from *Land Revenue* of the owner's rates (*paragraph 168*), and partly to an actual increase of revenue.

Expenditure.
POLICY OF
PRODUCTIVE
PUBLIC WORKS
EXPENDITURE.
PRINCIPLES
SETTLED.

178. The whole policy of the construction of Productive Public Works in India has been, during the year, the subject of investigation by a Select Committee of the House of Commons, and of correspondence between the Government of India and the Secretary of State. Although this correspondence is not yet concluded, the Government of India understands the following points to be settled for the present, namely:—

- i. That any money which it may be necessary to borrow for the construction of such works shall be borrowed in India in rupees, and not in London in sterling money.
- ii. That not more than 2,500,000*l.* a year, on an average, shall be thus borrowed, in addition, however, to any capital expended upon the East Indian Railway or any other undertaking which may be hereafter acquired by the State in like manner; in addition also to any money which may be lent to the Government of India by Native States for the construction of Productive Public Works.
- iii. That the yearly grant for the construction of Productive Public Works shall not exceed 2,500,000*l.* in addition to the capital expended upon the East Indian Railway or any undertaking similarly acquired hereafter, and to the expenditure upon any works the funds for the construction of which are lent to the Government of India by Native States.
- iv. That the unexpended portion of the grant of the past year may be re-granted for expenditure in the following year. The object of this provision is to prevent the waste and inconvenience incident to the lapse of unspent grants for the construction of public works.

DETAILS, 1879-80
AND 1880-81.

Particulars of the estimated capital expenditure on railways and irrigation works during 1879-80 and 1880-81 will be found in Tables V and VI of the Appendix. It will be seen that all the sanctioned works are nearly completed, and that it will be necessary to take into immediate consideration what works shall next be taken up.

LOAN OF 13TH
MARCH 1879.

179. *Debt Incurred.*—Net 5,131,000*l.* More 804,500*l.*; of which 540,700*l.* in India where less was paid off than was expected, and 263,800*l.* in England, where 310,016*l.* less than was estimated in March last was raised at the close of 1878-79.

LOANS REPAID.

On the 13th March a loan of 5,000,000*l.* was notified, subscriptions to which were accepted for 4,975,680*l.*; the balance, 24,320*l.*, was accidentally rejected, certain tenders having been inadvertently counted twice. This balance may be set against the excess 15,827*l.* subscribed to the original Transfer Loan, as explained in paragraph 126. The Loan was subscribed at an average of 95-0-6 per cent. The discount upon it charged in the Accounts of 1879-80 was 247,239*l.* Of the outstanding portion of the 5½ per cent. Loan of 1859-60, 1,123,900*l.* will have been paid off during the year, leaving 105,600*l.* still due. Other outstanding notes amounting to 1,800*l.* were discharged. The net sum borrowed is thus, so far, 3,850,000*l.*

LOCAL DEBENTURE
LOANS.

180. A Local Debenture Loan of 45,020*l.* was raised for the Cawnpore-Farakhabad Light Railway at 4 per cent. interest with share of profits.

A Local Debenture Loan of 50,000*l.* was offered at Nagpur in November at par at 4½ per cent. interest with half the percentage of surplus profits on the Nagpur-Raipur Railway. The subscriptions amounted to 42,700*l.*, of which 17,300*l.* is payable this year and 25,400*l.* next year.

LOAN OPERATIONS,
HOME TREASURY.

181. The Secretary of State received 2,000,000*l.* without interest from Her Majesty's Imperial Government under the Indian Advance Act, 1879: but on the other hand he repaid sterling debt amounting to 736,200*l.*

TOTAL LOAN
OPERATIONS.

182. Thus the net debt incurred amounted to 5,131,000*l.*, or, excluding the loan from Her Majesty's Government, 3,131,000*l.* Including railway capital transactions, savings bank deposits, service funds, loans to native states, &c., and the repayment of such loans, the net amount borrowed in 1879-80 was, apart from the 2,000,000*l.* advanced as aforesaid under the Indian Advance Act, 3,688,000*l.*

PRICE OF
SECURITIES.

183. The price of public securities has risen rapidly during the year. The price of 4½ per cent. paper has now for some time been above 101, and that of Four per cents. is now nearly 94.

184. The equation of the year 1879-80 may accordingly be stated thus—

Borrowed ...	5,523,000	Deficit of Revenue ...	3,581,000
Net other receipts ...	147,922	Balances decreased ...	2,089,922
	5,670,222 <i>l.</i>		5,670,922 <i>l.</i>

BUDGET ESTIMATES, 1880-81.

Budget Estimates, 1880-81.
SYNOPSIS.

185. In the following Synopsis the BUDGET ESTIMATES of Revenue and Expenditure and Receipts and Disbursements in 1880-81 are compared with the REGULAR ESTIMATES of 1879-80 and the ACCOUNTS of 1878-79.

Synopsis.

COMPARISONS.

	ACCOUNTS, 1878-79.	1879-80.	1880-81.	BUDGET ESTIMATES OF 1880-81, COMPARED WITH			
		REGULAR ESTIMATES.	BUDGET ESTIMATES.	REGULAR ESTIMATES, 1879-80*		ACCOUNTS, 1878-79.	
				Better.	Worse.	Better.	Worse.
	£	£	£	£	£	£	£
REVENUES ...	65,207,694	67,583,000	66,746,000	...	837,000	1,538,306	...
EXPENDITURE ...	63,163,303	67,464,000	66,329,000	1,135,000	...	...	3,165,697
SURPLUS REVENUE ...	2,044,391	119,000	417,000	298,000	...	...	1,627,391
Capital Expenditure on Productive Public Works.	4,381,898	3,700,000	3,312,000	388,000	...	1,069,898	...
NET EXPENDITURE ...	2,337,507	3,581,000	2,895,000	686,000	...	...	557,493
RECEIPTS OTHER THAN REVENUES.	66,368,962	74,785,000	63,467,000	...	11,318,000	2,901,962	...
DISBURSEMENTS OTHER THAN EXPENDITURE.	65,696,336	69,114,078	63,322,000	5,792,078	...	2,374,336	...
EXCESS RECEIPTS OTHER THAN REVENUES.	672,626	5,670,922	145,000	...	5,525,922	...	527,626
Public Balances Reduced ...	1,664,881	...	2,750,000	...	4,839,922	...	1,085,119
Public Balances Increased	...	2,089,922	...	...	...	...	...
CLOSING BALANCES ...	13,910,078	16,000,000	13,250,000	...	2,750,000	...	660,078

186. The revenue is estimated at 66,745,000*l.*, being 813,000*l.* less than the revenue of 1879-80. The ordinary expenditure is estimated at 66,329,000*l.*, being 1,135,000*l.* less than in 1879-80. The surplus revenue as compared with the ordinary expenditure is estimated at 416,000*l.*, being 332,000*l.* more than in 1879-80. The capital expenditure on productive public works is estimated at 3,312,000*l.*, being 388,000*l.* less than in 1879-80, and the deficit as compared with the whole expenditure is estimated at 2,896,000*l.*, being less than the deficit this year by 720,000*l.*

187. The estimated expenditure in 1880-81 includes grants for 4,360,000*l.* for the military operations in Afghánistán as follows:—

Military operations proper	...	...	...	1,978,000
Frontier railways	...	...	...	2,270,000
Telegraphs	...	...	...	72,000
Post Office*	...	...	...	40,000
				4,360,000 <i>l.</i>

of which 4,130,000*l.* is shown under 36, *Army*, and 230,000*l.* under 32, *Railways*.

Against this must be set an improvement in the railway and telegraph revenues, estimated at 300,000*l.*, leaving the net charge for the war upon the estimates of 1880-81 at 4,060,000. It may be safely said that, but for the war expenditure, the true surplus upon the estimates, to compare with the standard surplus of 2,000,000*l.* (less famine and other abnormal expenditure) would not have been less than 4,000,000*l.*

* Besides the military transport train worked by the Post Office for the military authorities.

Budget Estimates, 1880-81.
PROCEEDS OF
FAMINE INSURANCE
TAXATION.

188. The estimated revenue includes 982,000*l.* obtained from the taxation originally imposed in 1878 to enable the State to meet its obligations in times of famine without risk of insolvency; namely:—

	Assessed Taxes (net) less refunds.	Cesses.	TOTAL.
Bengal	140,000	333,000	473,000
Bombay	126,000	...	126,000
Central Provinces	11,000	13,000	24,000
Madras	45,000	...	45,000
North-Western Provinces and Oudh	115,000	110,000	225,000
Punjab	42,000	47,000	89,000
	479,000 <i>l.</i>	503,000 <i>l.</i>	982,000 <i>l.</i>

DOUBTFUL PRODUCTIVE PUBLIC WORKS.

189. The estimated expenditure on productive public works which is not wholly satisfactory, amounts in 1880-81 to only 398,000*l.* as follows, and is far more than covered by the excess surplus:—

Indus Valley Railway ... ..	...	...	200,000
Punjab Northern Railway ... ..	...	...	73,000*
Orissa Canals ... ..	...	...	44,000
Midnapore Canals ... ..	...	...	16,000
Western Jumna realignment ... ..	...	...	65,000
			398,000 <i>l.</i>

SATISFACTORY RESULTS.

190. Thus the Estimates for 1880-81 show a result not less satisfactory than the Regular Estimates of 1879-80, and altogether surpass the standard surplus at which the Government of India aims. The following are the comparisons in detail between the Budget Estimates of 1880-81 and the Regular Estimates of 1879-80:—

REVENUES, 1880-81.

LAND REVENUE.

191. *I. Land Revenue.*—22,062,000*l.* Decrease 327,000*l.* The current year's revenue includes considerable famine arrears.

TRIBUTES.

192. *II. Tributes.*—698,000*l.* Decrease 16,000*l.* Arrears recovered in 1879-80.

FORESTS.

193. *III. & 5, Forests.*—Net revenue 158,000*l.* Improvement 17,000*l.* There has been a considerable falling off in the net revenue from Forests since 1877-78, owing to the contraction of public works and to special attention being given to the demarcation of the State reserves rather than to the development of revenue. Some recovery is expected in 1880-81.

EXCISE.

194. *IV. & 6, Excise.*—Net revenue 2,671,000*l.* Improvement 16,000*l.* A considerable improvement is looked for here (but, for want of data, not fully included in the estimates) from the taxation of the consumption of opium in the *Madras* Presidency, the arrangements for which are now nearly complete.

GROWTH OF EXCISE REVENUE.

Since 1873-74 the net Excise revenue has grown from 2,193,000*l.* to, as now estimated, 2,671,000*l.*, or by 478,000*l.*, an average of 69,000*l.* a year, and this notwithstanding that many of these seven years have been years of famine. The estimate of improvement in 1880-81 is therefore moderate.

ASSESSED TAXES.

195. *V. & 7, Assessed Taxes.*—Net revenue 515,000*l.*; decrease 247,000*l.*; due to the exemption from taxation of every one whose income is less than Rs. 500 a year.

PROVINCIAL RATES.

196. *VI. & 8, Provincial Rates.*—Net revenue 2,711,000*l.*; increase 55,000*l.* Additional cesses in *Assam* and *Burmah* for education, village police, and public works.

CUSTOMS.

197. *VII. & 9, Customs.*—Net revenue 1,971,000*l.* Decrease 59,000*l.*, of which 17,500*l.* is the remaining net loss upon cotton goods, and 54,000*l.* is owing to the remission of the export duties on indigo and lac. On the other hand, an improvement of 15,000*l.* is expected from the revision of the tariff values.

TARIFF REVISION COMMITTEE.

By letter No. 29, dated 7th February 1879, the Hon'ble Mr. Hope and Mr. J. D. Maclean were appointed Commissioners to report *inter alia* whether it was desirable to revise the tariff valuations yearly, and, if so, how such revision should be made.

* Besides 230,000*l.* included in Grant 32, *Railways*.

The Commissioners recommended a yearly revision of the tariff values, and Revenues. advised that the materials for such revision should be systematically collected throughout the year at the ports of Calcutta, Bombay, Madras, Rangoon, and Kurrachee and collated in Calcutta, in February of each year, by a Committee of three persons to be appointed by the Government of India, one of them being *ex-officio* the Collector of Customs at Calcutta. The first committee of revision was accordingly appointed in January last, the Hon'ble Mr. Hope, and, on the nomination of the Bengal Chamber of Commerce Mr. J. W. O'Keefe, a member of the firm of Messrs. Kettlewell, Bullen and Company, having consented to serve upon it with Mr. J. D. Maclean, Collector of Customs, Calcutta. The Committee has just completed its revision, which is estimated to produce an increase of 15,000*l.* to the Customs revenue.

198. *VIII. & 10, Salt.*—Net revenue 7,173,000*l.*, or, deducting compensations to the Rajpútáná States (278,600*l.*), Portuguese India (40,000*l.*), Cambay (4,000*l.*), and some other States in Bombay (total 323,100*l.*), 6,849,900*l.* Increase 194,000*l.*

The consumption is constantly increasing. There are the following special reasons for expecting an increase of gross revenue next year: the duty upon consumption of salt in Portuguese India will accrue for the first time: the untaxed stocks in Rajpútáná are approaching exhaustion; and stocks of Government salt are to be sold in Malabar. GROWTH OF SALT REVENUE.

After setting off compensations and royalty payments, the net Salt Revenue has grown from 5,604,700*l.* in 1872-73 to 6,849,900*l.* in 1880-81, or by 1,245,200*l.* in eight years. The taxed yearly consumption has increased from 23,673,343 maunds in 1872-73 to (by estimate) 27,866,000 in 1879-80, or by 4,193,000 maunds in seven years. The estimated consumption in Rajpútáná taxed for the first time this year is 7,00,000 maunds, yielding a duty of 170,000*l.* Next year it is expected that 9,00,000 maunds of such salt will be taxed, yielding a duty of 200,000*l.*

199. *IX. & 11, Opium.*—Net 7,250,000*l.*; decrease 1,150,000*l.* The revenue in 1879-80 is abnormally high. OPIMUM.

The estimate now taken exceeds by 687,790*l.* the highest estimate heretofore made (in 1869-70). It is justified by the actual net revenue of the last two years, namely, 7,700,700*l.* in 1878-79 and 8,400,000*l.* in 1879-80. The net revenue of 1878-79 benefited in consequence of the short crop by 437,600*l.*, and that of 1879-80 benefited, from the same cause, by 186,600*l.* Still, on the whole, an estimate of 7,250,000*l.* for the coming year, seems safe.

The Bengal crop of 1878-79 yielded 29,876 chests 75 % consistence and 20,175 chests 70 % consistence. Thus the stock in hand on the 1st January 1880 was 33,179 chests 75 % consistence, and 43,404 chests 70 % consistence, total 81,583 chests. The provision for sale during 1880 is 28,200 chests of each consistence, so that the reserve on the 1st January 1881 will be 9,979 chests 75 % consistence, 15,204 chests 70 % consistence, total 25,183 chests. CROPS, 1878-79. RESERVE STOCK.

200. *X. & 12, Stamps.*—Net revenue 3,089,000*l.* Decrease 1,000*l.* The local authorities attribute the recent rapid growth of this revenue to the unfavourable seasons, and are not sanguine of its continuance. STAMPS.

201. *XI. & 13, Registration.*—Net revenue 99,000*l.*; a decrease of 1,000*l.* It is the impression of the local authorities that registrations are more active in less prosperous years. REGISTRATION.

202. *XII. & 14, Mints.*—Net revenue 85,000*l.* Decrease 65,000*l.* As the Secretary of State's bills will be increased from 15,750,000*l.* to 16,900,000*l.*, it is not expected that so much silver will be imported next year. MINTS.

203. *XIV & 16 Telegraphs.*—Net revenue 19,000*l.* Improvement 25,000*l.* Of the net revenue, 50,000*l.* is again attributed to the war. Besides the expenditure shown here, 72,210*l.* expended on lines beyond the North-West frontier is entered under 36, *Army*. Expected capital expenditure included under this head, 66,300*l.* TELEGRAPHS.

This is the first time that a net revenue has been estimated from telegraphs. Provision is made for the construction of the lines upon the expected new Railways. From the 1st of April the extra charge (50 per cent.) upon messages to and from Burmah and the double charge for messages dispatched at night or on Sundays or holidays will be given up. The rate for press messages dispatched at night will also be reduced. The programme for the year is the construction of 1,497 miles of line carrying 3,735 miles of wire. This will make the total approximate length of the system 20,605 miles of posts and 50,970 miles of wire. TELEGRAPH CONSTRUCTION.

Revenues.

The Ceylon Lines will be made over to the Colonial Government on the 1st July 1880, when a sum of 14,065*l.* (included in the estimated revenue) will be recovered by the Government of India to make good some of its recent loss in working those lines.

MISCELLANEOUS.

204. *XXIV. & 30, Miscellaneous.*—Net revenue 4,000*l.*; decrease 6,000*l.* Money Orders transferred to the Post Office.

RAILWAYS.

205. *XXV. & 32, Railways.*—Net revenue 794,000*l.* of which 250,000*l.* is attributed to the military operations in Afghanistan. Improvement 1,080,000*l.*

Of this amount 268,337*l.* is nominal, owing to only three-quarters of the East Indian Railway annuity falling due in the financial year 1880-81, against which, however, may be set a payment of 235,000*l.* due to the Company under the old contract for the second half of 1879. In other respects the purchase of the East Indian Railway is expected, upon the estimates of 1880-81, to produce a net revenue of 300,570*l.** in excess of what it would have yielded under the old system. The guaranteed Railways will, it is hoped, in presence of the prosperous season, yield 405,000*l.* more than this year, being only 40,000*l.* more than was originally estimated for 1879-80. No traffic in excess of this year is expected from the East Indian Railway.

From the other State Railways an improvement of 231,200*l.* is expected from increased mileage open and from development of traffic.

There is no doubt always an element of speculation in the estimates of Railway revenue; but an increasing return may fairly be expected from the constantly increasing capital expenditure on the construction of these works, which by the end of 1880-81 will amount to 130,384,000*l.* or 145 crores of Rupees.

PURCHASE OF THE
EAST INDIAN
RAILWAY.
NEW CONTRACT FOR
THE MANAGEMENT
OF THE LINE.

206. The chief event of the year is the purchase of the East Indian Railway for the State with effect from the 1st January 1880. The price paid was 37,200,000*l.*, as explained in paragraph 209. A fresh contract has been since made with the East Indian Railway Company for the management of the line on behalf of the State. Under this contract, the Company will hold 6,550,000*l.* of annuity stock, on which they will receive, while their contract continues, only 4 per cent. instead of the annuity of 4½ per cent. which is paid to other annuitants, and which will be paid to them also on the expiration of their contract. In compensation for the suspension of this ½ per cent., amounting to 32,750*l.* a year, and as remuneration for the management of the Railway, the Company will receive one-fifth of the surplus profits of the Line after providing for all working expenses, and for the whole interest and annuity, excepting only the suspended 32,750*l.* The price paid to the Company for the management of the Line will thus be one-fifth of the surplus profits after defraying the whole interest and annuity charge, minus ¼ (32,750*l.*) = 26,200*l.*

PROVINCIAL AND
LOCAL DEFICITS.

207. *XXVIII & 35. Provincial and Local Deficits.*—Net deficit 116,000*l.*, caused by provision being made for payment of the second half of the special contributions of 670,000*l.* explained in paragraph . . . Worse 381,000*l.* The closing balances are expected to amount to 2,521,700*l.*, as follows:—

Provincial	1,171,500
Local	1,350,200
TOTAL	2,521,700<i>l.</i>

* Thus calculated—

Comparative Statement of the net revenue from the East Indian Railway under the Old and New Contracts.

OLD CONTRACT.		NEW CONTRACT.	
		Rs.	
Net earnings	2,76,00,000	Net earnings, less Rs. 1,00,000 charged for supervision as part of the working expenses	2,75,00,000
Deduct—		Deduct—	
Guaranteed Interest—	Rs.	Interest and annuity, 1,603,340 <i>l.</i> @ 1 <i>s.</i> 8 <i>d.</i> per rupee	1,87,71,000
In India	23,700	Surplus profits and contribution	19,04,000
In England, 1,457,250 <i>l.</i> @ 1 <i>s.</i> 8 <i>d.</i>	1,74,87,000		2,06,75,000
	1,75,10,700	Net revenue	63,25,000
Surplus profits and contributions	60,25,000	Net revenue under the old Contract	37,73,300
Land and supervision	1,21,000	Excess under the new Contract	30,51,700
Loss by Exchange on net Capital receipts in India due to the contract rate of exchange—		Add sinking fund payment included in the item of 1,603,340 <i>l.</i> , 55,838 <i>s.</i> @ 1 <i>s.</i> 8 <i>d.</i>	6,69,936
On Rs. 17,00,000 at 1 <i>s.</i> 10 <i>d.</i> = 155,900 <i>l.</i> = at 1 <i>s.</i> 8 <i>d.</i> Rs. 18,70,000—Rs. 17,00,000 = Loss of	1,70,000		
	2,38,26,700	TOTAL	37,21,636
Net revenue	37,73,300		
	2,76,00,000		

NOTE.—Does not include an expected credit of Rs. 5,00,000 in respect to certain funds which will now be absorbed.

Most of the Local Governments have sufficient funds at their disposal. Revenue. The working of the provincial system continues to be satisfactory.

EXPENDITURE, 1880-81.

Expenditure.

208. 1§. XXII. Interest.—Net charge 5,088,000*l.* Improvement 242,000*l.*, the greater INTEREST. part of which occurs at the Home Treasury, where a saving of 86,000*l.* is expected, being half a year's gain by the conversion into a Four per cent. Loan of the Five per cent. Sterling Loan of 17,200,000*l.*; and the rest is attributed to a re-arrangement of the dividend days, causing a nominal saving in 1880-81 of 172,000*l.*

209. The following table contains the usual statistics of the Funded Debt STATISTICS OF DEBT. of India:—

Estimated Debt of the Government of India on the 31st March 1880.

(Sterling and Rupees combined on the assumption that £1=Rs. 10.)

RATE OF INTEREST.	CAPITAL AMOUNT OUTSTANDING.				A year's interest thereon.
	Sterling.	Rupees.	Silver convertible at the option of the creditors into Sterling at a rate equivalent to 1s. 10½ <i>d.</i> (exactly 1s. 10 <i>s</i> 38 <i>d.</i>)=1 Re.	Value in Rupees.	
	£				
5	17,200,000	60,03,000	...	17,80,03,000	89,00,150
4½	1,500,000	20,56,27,866	...	22,06,27,866	99,28,253
4¼	1,000,000	...	...	1,00,00,000	4,25,000
4⅓ths	27,623,386	...	...	27,62,33,860	1,18,78,056
4	49,134,639	60,23,72,611	...	1,09,37,19,001	4,37,48,760
4	...	...	1,23,06,665	1,23,06,665	4,92,267
7 shillings	...	2,44,200	...	2,44,200	10,256
3½	...	6,39,800	...	6,39,800	22,393
Nil	2,020,917	7,61,700	...	2,09,70,870	Nil
	98,478,942	81,56,49,177	1,23,06,665	1,81,27,45,262	7,54,05,135

This table includes the following entries consequent upon the purchase of DEBT INCURRED FOR PURCHASE OF E. I. RAILWAY. the East Indian Railway by the State, namely,—

in the Sterling column, bearing interest at—

4½ per cent.	...	...	1,500,000
4⅓ths per cent.	...	...	27,623,386*
4¼ per cent.	...	...	1,000,000
4 per cent.	...	...	7,065,939
and in the Rupee column, 4 per cent.		(Rs. 1,06,750)	10,675

37,200,000*l.*

The first and third items and 1,950,000*l.* into the fourth item are represented by the debentures (4,450,000*l.*) issued by the East Indian Railway Company, which now form part of the Public Debt of India.

210. The table includes also the following Local Railway Debenture LOCAL RAILWAY DEBENTURE LOANS. Loans:—

Mathurá-Hatrás	...	...	32,410
Cawnpore-Farakhabád	...	...	45,020
Dildárnagar-Gházípur	...	...	50,080
Nágpúr-Ráípur (25,962 <i>l.</i> more to be added next year)	...	...	17,308
Total	...	...	<u>144,818<i>l.</i></u>

211. It includes also 2,000,000*l.* bearing no interest, being the amount advanced by Her Majesty's Government under the Indian Advance Act, 1879, on the occasion of the war in Afghánistán. The total actual money value to India of this assistance was 285,143*l.*, being the difference between 2,000,000*l.* and 1,714,857*l.*, which is the actual value of an annuity of 285,714*l.* for seven LOAN BY IMPERIAL GOVERNMENT FOR AFGHANISTAN.

* Note.—In future tables the sinking fund payment of the preceding year will be deducted from the balance of this item.

Expenditure. years at 4 per cent. interest. The cost to England was less, as England does not pay 4 per cent. interest upon her debt.

EAST INDIAN RAILWAY ANNUITY.

212. The actual annual East Indian Railway annuity rate of payment in respect to the 27,617,396*l.* entered in the table as part of the price of the East Indian Railway is 4½ per cent., but of this 4*s.* per cent. is the sinking fund payment, which will liquidate the whole debt in 73 years. The amount of interest alone is 4*l.* 6*s.* per cent. The actual interest payment upon 6,550,000*l.* of this sum, the capital of the re-organised East Indian Railway Company, is only 4 per cent., 10*s.* per cent. upon that sum being suspended, during the currency of the new contract, under which the Company receives one-fifth of the surplus profits. But, for the purpose of this table, it seems proper to make no distinction between it and the rest of the debt to be discharged by the annuity.

REMAINING GUARANTEED CAPITAL.

213. The capital of the remaining Guaranteed Companies is now estimated at 68,079,000*l.*, the interest on which, amounting to 3,316,000*l.*, is guaranteed in sterling in London from Indian revenues. Omitting the 2,000,000*l.* described in para. 211, the total registered debt of India of all kinds is as follows:—

*Total Debt of India classified according to the standard (gold or silver) by which it is paid, and brought to the common standard of silver at 1*s.* 8*d.* being the estimated average exchange of the year 1880-81.*

	Capital of debt.		Capital of debt, gold bearing debt being converted into silver at the expected average exchange of 1880-81.	A year's interest thereon.	The same, the interest payable in gold being converted into silver at the expected average exchange of 1880-81.
	£	Rs.	Rs.	£	Rs.
Interest payable in silver ...	Rs.81,59,09,077		81,59,09,077	Rs.3,36,91,352	3,36,91,352
Ditto ditto in gold ...	£96,478,942		1,15,77,47,304	£4,123,173	4,94,78,076
Ditto ditto in silver, or, at the option of the creditor, in gold at a rate equivalent to 1 <i>s.</i> 10½ <i>d.</i> = 1 Re. ...	Rs.1,23,06,665		1,38,45,000	Rs.4,92,267 or £46,150	5,53,800
Capital of Railway Companies and Madras Irrigation Company, (guaranteed interest payable in gold). ...	£68,079,000		81,69,48,000	£3,316,000	3,97,92,000
Total Capital Debt ...	Rs.82,82,15,742 + £164,557,942		2,80,44,49,381	Rs.3,36,91,352 + £7,485,323	12,35,15,228

The average rate of interest upon the whole debt is now 4.40 per cent. Last year thus calculated, it was 4.45 per cent.

INTEREST OTHER ACCOUNTS.

214. 2. *Interest other Accounts.*—400,000*l.* Increase 18,000*l.* Provision made for the increased rate of interest allowed upon Savings Bank Deposits (*see para.* 148) and for the growth of these deposits.

REFUNDS.

215. 3. *Refunds & Drawbacks.*—318,000*l.* Decrease 32,000*l.* Assessed Taxes and Customs Revenue remitted. Moreover, there have been some large special items in 1879-80.

LAND REVENUE.

216. 4. *Land Revenue.*—2,995,000*l.* Increase 50,000*l.* There is an actual improvement of 9,400*l.* in the imperial accounts, but an excess expenditure of 41,500*l.* in the provincial, and 17,900*l.* in the local accounts. New districts created in the *North-Western Provinces.*

POST OFFICE.

217. 15 & XIII. *Post Office.*—Net expenditure 134,000*l.* Improvement 29,000*l.* The sum of 229,943*l.* estimated to be spent in the Postal Department (directly or as agent for the Military Department) in consequence of the military operations in Afghánistán, is excluded from this head and shown under 36, *Army.*

The improvement expected is in the revenue, which has grown from 580,300*l.* in 1872-73 to 968,000*l.* in 1879-80, or by 387,700*l.* in the seven years, average 55,400*l.* a year. No doubt the expenditure has increased also, during the same period, from 714,700*l.* to 1,131,000*l.*, or by 416,300*l.*; but it is a reasonable expectation that the expenditure will not, in future, increase so rapidly as the revenue. Moreover, some considerable improvement is expected in the Money Order Department. The share belonging to India of the saving

in the subsidy to the Peninsular and Oriental Company is not yet settled. Its Expenditure ought to be considerable.

218. 17. *Administration.*—1,466,000*l.* Decrease 19,000*l.*

There is a decrease of 30,000*l.* in the Imperial establishments. The Provincial and Local establishments show an increase of 11,000*l.* £8,300 is saved by the abolition of the Department of Revenue, Agriculture and Commerce, and 7,380*l.* in the Public Works Department, including the abolition of the office of Public Works Member of Council. The rest of the saving is in tour expenses.

219. 18 & XV. *Minor Departments.*—Net grant 356,000*l.* Increase 87,000*l.*; 60,000*l.* provided for the Census, being about half its whole anticipated cost. The rest is owing to usual caution in estimating the sale proceeds of cinchona bark.

220. 19 & XVI. *Law and Justice.*—Net grant 2,673,000*l.* Increase 44,000*l.*, all provided for the new districts in the North-Western Provinces.

221. 20 & XVII. *Police.*—Net expenditure 2,281,000*l.* Increase 17,000*l.* No remarks.

222. 21 & XVIII. *Marine.*—Net grant 342,000*l.* Decrease 10,000*l.*, notwithstanding a provision of 10,000*l.* for the purchase of a steamer for the Arracan Coast. More receipts are anticipated.

223. 22 & XIX. *Education.*—Net grant 879,000*l.* Increase 44,000*l.* The original grants of 1879-80 are nearly restored.

224. 23. *Ecclesiastical.*—Grant 159,000*l.* and, including the military expenditure, 189,500*l.* Increase in the Civil Department 3,000*l.* No remarks.

225. 24 & XX. *Medical.*—Net grant 669,000*l.* Increase 50,000*l.* Net expenditure, including military expenditure, 1,069,300*l.* Increase only 1,400*l.*

The re-organisation of the Medical Department involves a transfer of charge from the Military to the Civil Departments. The estimates show, on the whole, no saving as yet.

226. 25 & XXI. *Stationery and Printing.*—Net grant 437,000*l.* Increase 46,000*l.* Short outlay in 1879-80.

227. 26. *Political.*—Grant 436,000*l.* Decrease 35,000*l.* It is hoped that a good deal of the expenditure in 1879-80 will not recur. Also some savings have been effected in the Political Department.

228. 27. *Allowances and Assignments.*—Grant 1,846,000*l.* Decrease 54,000*l.* Considerable arrears paid in 1879-80.

229. 28. *Civil Furlough Allowances.*—Grant 233,000*l.* Increase 13,000*l.* A normal grant according to recent experience.

230. 29 & XXIII. *Superannuations.*—Net grant 1,596,000*l.* Increase 31,000*l.*, notwithstanding the heavy expenditure in 1879-80 in consequence of the reductions in the Public Works Department.

The cause is the exhaustion of the Military Funds, which have been gradually credited as revenue since 1867-68. Only 31,600*l.* will be thus credited in 1880-81 against 219,800*l.* in 1879-80.

231. 31. *Famine Relief.*—Grant (in the North-Western Provinces) 5,000*l.* It is hoped that there will now be an intermission of expenditure of this class.

Since 1872-73 when this head was first opened, 14,607,000*l.* has been spent on famine relief, to which must be added an estimated net loss of 3,000,000*l.* of revenue.

232. 33 & XXVI. *Irrigation and Navigation.*—Net expenditure 216,000*l.* Improvement of 86,000*l.*, of which 71,800*l.* is accounted for by the special items of expenditure in 1879-80 described in para. 168.

233. 34 & XXVII. *Other Public Works.*—Net expenditure 3,835,000*l.* Increase 169,000*l.*, of which 50,000*l.* is a grant made, at the last moment, for the Madras Harbour Works, as explained in para. 241 and 50,000*l.* was added by the Chief Commissioner to the grant in British Burmah upon ascertaining that his financial position would admit of this expenditure.

234. The gross grants for expenditure under this head and 33, *Irrigation and Navigation*, may be thus compared with the Accounts of 1878-79 and the grants for 1879-80 :—

1878-79	...	...	...	...	5,381,284 <i>l.</i>
1879-80	...	...	...	...	5,980,000 <i>l.</i>
1880-81	...	...	...	...	5,383,000 <i>l.</i>

Expenditure.

Thus the grants for 1880-81 are less than those for 1879-80, by 597,000*l.* which is thus distributed—

Imperial	...	...	...	...	...	368,000
Provincial	...	...	...	...	...	96,000
Local	...	...	...	...	...	133,000
						597,000 <i>l.</i>

The grants for the construction of productive Public Works have at the same time been reduced by 1,000,000*l.* Thus the gross reduction of the grants for expenditure on public works effected during the year amounts to 1,597,000*l.*, of which the saving in establishments is estimated to be 247,000*l.*, leaving 1,350,000*l.* saved in works. Against this, however, must be set the special grant of 230,000*l.* under 32, *Railways*, on the Rawálpindí Jhelum section of the Punjab Northern Line, so that the net reduction amounts to only 1,120,000*l.* on works and 247,000*l.* on establishments, total 1,367,000*l.*

BUT NOT IN ORDINARY OUTLAY.

The ordinary expenditure upon public works has, however, been reduced only upon a comparison with the grants for 1879-80, and not upon a comparison with the amounts spent in other years. The expenditure, including establishments, has never actually exceeded the amount granted for expenditure in 1880-81, or, indeed, if the 230,000*l.* spent on the Rawálpindí Jhelum Railway and the large reduction of establishments be taken into account, come up to it.

PROVISIONS FOR RE-EXPANSION OF CAPITAL EXPENDITURE.

235. The Government of India hopes that the construction of productive public works may soon again proceed upon a scale more adequate to the wants of the country than the present restricted scale. The probability of such re-expansion has not been forgotten in the recent reduction of establishments. But the Government of India contemplates a freer recourse hereafter to the construction of works by contract or to the engagement of engineers especially for the completion of particular undertakings only. The Government has no apprehension that it will not be able to proceed with the material improvement of the country as quickly as its financial resources will allow.

ARMY.

236. 36 & XXIX. *Army*.—Net expenditure 19,460,000*l.* Decrease 683,000*l.* Apart from the war in Afghánistán, the estimate is for 15,330,000*l.* Decrease 157,000*l.*, which is based upon the expectation that prices will fall. Provision is made here for the operations in Afghánistán as follows:—

Military expenditure proper	...	...	1,978,000
Frontier railways	...	...	2,040,000
Telegraphs	...	...	72,000
Post Office	...	...	40,000
TOTAL			4,130,000 <i>l.</i>

Besides 230,000*l.* under 32, *Railways*.

WHOLE COST OF THE WAR.

Thus the whole cost of the military operations in Afghánistán are now estimated as follows:—

In 1878-79	...	...	...	676,381
1879-80	...	...	...	4,886,000
1880-81	...	...	...	4,360,000
TOTAL				9,922,381 <i>l.</i>
Of which				
for the Frontier Railways	...	...	...	3,940,000 <i>l.</i>
for the military operations proper, including telegraphs and post office	...	...	...	5,982,381 <i>l.</i>

The net improved revenues attributed to the war amount to 701,381*l.* as Expenditure follows:—

1878-79	...	...	..	101,381
1879-80	...	...	...	300,000
1880-81	...	...	...	300,000
				701,381 <i>l.</i> to the end of 1880-81.

So that the net cost of the war is now estimated at 9,221,000*l.*, or say 9½ millions, of which about 3¾ millions (net) may be set down for the Railways and 5½ millions (net) for the military operations proper.

All stores bought expressly for the war are included in these estimates, ^{STORES.} but not the wear and tear of equipments or the expenditure and waste of stores in excess of the normal amounts. It has been found impossible to obtain any estimate of the money equivalent of such expenditure and waste. It occurs not so much in the article of ammunition, of which the expenditure is never large, as in camp equipage, and cannot be ascertained till the campaign is over. Meanwhile the reserve stores in the arsenals are being maintained at their proper standard, the cost of replenishment being, as usual, charged as current expenditure.

237. 37 & XXX. *Exchange.*—Net loss 3,174,000*l.* Increase 310,000*l.*

This year 15,750,000*l.* will be remitted to the Home Treasury. In 1880-81 ^{EXCHANGE.} it is proposed to remit 16,900,000*l.* The gain by exchange transferred from the railways, is less than in 1879-80, by reason of the purchase of the East Indian Railway. Owing to the large expenditure from the Home Treasury for stores for the frontier railways, this proposed large remittance will only supply 51,880*l.* more than the current requirements of the Home Treasury.

The average rate of exchange for the year is estimated at 1*s.* 8*d.* = Re. 1, ^{AVERAGE RATE} 1*s.* 8*d.* as realised in 1879-80.

The rate of exchange fixed by the Secretary of State with the concurrence ^{ADJUSTING RATE} of the Lords of the Treasury for the adjustment of the public accounts between 1*s.* 8½*d.* Great Britain and India during 1880-81 is Re. 1 = 1*s.* 8½*d.*, being 1*d.* higher than last year.

238. 38. *Productive Public Works (Capital Expenditure).* Grant 3,312,000*l.* Decrease 388,000*l.* The grant is thus distributed:—

Irrigation and Navigation	...	...	...	630,000
Madras Harbour (besides 50,000 <i>l.</i> granted under 34,				
<i>Other Public Works</i> (para. 241)	...	...	...	70,000
East Indian Railway	...	...	...	630,000
Other State Railways	...	...	...	1,982,000
Total				... 3,312,000 <i>l.</i>

This grant is made in strict accordance with the conditions described in para. 178 as follows:—

Fixed grant	...	...	...	2,500,000
Saving in 1879-80 re-granted	...	...	...	182,000
Capital expenditure on the East Indian Railway	...	...	...	630,000
				3,312,000 <i>l.</i>

239. *Railway Construction.*—Of the 1,462 miles under construction at the ^{RAILWAY CON-} end of 1879-80 it is expected that about 988 miles will be opened for traffic in ^{STRUCTION.} 1880-81. This will complete the communication between Bombay and the North-Western Provinces by Ajmir and Ahmedábád; but the line to Indore from

Expenditure. Nasirábád will still remain unfinished, though considerable progress is expected towards its completion.

The frontier line to Pesháwar, with its branch towards Kohát, will be finished, with the exception of the bridge over the Indus at Attock; and the Kandahár Railway will, it is hoped, be open to within 160 miles from Kandahár.

At the end of 1880-81 it is estimated that there will be 9,712 miles of railway open for traffic, and 474 miles under construction.

CANAL CONSTRUCTION.

240. *Construction of Works of Irrigation and Navigation.*—In *Madras* the greater portion of the outlay will be on the Godavery Delta works. The sanctioned portion of the Kistna project, and the Srivaikuntham scheme will be completed. In *Bombay*, all sanctioned works, except the Begári Canal in Sindh, will be completed. In *Bengal*, the sanctioned portion of the Orissa Canals will be completed and some progress is expected on additional distributaries. The Buxar Canal will be practically completed, and a portion of its distributary system. In the *North-Western Provinces*, the greater portion of the work will be on the Lower Ganges Canal and its distributaries. The amount reserved for the old Ganges Canal is as large as can economically be spent on completing the works. A small sum is required for distributaries on the Agra Canal. In the *Punjab*, the weir across the Sutlej at the head of the Sirhind Canal will be completed, and the remaining large masonry works will, it is expected, be nearly finished by the close of the year. The new main line of the Western Jumna Canal will be opened probably next cold season, and by the close of the year the new Delhi Branch will be well advanced, materials being ready for most of the masonry works. The Swát Canal will be pushed on as rapidly as funds and labour supply will admit.

MADRAS HARBOUR WORKS.

241. *Madras Harbour Works.*—It was found impossible to grant more than 70,000*l.* for the Madras Harbour under this head. But, bearing in mind the urgent necessity of completing the work with all possible speed, the Governor-General in Council has supplemented this amount by a grant of 50,000*l.* under the ordinary head, 34, *Other Public Works.* A similar grant of 19,000*l.* under the same head was made in 1879-80. Interest will be paid upon these amounts in common with the rest of the capital cost of the work. But, as the port is to pay only 4 per cent. interest on the whole cost of the work, whereas the money costs the Government more than 4½ per cent., it is convenient that some portion of its cost should be included in the ordinary expenditure.

MADRAS HARBOUR WORKS, 1880-81.

It is expected that the North Pier of the Harbour will be completed in 1880-81, and that only a small portion of the South Pier will remain. The Harbour enclosure is expected to be finished by about July 1881.

242. *Revenue and Working Expenses, Public Works.*—Net revenue 313,000*l.* Improvement 899,000*l.*, which is explained by the expected improvement under Railways, of which full particulars have been given in paragraph 205.

DEBT INCURRED.

243. *Debt incurred.*—The net debt expected to be incurred during the year is 706,000*l.*; 723,000*l.* is to be raised at home to replace the amount paid off last year (*see paragraph 181*), and a net repayment of 17,000*l.* is estimated in India. Provision is made for the repayment of the first instalment (285,714*l.*) of the Loan of 2,000,000*l.*, from Her Majesty's Government. Including the other debt transactions detailed in paragraph 209, the net amount which it is proposed to borrow is only 341,000*l.*

WAYS AND MEANS.

244. *Ways and Means.*—The ways and means of the year will be thus provided. The net deficit of revenue is 2,895,000*l.*; and the net disbursements other than revenue are estimated at 343,000*l.* Total to be provided 3,238,000*l.*, of which 488,000*l.* (net) will be borrowed and 2,750,000*l.* taken from the balances, which will be reduced to 13,250,000*l.* The equation may be thus shown:—

Balance reduced	...	2,750,000	Deficit of Revenue	...	2,895,000
Borrowed	....	...	488,000	Net disbursements other than	
			Revenue	...	343,000
			<hr/>		
					3,238,000 <i>l.</i>
					<hr/>
					3,238,000 <i>l.</i>
					<hr/>

245. Statements are appended showing the Net Revenue and Expenditure of each year since 1868-69 in details of Major Heads.

246. In conclusion the following abstract is presented of the finances of the ten years ending on the 31st March 1881.

247. It is now estimated that during these years the following abnormal expenditure will have been incurred:—

Productive Public Works	...	...	...	35,841,000
Famine Relief	...	...	...	14,607,000
War in Afghánistán	...	...	...	9,221,000
and that the loss of revenue from famine amounts to	...	...	...	3,000,000
				62,709,000
			Total	...

Expenditure.
COMPARISON
BETWEEN PRESENT
NET EXPENDITURE
AND THAT A DECADE
AGO.
FINANCES OF
TEN YEARS.

248. Nevertheless, the revenues of this period, not including the credits from the extinct Military Funds, have fallen short of the whole expenditure of every kind by only 36,848,000 L ., so that, apart from famine, the revenues have exceeded the ordinary expenditure by 25,861,000 L .. The doubtful portion of the expenditure classified during this period as productive amounts to 11,076,000 L ., as follows:—

Indus Valley Railway	...	...	...	6,218,000
Punjab Northern Railway	...	...	...	3,113,000
Orissa Canals	...	...	...	931,000
Midnapur Canal	...	...	...	327,000
Western Jumna	...	...	...	487,000
				11,076,000

If the whole of this amount were treated as ordinary expenditure, there would remain a surplus of 14,785,000 L ., or an average of 1,478,500 L . a year.

249. The deficit of 36,848,000 L . has been met as follows:—

The balances have been reduced by	...	...	...	6,874,700
The net amount borrowed, including the 2,000,000 L . lent by	...	...	...	27,247,000
England without interest, is	...	...	...	2,726,300
and the remainder was provided by miscellaneous deposits	...	...	...	36,848,000

ORDERED, that this Resolution be communicated confidentially for information, together with the Financial Statement,

To the several Departments of the Government of India.

To the several Local Governments and Administrations.

To the Comptroller General and to the several Accountants General and Deputy Accountants General in independent charge.

This Resolution, which constitutes Part II of the Financial Statement, should not be made public.

R. B. CHAPMAN,

Secretary to the Government of India.

STATEMENTS.

REVENUE AND EXPENDITURE OF THE GOVERNMENT

Estimates

REVENUES.	ACCOUNTS, 1878-79.	BUDGET ESTIMATES, 1879-80.	REGULAR ESTIMATES, 1879-80.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1880-81.	BUDGET ESTIMATES, 1880-81, COMPARED WITH REGULAR ESTIMATES, 1879-80.	
							Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
I.—LAND REVENUE ...	22,450,803	21,939,000	22,389,000	450,000	...	22,062,000	...	327,000
II.—TRIBUTES ...	703,660	703,000	714,000	11,000	...	698,000	...	16,000
III.—FOREST ...	605,433	672,000	662,000	...	10,000	690,000	28,000	...
IV.—EXCISE ...	2,619,349	2,742,000	2,765,000	23,000	...	2,782,000	17,000	...
V.—ASSESSED TAXES ...	900,920	896,000	797,000	...	99,000	535,000	...	262,000
VI.—PROVINCIAL RATES ...	2,638,835	2,740,000	2,706,000	...	34,000	2,764,000	58,000	...
VII.—CUSTOMS ...	2,326,561	2,248,000	2,231,000	...	17,000	2,175,000	...	56,000
VIII.—SALT ...	6,941,120	7,000,000	7,335,000	335,000	...	7,541,000	206,000	...
IX.—OPIUM ...	9,399,401	9,000,000	10,459,000	1,459,000	...	9,410,000	...	1,049,000
X.—STAMPS ...	3,110,540	3,087,000	3,203,000	116,000	...	3,194,000	...	9,000
XI.—REGISTRATION ...	266,360	267,000	262,000	...	5,000	265,000	3,000	...
XII.—MINT ...	172,335	180,000	254,000	74,000	...	196,000	...	58,000
XIII.—POST OFFICE ...	911,806	983,000	968,000	...	15,000	1,008,000	40,000	...
XIV.—TELEGRAPH ...	426,694	380,000	486,000	106,000	...	486,000	...	...
XV.—MINOR DEPARTMENTS ...	84,968	58,000	98,000	40,000	...	81,000	...	17,000
XVI.—LAW AND JUSTICE ...	647,130	649,000	663,000	14,000	...	680,000	17,000	...
XVII.—POLICE ...	211,108	233,000	221,000	...	12,000	232,000	11,000	...
XVIII.—MARINE ...	250,595	206,000	206,000	...	...	226,000	20,000	...
XIX.—EDUCATION ...	147,425	139,000	137,000	...	2,000	137,000	...	...
XX.—MEDICAL ...	44,332	39,000	54,000	15,000	...	40,000	...	14,000
XXI.—STATIONERY AND PRINTING ...	47,096	46,000	52,000	6,000	...	45,000	...	7,000
XXII.—INTEREST ...	628,367	634,000	709,000	75,000	...	651,000	...	58,000
XXIII.—SUPERANNUATIONS ...	675,258	526,000	529,000	3,000	...	386,000	...	143,000
XXIV.—MISCELLANEOUS ...	348,554	310,000	324,000	14,000	...	268,000	...	56,000
XXV.—RAILWAYS ...	6,178,134	6,454,000	6,701,000	247,000	...	7,545,000	844,000	...
XXVI.—IRRIGATN. & NAVIGATN. ...	790,775	788,000	871,000	83,000	...	861,000	...	10,000
XXVII.—OTHER PUBLIC WORKS ...	571,076	477,000	480,000	3,000	...	471,000	...	9,000
XXVIII.—PROVL. & LOCAL DEFICITS ...	973	208,000	59,000	...	149,000	247,000	188,000	...
XXIX.—ARMY ...	974,773	880,000	924,000	44,000	...	833,000	...	91,000
XXX.—GAIN BY EXCHANGE ...	133,313	78,000	324,000	246,000	...	237,000	...	87,000
GRAND TOTAL ...	65,207,694	64,562,000	67,583,000	3,021,000	...	66,746,000	...	837,000
DEFICIT ...	...	1,395,000	...	...	...	...	...	...

FORT WILLIAM;
DEPT. OF FINANCE AND COMMERCE,
The 24th February 1880.

E. W. KELLNER,
Deputy Comptroller General.

OF INDIA IN INDIA AND IN ENGLAND.

1880-81.

EXPENDITURE.	ACCOUNTS, 1878-79.	BUDGET ESTIMATES, 1879-80.	REGULAR ESTIMATES, 1879-80.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1880-81.	BUDGET ESTIMATES, 1880-81, COMPARED WITH REGULAR ESTIMATES, 1879-80.	
							Increase.	Decrease.
CIVIL.	£	£	£	£	£	£	£	£
1.—INTEREST ON DEBT ...	5,982,893	6,353,000	6,039,000	...	314,000	5,739,000	...	300,000
2.—INTEREST, OTHER ACCOUNTS	378,703	386,000	382,000	...	4,000	400,000	18,000	...
3.—REFUNDS AND DRAWBACKS ...	406,562	356,000	350,000	...	6,000	318,000	...	32,000
4.—LAND REVENUE ...	2,960,010	3,028,000	2,945,000	...	83,000	2,995,000	50,000	...
5.—FOREST ...	454,934	510,000	521,000	11,000	...	532,000	11,000	...
6.—EXCISE ...	87,839	118,000	110,000	...	8,000	111,000	1,000	...
7.—ASSESSED TAXES ...	37,617	29,000	35,000	6,000	...	20,000	...	15,000
8.—PROVINCIAL RATES ...	64,431	53,000	50,000	...	3,000	53,000	3,000	...
9.—CUSTOMS ...	200,417	203,000	201,000	...	2,000	204,000	3,000	...
10.—SALT ...	404,743	383,000	356,000	...	27,000	368,000	12,000	...
11.—OPIUM ...	1,698,730	2,500,000	2,059,000	...	441,000	2,160,000	101,000	...
12.—STAMPS ...	115,452	111,000	113,000	2,000	...	105,000	...	8,000
13.—REGISTRATION ...	160,801	155,000	162,000	7,000	...	166,000	4,000	...
14.—MINT ...	103,991	113,000	104,000	...	9,000	111,000	7,000	...
15.—POST OFFICE ...	1,033,327	1,083,000	1,131,000	48,000	...	1,142,000	11,000	...
16.—TELEGRAPH ...	470,790	531,000	492,000	...	39,000	467,000	...	25,000
17.—ADMINISTRATION ...	1,487,665	1,498,000	1,485,000	...	13,000	1,466,000	...	19,000
18.—MINOR DEPARTMENTS ...	355,325	375,000	367,000	...	8,000	437,000	70,000	...
19.—LAW AND JUSTICE ...	3,297,063	3,236,000	3,292,000	56,000	...	3,353,000	61,000	...
20.—POLICE ...	2,419,119	2,472,000	2,485,000	13,000	...	2,513,000	28,000	...
21.—MARINE ...	548,703	546,000	558,000	12,000	...	568,000	10,000	...
22.—EDUCATION ...	978,254	1,025,000	972,000	...	53,000	1,016,000	44,000	...
23.—ECCLESIASTICAL ...	155,200	161,000	156,000	...	5,000	159,000	3,000	...
24.—MEDICAL ...	669,059	679,000	673,000	...	6,000	709,000	36,000	...
25.—STATIONERY AND PRINTING	471,470	536,000	443,000	...	93,000	482,000	39,000	...
26.—POLITICAL ...	448,793	426,000	471,000	45,000	...	436,000	...	35,000
27.—ALLOWANCES & ASSIGNMENTS...	1,826,484	1,909,000	1,900,000	...	9,000	1,846,000	...	54,000
28.—CIVIL FURLOUGH ALLOWANCES...	231,561	232,000	220,000	...	12,000	233,000	13,000	...
29.—SUPERANNUATIONS ...	1,995,520	1,923,000	2,094,000	171,000	...	1,982,000	...	112,000
30.—MISCELLANEOUS ...	293,368	277,000	314,000	37,000	...	264,000	...	50,000
31.—FAMINE RELIEF ...	313,420	10,000	99,000	89,000	...	5,000	...	94,000
32.—RAILWAYS ...	6,561,827	6,536,000	6,987,000	451,000	...	6,751,000	...	236,000
33.—IRRIGATION & NAVIGATION...	1,063,037	1,085,000	1,173,000	88,000	...	1,077,000	...	96,000
34.—OTHER PUBLIC WORKS ...	4,318,247	4,895,000	4,146,000	...	749,000	4,306,000	160,000	...
35.—PROV. & LOCAL SURPLUSES	716,378	17,000	324,000	307,000	...	131,000	...	193,000
36.—ARMY ...	17,092,426	18,255,000	21,067,000	2,812,000	...	20,293,000	...	774,000
37.—LOSS BY EXCHANGE ...	3,359,144	3,952,000	3,188,000	...	764,000	3,411,000	223,000	...
TOTAL ORDINARY ...	63,163,303	65,957,000	67,464,000	1,507,000	...	66,329,000	...	1,135,000
SURPLUS ...	2,044,391	...	119,000	1,514,000	...	417,000	298,000	...
38.—PRODUCTIVE PUBLIC WORKS	4,381,898	3,500,000	3,700,000	200,000	...	3,312,000	...	388,000

W. WATERFIELD,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

II.

REVENUE AND EXPENDITURE OF THE GOVERNMENT
(Distinguishing Revenue and Charges
Estimates,

REVENUE.	ACCOUNTS, 1878-79.	BUDGET ESTIMATES, 1879-80.	REGULAR ESTIMATES, 1879-80.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1880-81.	BUDGET ESTIMATES, 1880-81, COMPARED WITH REGULAR ESTIMATES, 1879-80.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
CIVIL.								
I.—LAND REVENUE ...	22,323,869	21,778,000	21,679,000	...	99,000	21,359,000	...	320,000
II.—TRIBUTES ...	703,660	703,000	714,000	11,000	...	698,000	...	16,000
III.—FOREST ...	605,433	672,000	662,000	...	10,000	690,000	28,000	...
IV.—EXCISE ...	2,619,349	2,742,000	2,765,000	23,000	...	2,782,000	17,000	...
V.—ASSESSED TAXES ...	900,920	896,000	797,000	...	99,000	535,000	...	262,000
VI.—PROVINCIAL RATES ...	2,638,835	2,740,000	2,706,000	...	34,000	2,764,000	58,000	...
VII.—CUSTOMS ...	2,326,561	2,248,000	2,231,000	...	17,000	2,175,000	...	56,000
VIII.—SALT ...	6,941,120	7,000,000	7,335,000	335,000	...	7,541,000	206,000	...
IX.—OPIUM ...	9,399,401	9,000,000	10,459,000	1,459,000	...	9,410,000	...	1,049,000
X.—STAMPS ...	3,110,540	3,087,000	3,203,000	116,000	...	3,194,000	...	9,000
XI.—REGISTRATION ...	266,360	267,000	262,000	...	5,000	265,000	3,000	...
XII.—MINT ...	172,335	180,000	254,000	74,000	...	196,000	...	58,000
XIII.—POST OFFICE ...	911,806	983,000	968,000	...	15,000	1,008,000	40,000	...
XIV.—TELEGRAPH ...	426,694	380,000	486,000	106,000	...	486,000	...	...
XV.—MINOR DEPARTMENTS...	84,968	58,000	98,000	40,000	...	81,000	...	17,000
XVI.—LAW AND JUSTICE ...	647,130	649,000	663,000	14,000	...	680,000	17,000	...
XVII.—POLICE ...	211,108	233,000	221,000	...	12,000	232,000	11,000	...
XVIII.—MARINE ...	250,595	206,000	206,000	...	...	226,000	20,000	...
XIX.—EDUCATION ...	147,425	139,000	137,000	...	2,000	137,000	...	...
XX.—MEDICAL ...	44,332	39,000	54,000	15,000	...	40,000	...	14,000
XXI.—STATIONERY & PRINTING	47,096	46,000	52,000	6,000	...	45,000	...	7,000
XXII.—INTEREST ...	628,367	634,000	709,000	75,000	...	651,000	...	58,000
XXIII.—SUPERANNUATIONS ...	675,258	526,000	529,000	3,000	...	386,000	...	143,000
XXIV.—MISCELLANEOUS ...	348,554	310,000	324,000	14,000	...	268,000	...	56,000
XXV.—RAILWAYS ...	10,822	10,000	...	...	10,000	...	...	...
XXVI.—IRRIGATION & NAVIGN.	168,619	184,000	192,000	8,000	...	181,000	...	11,000
XXVII.—OTHER PUBLIC WORKS	571,076	477,000	480,000	3,000	...	471,000	...	9,000
XXVIII.—PROVL. & LOCAL DEFICITS	973	208,000	59,000	...	149,000	247,000	188,000	...
XXIX.—ARMY ...	974,773	880,000	924,000	44,000	...	833,000	...	91,000
XXX.—GAIN BY EXCHANGE ...	133,313	78,000	324,000	246,000	...	237,000	...	87,000
TOTAL ...	58,291,292	57,353,000	59,493,000	2,140,000	...	57,818,000	...	1,675,000
<i>Revenue from Productive Public Works.</i>								
I.—LAND REVENUE ...	126,934	161,000	710,000	549,000	...	703,000	...	7,000
XXV.—RAILWAYS ...	6,167,312	6,444,000	6,701,000	257,000	...	7,545,000	844,000	...
XXVI.—IRRIGN. AND NAVIGATION	622,156	604,000	679,000	75,000	...	680,000	1,000	...
TOTAL ...	6,916,402	7,209,000	8,090,000	881,000	...	8,928,000	838,000	...
GRAND TOTAL REVENUE ...	65,207,694	64,562,000	67,583,000	3,021,000	...	66,746,000	...	837,000
DEFICIT ...	...	1,395,000	...	...	...	...	...	...

FORT WILLIAM;
DEPT. OF FINANCE AND COMMERCE, }
The 21th February 1880.

E. W. KELLNER,
Deputy Comptroller General.

OF INDIA IN INDIA AND IN ENGLAND.
of Productive Public Works.)
 1880-81.

EXPENDITURE.	ACCOUNTS, 1878-79.	BUDGET ESTIMATES, 1879-80.	REGULAR ESTIMATES, 1879-80.	INCREASE	DECREASE	BUDGET ESTIMATES, 1880-81.	BUDGET ESTIMATES, 1880-81, COMPARED WITH REGULAR ESTIMATES, 1879-80.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
CIVIL.								
1.—INTEREST ON DEBT ...	4,575,069	4,758,000	4,452,000	...	306,000	4,014,000	...	438,000
2.—INTEREST, OTHER ACCOUNTS...	378,703	386,000	382,000	...	4,000	400,000	18,000	...
3.—REFUNDS AND DRAWBACKS...	406,562	356,000	350,000	...	6,000	318,000	...	32,000
4.—LAND REVENUE ...	2,960,010	3,028,000	2,945,000	...	83,000	2,995,000	50,000	...
5.—FOREST ...	454,934	510,000	521,000	11,000	...	532,000	11,000	...
6.—EXCISE ...	87,839	118,000	110,000	...	8,000	111,000	1,000	...
7.—ASSESSED TAXES ...	37,617	29,000	35,000	6,000	...	20,000	...	15,000
8.—PROVINCIAL RATES ...	64,431	53,000	50,000	...	3,000	53,000	3,000	...
9.—CUSTOMS ...	200,417	203,000	201,000	...	2,000	204,000	3,000	...
10.—SALT ...	404,743	383,000	356,000	...	27,000	368,000	12,000	...
11.—OPIUM ...	1,698,730	2,500,000	2,059,000	...	441,000	2,160,000	101,000	...
12.—STAMPS ...	115,452	111,000	113,000	2,000	...	105,000	...	8,000
13.—REGISTRATION ...	160,001	155,000	162,000	7,000	...	166,000	4,000	...
14.—MINT ...	103,991	113,000	104,000	...	9,000	111,000	7,000	...
15.—POST OFFICE ...	1,033,327	1,083,000	1,131,000	48,000	...	1,142,000	11,000	...
16.—TELEGRAPH ...	470,790	531,000	492,000	...	39,000	467,000	...	25,000
17.—ADMINISTRATION ...	1,487,665	1,498,000	1,485,000	...	13,000	1,466,000	...	19,000
18.—MINOR DEPARTMENTS ...	355,325	375,000	367,000	...	8,000	437,000	70,000	...
19.—LAW AND JUSTICE ...	3,297,063	3,236,000	3,292,000	56,000	...	3,353,000	61,000	...
20.—POLICE ...	2,419,119	2,472,000	2,485,000	13,000	...	2,513,000	28,000	...
21.—MARINE ...	548,703	546,000	558,000	12,000	...	568,000	10,000	...
22.—EDUCATION ...	978,254	1,025,000	972,000	...	53,000	1,016,000	44,000	...
23.—ECCLIASTICAL ...	155,200	161,000	156,000	...	5,000	159,000	3,000	...
24.—MEDICAL ...	669,059	679,000	673,000	...	6,000	709,000	36,000	...
25.—STATIONERY & PRINTING ...	471,470	536,000	443,000	...	93,000	482,000	39,000	...
26.—POLITICAL ...	448,793	426,000	471,000	45,000	...	436,000	...	35,000
27.—ALLOWANCES & ASSIGNMENTS	1,826,484	1,909,000	1,900,000	...	9,000	1,846,000	...	54,000
28.—CIVIL FURLOUGH ALLOWANCES.	231,561	232,000	220,000	...	12,000	233,000	13,000	...
29.—SUPERANNUATIONS ...	1,995,520	1,923,000	2,094,000	171,000	...	1,982,000	...	112,000
30.—MISCELLANEOUS ...	293,368	277,000	314,000	37,000	...	264,000	...	50,000
31.—FAMINE RELIEF ...	313,420	10,000	99,000	89,000	...	5,000	...	94,000
32.—RAILWAYS ...	226,846	94,000	360,000	266,000	...	304,000	...	56,000
33.—IRRIGATION & NAVIGATION...	630,919	644,000	711,000	67,000	...	634,000	...	77,000
34.—OTHER PUBLIC WORKS ...	4,318,247	4,895,000	4,146,000	...	749,000	4,306,000	160,000	...
35.—PROVL. & LOCAL SURPLUSES	716,378	17,000	324,000	307,000	...	131,000	...	193,000
36.—ARMY ...	17,092,426	18,255,000	21,067,000	2,812,000	...	20,293,000	...	774,000
37.—LOSS BY EXCHANGE ...	3,359,144	3,952,000	3,188,000	...	764,000	3,411,000	223,000	...
EXPENDITURE ORDINARY ...	54,988,380	57,479,000	58,788,000	1,309,000	...	57,714,000	...	1,074,000
<i>Expenditure on Productive Public Works (Working Expenses and Interest).</i>								
1.—INTEREST ON DEBT ...	1,407,824	1,595,000	1,587,000	...	8,000	1,725,000	138,000	...
32.—RAILWAYS ...	6,334,981	6,442,000	6,627,000	185,000	...	6,447,000	...	180,000
33.—IRRIGATION AND NAVIGATION	432,118	441,000	462,000	21,000	...	443,000	...	19,000
TOTAL ...	8,174,923	8,478,000	8,676,000	198,000	...	8,615,000	...	61,000
GRAND TOTAL ...	63,163,303	65,957,000	67,464,000	1,507,000	...	66,329,000	...	1,135,000
SURPLUS								
38.—PRODUCTIVE PUBLIC WORKS	2,044,391	...	119,000	1,514,000	...	417,000	298,000	...
	4,381,898	3,500,000	3,700,000	200,000	...	3,312,000	...	388,000

W. WATERFIELD,
Comptroller General.

R. B. CHAPMAN,
Secy to the Govt. of India.

III.

REVENUE AND EXPENDITURE OF THE GOVERNMENT OF INDIA IN INDIA AND

REVENUE.	REGULAR ESTIMATES, 1879-80.				BUDGET ESTIMATES, 1880-81.			
	Imperial.	Provincial.	Local.	TOTAL.	Imperial.	Provincial.	Local.	TOTAL.
	£	£	£	£	£	£	£	£
OPENING BALANCE ... ..	...	1,323,500	1,092,700	2,416,200	...	1,331,800	1,336,700	2,668,500
I.—LAND REVENUE	21,236,200	1,027,300	125,500	22,389,000	20,911,300	1,025,800	124,900	22,062,000
II.—TRIBUTES	714,000	...	...	714,000	698,000	...	...	698,000
III.—FOREST	619,700	18,300	24,000	662,000	650,300	16,800	22,900	690,000
IV.—EXCISE	644,400	2,119,400	1,200	2,765,000	661,500	2,119,400	1,100	2,782,000
V.—ASSESSED TAXES	600,300	196,700	...	797,000	351,700	183,300	...	535,000
VI.—PROVINCIAL RATES	148,200	376,200	2,181,600	2,706,000	169,600	404,600	2,189,800	2,764,000
VII.—CUSTOMS	2,016,500	214,500	...	2,231,000	1,962,000	213,000	...	2,175,000
VIII.—SALT	7,318,800	16,200	...	7,335,000	7,522,500	18,500	...	7,541,000
IX.—OPIUM	10,459,000	...	...	10,459,000	9,410,000	...	...	9,410,000
X.—STAMPS	566,800	2,636,200	...	3,203,000	566,800	2,627,200	...	3,194,000
XI.—REGISTRATION	600	261,400	...	262,000	900	264,100	...	265,000
XII.—MINT	254,000	...	...	254,000	196,000	...	...	196,000
XIII.—POST OFFICE	965,300	2,300	400	968,000	1,005,500	2,100	400	1,008,000
XIV.—TELEGRAPH	486,000	...	...	486,000	486,000	...	...	486,000
XV.—MINOR DEPARTMENTS	51,300	31,000	15,700	98,000	30,300	35,700	15,000	81,000
XVI.—LAW AND JUSTICE	77,300	577,400	8,300	663,000	77,100	594,800	8,100	680,000
XVII.—POLICE	100	181,600	39,300	221,000	100	192,900	39,000	232,000
XVIII.—MARINE	78,300	127,700	...	206,000	90,800	135,200	...	226,000
XIX.—EDUCATION	1,000	110,800	25,200	137,000	1,500	110,300	25,200	137,000
XX.—MEDICAL	2,200	49,500	2,300	54,000	1,900	35,200	2,900	40,000
XXI.—STATIONERY AND PRINTING	13,000	39,000	...	52,000	11,200	33,800	...	45,000
XXII.—INTEREST	687,900	13,400	7,700	709,000	628,900	15,500	6,600	651,000
XXIII.—PENSIONS	511,400	12,600	5,000	529,000	368,400	12,600	5,000	386,000
XXIV.—MISCELLANEOUS	67,900	144,100	112,000	324,000	49,900	131,000	87,100	268,000
XXV.—RAILWAYS	6,348,500	352,500	...	6,701,000	7,115,000	430,000	...	7,545,000
XXVI.—IRRIGATION AND NAVIGATION	322,500	547,600	900	871,000	306,400	553,700	900	861,000
XXVII.—OTHER PUBLIC WORKS	70,400	311,400	98,200	480,000	69,300	300,500	101,200	471,000
XXVIII.—PROVL. AND LOCAL DEFICITS	59,000	...	...	59,000	247,000	...	...	247,000
XXIX.—ARMY	924,000	...	...	924,000	833,000	...	...	833,000
XXX.—GAIN BY EXCHANGE	320,100	3,900	...	324,000	234,400	2,600	...	237,000
	55,564,700	9,371,000	2,647,300	67,583,000	54,657,300	9,458,600	2,630,100	66,746,000
<i>Allotments</i> ... ..	...	4,497,100	...	...	...	4,426,700	...	...
<i>Contributions</i>	400	52,700	95,000	...	400	37,700	115,700	...
<i>Debt</i> ... ..	...	...	6,400	...	...	...	100	...
TOTAL ... ..	...	13,920,800	2,748,700	...	...	13,923,000	2,745,900	...
GRAND TOTAL ... ..	...	15,244,300	3,841,400	...	...	15,254,800	4,082,600	...
PROVINCIAL AND LOCAL DEFICIT ... ..	...	...	...	...	...	160,300	...	...

Fort William;
DEPT. OF FINANCE AND COMMERCE,
The 24th February 1880.

E. W. KELLNER,
Deputy Comptroller General.

IN ENGLAND IN THE THREE DIVISIONS, IMPERIAL, PROVINCIAL AND LOCAL.

EXPENDITURE.	REGULAR ESTIMATES, 1879-80.				BUDGET ESTIMATES, 1880-81.			
	Imperial.	Provincial.	Local.	TOTAL.	Imperial.	Provincial.	Local.	TOTAL.
	£	£	£	£	£	£	£	£
1.—INTEREST ...	5,352,200	686,800	...	6,039,000	5,010,100	728,900	...	5,739,000
2.—INTEREST ...	378,700	500	2,800	382,000	396,600	600	2,800	400,000
3.—REFUNDS AND DRAWBACKS ...	193,200	150,900	5,900	350,000	190,700	121,200	6,100	318,000
4.—LAND REVENUE ...	872,000	1,586,900	486,100	2,945,000	862,600	1,628,400	504,000	2,995,000
5.—FOREST ...	488,200	15,300	17,500	521,000	498,300	13,200	20,500	532,000
6.—EXCISE ...	21,900	87,400	700	110,000	22,700	87,400	900	111,000
7.—ASSESSED TAXES ...	8,100	26,900	...	35,000	5,000	15,000	...	20,000
8.—PROVINCIAL RATES ...	...	4,400	45,600	50,000	...	5,100	47,900	53,000
9.—CUSTOMS ...	23,000	178,000	...	201,000	22,600	181,400	...	204,000
10.—SALT ...	300,700	55,300	...	356,000	302,700	65,300	...	368,000
11.—OPIUM ...	2,059,000	...	...	2,059,000	2,160,000	...	...	2,160,000
12.—STAMPS ...	51,600	61,400	...	113,000	42,800	62,200	...	105,000
13.—REGISTRATION ...	600	161,400	...	162,000	800	165,200	...	166,000
14.—MINT ...	104,000	...	...	104,000	111,000	...	...	111,000
15.—POST OFFICE ...	1,044,000	31,600	55,400	1,131,000	1,050,800	31,600	59,600	1,142,000
16.—TELEGRAPH ...	492,000	...	...	492,000	467,000	...	...	467,000
17.—ADMINISTRATION ...	911,700	563,100	10,200	1,485,000	881,200	572,800	12,000	1,466,000
18.—MINOR DEPARTMENTS ...	250,400	83,000	33,600	367,000	312,700	90,200	34,100	437,000
19.—LAW AND JUSTICE ...	583,400	2,708,500	100	3,292,000	583,700	2,769,200	100	3,353,000
20.—POLICE ...	61,400	2,174,700	248,900	2,485,000	72,800	2,166,600	273,600	2,513,000
21.—MARINE ...	423,700	134,300	...	558,000	409,200	158,800	...	568,000
22.—EDUCATION ...	11,400	701,300	259,300	972,000	11,300	720,100	284,600	1,016,000
23.—ECCLESIASTICAL ...	115,700	40,300	...	156,000	119,400	39,600	...	159,000
24.—MEDICAL ...	166,500	421,500	85,000	673,000	171,800	435,300	101,900	709,000
25.—STATIONERY AND PRINTING ...	86,700	355,100	1,200	443,000	122,600	358,100	1,300	482,000
26.—POLITICAL ...	470,500	400	100	471,000	435,500	400	100	436,000
27.—ALLOWANCES ...	1,237,100	662,900	...	1,900,000	1,193,400	652,600	...	1,846,000
28.—C. F. & A. ALLOWANCES ...	219,500	500	...	220,000	232,500	500	...	233,000
29.—SUPERANNUATION ...	1,944,500	148,800	700	2,094,000	1,835,700	146,000	300	1,982,000
30.—MISCELLANEOUS ...	104,600	134,400	75,000	314,000	71,000	112,800	80,200	264,000
31.—FAMINE RELIEF ...	98,900	100	...	99,000	5,000	...	...	5,000
32.—RAILWAYS ...	6,694,500	292,500	...	6,987,000	6,465,100	285,900	...	6,751,000
33.—IRRIGATION AND NAVIGATION ...	761,100	407,500	4,400	1,173,000	645,800	421,200	10,000	1,077,000
34.—OTHER PUBLIC WORKS ...	1,478,900	1,573,200	1,093,900	4,146,000	1,475,800	1,613,000	1,217,200	4,306,000
35.—P. & L. SURPLUSES ...	324,000	...	...	324,000	131,000	...	...	131,000
36.—ARMY ...	21,067,000	...	...	21,067,000	20,293,000	...	...	20,293,000
37.—LOSS BY EXCHANGE ...	3,188,000	...	...	3,188,000	3,411,000	...	...	3,411,000
<i>Special Contributions to Imperial Treasury</i>	51,588,700	13,448,900	2,426,400	67,464,000	50,023,200	13,648,600	2,657,200	66,329,000
<i>Contributions</i> ...	...	335,000	...	...	...	335,000	...	...
<i>Debt</i> ...	...	128,600	59,400	...	...	99,700	44,100	...
	...	...	18,900	...	...	...	31,100	...
TOTAL ...	...	13,912,500	2,504,700	...	...	14,083,300	2,732,400	...
CLOSING BALANCE ...	...	1,331,800	1,336,700	2,668,500	...	1,171,500	1,350,200	2,521,700
GRAND TOTAL ...	...	15,244,300	3,841,400	...	...	15,254,800	4,082,600	...
PROVINCIAL AND LOCAL SURPLUS ...	...	8,300	256,500	...	...	...	44,500	...

W. WATERFIELD,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

IV.

RECEIPTS AND DISBURSEMENTS AT THE TREASURIES OF

RECEIPTS.	ACCOUNTS, 1878-79.	BUDGET ESTIMATES, 1879-80.	REGULAR ESTIMATES, 1879-80.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1880-81.	BUDGET ESTIMATES, 1880-81, COMPARED WITH REGULAR ESTIMATES, 1879-80.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
I.—BALANCE ...	15,574,959	14,200,000	13,910,078	...	289,922	15,000,000	2,089,922	...
II.—IMPERIAL REVENUE ...	65,207,694	64,562,000	67,583,000	3,021,000	...	66,746,000	...	837,000
III.—PROVINCIAL AND LOCAL SUBPLUS ...	716,378	17,000	324,000	307,000	...	131,000	...	193,000
IV.—SERVICE FUNDS, CIVIL ...	616,401	603,000	591,000	...	12,000	603,000	12,000	...
V.—SERVICE FUNDS, MILITARY ...	...	...	...	...	...	...	...	...
VI.—LOANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS REPAID ...	228,361	216,000	1,078,000	862,000	...	213,000	...	865,000
VII.—SAVINGS BANKS' DEPOSITS ...	677,946	730,000	765,000	35,000	...	793,000	23,000	...
VIII.—OTHER DEPOSITS RECEIVED & ADVANCES RECOVERED ...	16,853,867	12,433,000	12,701,000	268,000	...	12,606,000	...	95,000
IX.—LOCAL REMITTANCES ...	167,330	456,000	178,000	...	278,000	86,000	...	92,000
X.—INTER-PROVINCIAL AND INTER-DEPARTMENTAL TRANSACTIONS ...	17,967,362	25,000,000	25,663,000	663,000	...	26,019,000	356,000	...
XI.—REMITTANCE ACCOUNT WITH THE HOME TREASURY ...	1,891,108	1,196,000	1,486,000	290,000	...	1,183,000	...	303,000
XII.—SECRETARY OF STATE'S BILLS ON INDIA SOLD*	15,464,758	15,000,000	15,750,000	750,000	...	16,900,000	1,150,000	...
XIII.—POLITICAL AND TRUST FUNDS ...	267,380	384,000	74,000	...	310,000	83,000	9,000	...
XIV.—PUBLIC DEBT INCURRED*	8,070,758	8,009,500	13,138,000	5,128,500	...	2,833,000	...	10,305,000
XV.—TREASURY NOTES ...	262,636	218,000	195,000	...	23,000	308,000	113,000	...
XVI.—GUARANTEED RAILWAY CAPITAL RECEIVED ...	3,184,677	3,073,000	2,842,000	...	231,000	1,709,000	...	1,133,000
TOTAL ...	147,151,615	146,097,500	156,278,078	10,180,578	...	146,213,000	...	10,065,078

* The Estimates in this Statement of the amounts to be borrowed and to be supplied to the Home Treasury by Bills in 1880-81 are the same as those in the Statement of the amounts to be borrowed and to be supplied to the Home Treasury by Bills in 1879-80, with the exception that the Secretary of State will raise by Bills the exact amount stated in the above Statement.

Abstract of the above showing how the

ACCOUNTS, 1878-79.		REGULAR ESTIMATES, 1879-80.		REGULAR ESTIMATES, 1880-81.	
	£		£		£
SURPLUS OF PROVINCIAL AND LOCAL REVENUE ...	715,405	DEFICIT OF IMPERIAL REVENUE ...	2,337,507	SURPLUS OF PROVINCIAL AND LOCAL REVENUE ...	265,000
SERVICE FUNDS, CIVIL ...	96,375	SERVICE FUNDS, MILITARY ...	349,940	SERVICE FUNDS, CIVIL ...	170,000
POLITICAL AND TRUST FUNDS ...	6,924	LOANS TO NATIVE STATES, COR- PORATIONS AND INDIVIDUALS ...	1,048,705	SAVINGS BANKS' DEPOSITS ...	117,000
PUBLIC DEBT INCURRED ...	4,199,268	SAVINGS BANKS' DEPOSITS WITHDRAWN ...	12,934	DEPOSITS ...	264,000
TREASURY NOTES ...	122,750	DEPOSITS REPAID ...	1,630,876	PUBLIC DEBT INCURRED ...	5,131,000
BALANCE REDUCED ...	1,664,881	SECRETARY OF STATE'S BILLS DISCHARGED ...	1,271,110	TREASURY NOTES ...	156,600
		GUARANTEED RAILWAY CAP- ITAL WITHDRAWN ...	154,531	GUARANTEED RAILWAY CAP- ITAL RECEIVED ...	182,000
TOTAL ...	6,905,603	TOTAL ...	6,805,603	TOTAL ...	6,285,000

FORT WILLIAM;
EPT. OF FINANCE AND COMMERCE,
The 24th February 1880.

*

E. W. KELLNER
Deputy Comptroller General.

THE GOVERNMENT OF INDIA IN INDIA AND IN ENGLAND.

DISBURSEMENTS.	ACCOUNTS, 1878-79.	BUDGET ESTIMATES, 1879-80.	REGULAR ESTIMATES, 1879-80.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1880-81.	BUDGET ESTIMATES, 1880-81 COMPARED WITH REGULAR, ESTIMATES, 1879-80.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—IMPERIAL EXPENDITURE ...	67,545,201	69,457,000	71,164,000	1,707,000	...	69,641,000	...	1,523,000
2.—PROVINCIAL AND LOCAL DEFICITS ...	973	208,000	59,000	...	149,000	247,000	188,000	...
3.—SERVICE FUNDS, CIVIL ...	520,026	453,000	421,000	...	32,000	451,000	30,000	...
4.—SERVICE FUNDS, MILITARY ...	349,940	214,000	220,000	6,000	...	32,000	...	188,000
5.—LOANS ADVANCED TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS ...	1,277,066	416,000	1,251,000	835,000	...	232,000	...	1,019,000
6.—SAVINGS BANKS' DEPOSITS WITHDRAWN ...	690,880	700,000	648,000	...	52,000	669,000	21,000	...
7.—OTHER DEPOSITS REPAYED AND ADVANCES MADE ...	18,484,743	12,247,000	12,437,000	190,000	...	12,170,000	...	267,000
8.—LOCAL REMITTANCES ...	42,079	837,000	...	...	837,000	...	...	...
9.—INTER-PROVINCIAL AND IN- TER-DEPARTMENTAL TRANS- ACTIONS ...	19,566,018	24,525,000	25,539,078	1,014,078	...	26,667,000	1,127,922	...
10.—REMITTANCE ACCOUNT WITH THE HOME TREASURY ...	1,688,813	1,290,000	1,949,000	659,000	...	1,252,000	...	697,000
11.—SECRETARY OF STATE'S BILLS ON INDIA PAID ...	15,464,758	15,000,000	15,750,000	750,000	...	16,900,000	1,150,000	...
12.—POLITICAL AND TRUST FUNDS	260,456	368,000	134,000	...	234,000	151,000	17,000	...
13.—PUBLIC DEBT DISCHARGED ...	3,871,490	3,683,000	8,007,000	4,324,000	...	2,127,000	...	5,880,000
14.—TREASURY NOTES ...	139,886	126,500	39,000	...	87,500	33,000	...	6,000
15.—GUARANTEED RAILWAY CAPI- TAL WITHDRAWN ...	3,339,208	3,073,000	2,660,000	...	413,000	2,391,000	...	269,000
16.—BALANCE ...	13,910,078	13,500,000	16,000,000	2,500,000	...	13,250,000	...	2,750,000
TOTAL ...	147,151,615	146,097,500	156,278,078	10,180,578	...	146,213,000	...	10,065,078

best that can now be made; but they are subject to modification as the year goes on; the Government must not be understood to pledge itself or that the exact amount stated will be borrowed during the year.

Ways and Means are provided.

MATES, 1879-80.		BUDGET ESTIMATES, 1880-81.	
	£		£
DEFICIT OF IMPERIAL REVENUE ...	3,581,000	SERVICE FUNDS, CIVIL ...	152,000
SERVICE FUNDS, MILITARY ...	220,000	SAVINGS BANKS' DEPOSITS ...	124,000
LOANS TO NATIVE STATES, COR- PORATIONS AND INDIVIDUALS.	173,000	DEPOSITS ...	436,000
POLITICAL AND TRUST FUNDS	60,000	PUBLIC DEBT INCURRED ...	706,000
REMITTANCES ...	161,078	TREASURY NOTES ...	275,000
BALANCE INCREASED ...	2,089,922	BALANCE REDUCED ...	2,750,000
TOTAL ...	6,285,000	TOTAL ...	4,443,000
		DEFICIT OF IMPERIAL REVENUE ...	2,895,000
		DEFICIT OF PROVINCIAL AND LOCAL REVENUE ...	116,000
		SERVICE FUNDS, MILITARY ...	32,000
		LOANS TO NATIVE STATES, COR- PORATIONS AND INDIVIDUALS	19,000
		REMITTANCES ...	631,000
		POLITICAL AND TRUST FUNDS	68,000
		GUARANTEED RAILWAY CAPI- TAL WITHDRAWN ...	682,000
		TOTAL ...	4,443,000

W. WATERFIELD,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

V.
REVENUE AND EXPENDITURE OF THE
Estimates,

REVENUE.	ACCOUNTS, 1878-79.	BUDGET ESTIMATES, 1879-80.	REGULAR ESTIMATES, 1879-80.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1880-81.	BUDGET ESTIMATES, 1880-81, COMPARED WITH REGULAR ESTIMATES, 1879-80.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
CIVIL.								
I.—LAND REVENUE ...	22,323,869	21,778,000	21,679,000	...	99,000	21,359,000	...	320,000
II.—TRIBUTES ...	703,660	703,000	714,000	11,000	...	698,000	...	-16,000
III.—FOREST ...	603,939	670,400	660,600	...	9,800	688,400	27,800	...
IV.—EXCISE ...	2,619,349	2,742,000	2,765,000	23,000	...	2,782,000	17,000	...
V.—ASSESSED TAXES ...	900,920	896,000	797,000	...	99,000	535,000	...	262,000
VI.—PROVINCIAL RATES ...	2,638,835	2,740,000	2,706,000	...	34,000	2,764,000	58,000	...
VII.—CUSTOMS ...	2,326,561	2,248,000	2,231,000	...	17,000	2,175,000	...	56,000
VIII.—SALT ...	6,941,120	7,000,000	7,335,000	335,000	...	7,541,000	206,000	...
IX.—OPIUM ...	9,399,401	9,000,000	10,459,000	1,459,000	...	9,410,000	...	1,049,000
X.—STAMPS ...	3,110,540	3,087,000	3,203,000	116,000	...	3,194,000	...	9,000
XI.—REGISTRATION ...	266,360	267,000	262,000	...	5,000	265,000	3,000	...
XII.—MINT ...	172,283	180,000	254,000	74,000	...	196,000	...	58,000
XIII.—POST OFFICE ...	911,806	983,000	968,000	...	15,000	1,008,000	40,000	...
XIV.—TELEGRAPH ...	403,627	357,000	460,300	103,300	...	463,100	2,800	...
XV.—MINOR DEPARTMENTS ...	60,142	32,400	59,500	27,100	...	61,700	2,200	...
XVI.—LAW AND JUSTICE ...	647,130	649,000	663,000	14,000	...	680,000	17,000	...
XVII.—POLICE ...	211,108	233,000	221,000	...	12,000	232,000	11,000	...
XVIII.—MARINE ...	250,595	206,000	203,000	...	3,000	226,000	23,000	...
XIX.—EDUCATION ...	147,425	139,000	137,000	...	2,000	137,000	...	...
XX.—MEDICAL ...	42,419	37,500	52,000	14,500	...	38,200	...	13,800
XXI.—STATIONERY AND PRINTING ...	47,096	46,000	52,000	6,000	...	45,000	...	7,000
XXII.—INTEREST ...	612,934	624,000	701,500	77,500	...	641,000	...	60,500
XXIII.—SUPERANNUATION CONTRIBUTIONS ...	571,871	430,500	430,500	...	...	291,700	...	138,800
XXIV.—MISCELLANEOUS ...	334,693	306,100	315,000	8,900	...	262,000	...	53,000
XXV.—RAILWAYS ...	10,822	10,000	...	...	10,000	...	...	...
XXVI.—IRRIGATION AND NAVIGATION ...	168,619	184,000	192,000	8,000	...	181,000	...	11,000
XXVII.—OTHER PUBLIC WORKS ...	554,295	461,000	464,600	3,600	...	456,700	...	7,900
XXVIII.—PROVINCIAL AND LOCAL DEFICIT ...	973	208,000	59,000	...	149,000	247,000	188,000	...
XXIX.—ARMY ...	926,962	844,500	858,300	13,800	...	800,200	...	58,100
XXX.—GAIN BY EXCHANGE ...	133,313	78,000	324,000	246,000	...	237,000	...	87,000
TOTAL ...	58,042,667	57,140,400	59,226,300	2,085,900	...	57,615,000	...	1,611,300
<i>Revenue from Productive Public Works.</i>								
I.—LAND REVENUE ...	126,934	161,000	710,000	549,000	...	703,000	...	7,000
XXV.—RAILWAYS ...	6,167,312	6,444,000	6,701,000	257,000	...	7,545,000	844,000	...
XXVI.—IRRIGN. AND NAVIGATION ...	621,604	603,500	678,000	74,500	...	679,200	1,200	...
TOTAL ...	6,915,850	7,208,500	8,089,000	880,500	...	8,927,200	838,200	...
GRAND TOTAL ...	64,958,517	64,348,900	67,315,300	2,966,400	...	66,542,200	...	773,100

FORT WILLIAM;
DEPT. OF FINANCE AND COMMERCE, }
The 24th February 1880.

E. W. KELLNER,
Deputy Comptroller General.

GOVERNMENT OF INDIA IN INDIA.
1880-81.

EXPENDITURE.	ACCOUNTS, 1878-79.	BUDGET ESTIMATES, 1879-80.	REGULAR ESTIMATES, 1879-80.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1880-81.	BUDGET ESTIMATES, 1880-81, COMPARED WITH REGULAR ESTIMATES, 1879-80.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
CIVIL.								
1.—INTEREST ON DEBT ...	1,981,957	2,089,500	1,862,600	...	226,900	1,644,100	...	218,500
2.—INTEREST, OTHER ACCOUNTS	377,827	385,000	380,600	...	4,400	398,400	17,800	...
3.—REFUNDS AND DRAWBACKS ...	406,562	356,000	850,000	...	6,000	318,000	...	32,000
4.—LAND REVENUE ...	2,958,216	3,025,300	2,944,100	...	81,200	2,994,400	50,300	...
5.—FOREST ...	451,106	505,900	516,200	10,300	...	527,600	11,400	...
6.—EXCISE ...	87,839	118,000	110,000	...	8,000	111,000	1,000	...
7.—ASSESSED TAXES ...	37,617	29,000	35,000	6,000	...	20,000	...	15,000
8.—PROVINCIAL RATES ...	64,431	53,000	50,000	...	3,000	53,000	3,000	...
9.—CUSTOMS ...	200,417	203,000	201,000	...	2,000	204,000	3,000	...
10.—SALT ...	404,743	383,000	356,000	...	27,000	368,000	12,000	...
11.—OPIUM ...	1,697,792	2,499,100	2,058,700	...	440,400	2,159,500	100,800	...
12.—STAMPS ...	73,807	74,900	76,900	2,000	...	77,500	600	...
13.—REGISTRATION ...	160,801	155,000	162,000	7,000	...	166,000	4,000	...
14.—MINT ...	94,607	87,300	83,300	...	4,000	91,500	8,200	...
15.—POST OFFICE ...	941,971	983,300	1,005,600	22,300	...	1,043,800	38,200	...
16.—TELEGRAPH ...	388,313	392,200	385,200	...	7,000	380,900	...	4,300
17.—ADMINISTRATION ...	1,269,500	1,279,600	1,271,900	...	7,700	1,245,500	...	26,400
18.—MINOR DEPARTMENTS ...	328,265	346,600	336,100	...	10,500	415,100	79,000	...
19.—LAW AND JUSTICE ...	3,295,968	3,234,500	3,290,100	55,600	...	3,350,900	60,800	...
20.—POLICE ...	2,419,119	2,472,000	2,485,000	13,000	...	2,513,000	28,000	...
21.—MARINE ...	404,700	396,900	385,800	...	11,100	419,000	33,200	...
22.—EDUCATION ...	977,100	1,024,500	971,600	...	52,900	1,015,800	44,200	...
23.—ECCLESIASTICAL ...	153,562	159,900	154,700	...	5,200	158,600	3,900	...
24.—MEDICAL ...	661,851	679,000	665,000	...	14,000	701,400	36,400	...
25.—STATIONERY AND PRINTING...	283,446	345,900	328,700	...	17,200	415,700	87,000	...
26.—POLITICAL ...	435,858	375,700	428,200	52,500	...	393,000	...	35,200
27.—ALLOWANCES AND ASSIGNS....	1,792,419	1,887,900	1,878,900	...	9,000	1,824,900	...	54,000
28.—CIVIL FURLO. ALLOWANCES	4,482	2,000	4,000	2,000	...	3,000	...	1,000
29.—SUPERANNUATIONS ...	683,269	634,000	764,200	130,200	...	646,300	...	117,900
30.—MISCELLANEOUS ...	266,220	245,000	294,000	49,000	...	243,300	...	50,700
31.—FAMINE RELIEF...	312,823	10,000	99,000	89,000	...	5,000	...	94,000
32.—RAILWAYS ...	226,846	94,000	360,000	266,000	...	304,000	...	56,000
33.—IRRIGATION AND NAVIGATION	629,308	643,800	710,800	67,000	...	633,800	...	77,000
34.—OTHER PUBLIC WORKS ...	4,220,707	4,752,200	4,006,400	...	745,800	4,216,500	210,100	...
35.—PROVINCIAL & LOCAL SURPLUS	716,378	17,000	324,000	307,000	...	131,000	...	193,000
36.—ARMY ...	13,109,553	14,135,300	16,448,600	2,313,300	...	15,171,900	...	1,276,700
37.—Loss BY EXCHANGE ...	3,359,144	3,952,000	3,188,000	...	764,000	3,411,000	223,000	...
TOTAL ...	45,878,524	48,027,300	48,972,200	944,900	...	47,776,400	...	1,195,800
<i>Expenditure on Productive Public Works (Working expenses and Interest).</i>								
1.—INTEREST ON DEBT ...	1,407,824	1,595,000	1,587,000	...	8,000	1,725,000	138,000	...
32.—RAILWAYS ...	1,645,705	1,697,500	1,890,200	192,700	...	1,855,000	...	35,200
33.—IRRIGATION AND NAVIGATION	382,007	391,000	412,000	21,000	...	393,000	...	19,000
TOTAL ...	3,435,536	3,683,500	3,889,200	205,700	...	3,973,000	83,800	...
GRAND TOTAL								
38.—PRODUCTIVE PUBLIC WORKS	49,314,060	51,710,800	52,861,400	1,150,600	...	51,749,400	...	1,112,000
	3,689,029	2,720,700	3,066,700	346,000	...	1,906,000	...	1,160,700

W. WATERFIELD,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

VI.
REVENUE AND EXPENDITURE OF THE HOME
Estimates.

REVENUE.	ACCOUNTS, 1878-79.	BUDGET ESTIMATES, 1879-80.	REGULAR ESTIMATES, 1879-80.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1880-81.	BUDGET ESTIMATES, 1880-81 COMPARED WITH REGULAR ESTIMATES, 1879-80.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
III.—FOREST ...	1,494	1,600	1,400	...	200	1,600	200	...
XII.—MIST ...	52	...	...	...	...	...	...	...
XIV.—TELEGRAPH ...	23,067	23,000	25,700	2,700	...	22,900	...	2,800
XV.—MINOR DEPARTMENTS	24,826	25,600	38,500	12,900	...	19,300	...	19,200
XVII.—MARINE ...	...	...	3,000	3,000	...	...	...	3,000
XX.—MEDICAL ...	1,913	1,500	2,000	500	...	1,800	...	200
XXII.—INTEREST ...	15,433	10,000	7,500	...	2,500	10,000	2,500	...
XXIII.—SUPERANNUATION CON- TRIBUTIONS ...	103,387	95,500	98,500	3,000	...	94,300	...	4,200
XXIV.—MISCELLANEOUS ...	13,861	3,900	9,000	5,100	...	6,000	...	3,000
XXVII.—OTHER PUBLIC WORKS ...	16,781	16,000	15,400	...	600	14,300	...	1,100
XXIX.—ARMY ...	47,811	35,500	65,700	30,200	...	32,800	...	32,900
TOTAL ...	248,625	212,600	266,700	54,100	...	203,000	...	63,700
<i>Revenue from Productive Public Works.</i>								
XXVI.—IRRIGATION ...	553	500	1,000	500	...	800	...	200
TOTAL ...	249,177	213,100	267,700	54,600	...	203,800	...	63,900

FORT WILLIAM;
DEPT. OF FINANCE AND COMMERCE,
The 24th February 1880.

E. W. KELLNER,
Deputy Comptroller General.

TREASURY OF THE GOVERNMENT OF INDIA.
1880-81.

EXPENDITURE.	ACCOUNTS, 1878-79.	BUDGET ESTIMATES, 1879-80.	REGULAR ESTIMATES, 1879-80.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1880-81.	BUDGET ESTIMATES, 1880-81, COMPARED WITH REGULAR ESTIMATES, 1879-80.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—INTEREST ON DEBT ...	2,593,112	2,668,500	2,589,400	...	79,100	2,369,900	...	219,500
2.—INTEREST, OTHER AC- COUNTS ...	876	1,000	1,400	400	...	1,600	200	...
4.—LAND REVENUE ...	1,794	2,700	900	...	1,800	600	...	800
5.—FOREST ...	3,328	4,100	4,800	700	...	4,400	...	400
11.—OPIUM ...	938	900	300	...	600	500	200	...
12.—STAMPS ...	41,646	36,100	36,100	...	...	27,500	...	8,600
14.—MINT ...	9,384	25,700	20,700	...	5,000	19,500	...	1,200
15.—POST OFFICE ...	91,356	99,700	125,400	25,700	...	98,200	...	27,200
16.—TELEGRAPH ...	82,477	133,800	106,800	...	32,000	86,100	...	20,700
17.—ADMINISTRATION ...	218,164	218,400	213,100	...	5,300	220,500	7,400	...
18.—MINOR DEPARTMENTS ...	27,061	28,400	30,900	2,500	...	21,900	...	9,000
19.—LAW AND JUSTICE ...	1,095	1,500	1,900	400	...	2,100	200	...
21.—MARINE ...	144,003	149,100	172,200	23,100	...	149,000	...	23,200
22.—EDUCATION ...	1,154	500	400	...	100	200	...	200
23.—ECCLESIASTICAL ...	1,638	1,100	1,300	200	...	400	...	900
24.—MEDICAL ...	7,208	...	8,000	8,000	...	7,600	...	400
25.—STATIONERY AND PRINT- ING ...	188,024	190,100	114,300	...	75,800	66,300	...	48,000
26.—POLITICAL ...	12,935	50,300	42,800	...	7,500	43,000	200	...
27.—ALLOWANCES AND ASSIGN- MENTS ...	84,065	21,100	21,100	...	...	21,100	...	...
28.—CIVIL FURLOUGH ALLOW- ANCES ...	227,079	230,000	216,000	...	14,000	230,000	14,000	...
29.—SUPERANNUATIONS ...	1,312,251	1,289,000	1,329,800	40,800	...	1,335,700	5,900	...
30.—MISCELLANEOUS ...	27,148	32,000	20,000	...	12,000	20,700	700	...
31.—FAMINE RELIEF ...	597	...	...	...	...	...	...	...
33.—IRRIGATION ...	1,611	200	200	...	...	200	...	...
34.—OTHER WORKS ...	£7,540	142,800	139,600	...	3,200	89,500	...	50,100
36.—ARMY ...	3,982,872	4,119,700	4,618,400	498,700	...	5,121,100	502,700	...
TOTAL ...	9,109,856	9,451,700	9,815,800	364,100	...	9,937,600	121,800	...
<i>Expenditure on Productive Public Works.</i>								
32.—RAILWAYS ...	4,689,276	4,744,500	4,736,800	...	7,700	4,592,000	...	144,800
33.—IRRIGATION ...	50,111	50,000	50,000	...	...	50,000	...	...
TOTAL ...	4,739,387	4,794,500	4,786,800	...	7,700	4,642,000	...	144,800
TOTAL ...	13,849,243	14,246,200	14,602,600	356,400	...	14,579,600	...	23,000
33.—PRODUCTIVE PUBLIC WORKS ...	692,869	779,300	633,300	...	146,000	1,406,000	772,700	...

W. WATERFIELD,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

VII.

RECEIPTS AND DISBURSEMENTS AT THE TREASURIES.

RECEIPTS.	ACCOUNTS, 1878-79.	BUDGET ESTIMATES, 1879-80.	REGULAR ESTIMATES, 1879-80.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1880-81.	BUDGET ESTIMATES, 1880-81, COMPARED WITH REGULAR ESTIMATES, 1879-80.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
I.—BALANCE	14,498,302	12,988,800	12,792,153	...	196,647	14,193,075	1,400,922	...
II.—IMPERIAL REVENUE ...	64,953,517	64,348,900	67,315,300	2,966,400	...	66,542,200	...	773,100
III.—PROVINCIAL AND LOCAL SURPLUS... ..	716,378	17,000	324,000	307,000	...	131,000	...	193,000
IV.—SERVICE FUNDS, CIVIL ...	616,401	603,000	591,000	...	12,000	603,000	12,000	...
V.—SERVICE FUNDS, MILITARY	...	...	...	...	...	...	...	...
VI.—LOANS TO NATIVE STATES, CORPORATIONS AND IN- DIVIDUALS REPAID ...	223,361	216,000	1,078,000	862,000	..	213,000	...	865,000
VII.—SAVINGS BANKS' DEPOSITS...	677,946	730,000	765,000	35,000	...	793,000	28,000	...
VIII.—OTHER DEPOSITS RECEIVED & ADVANCES RECOVERED	16,825,797	12,429,000	12,670,900	241,900	...	12,602,500	...	68,400
IX.—LOCAL REMITTANCES ...	167,330	456,000	178,000	...	278,000	86,000	...	92,000
X.—INTER-PROVINCIAL AND INTER-DEPARTMENTAL TRANSACTIONS ...	17,967,362	25,000,000	25,663,000	663,000	...	26,019,000	356,000	...
XI.—REMITTANCE ACCOUNT WITH THE HOME TREASURY ...	1,389,859	1,089,000	1,335,600	246,600	...	1,054,000	...	281,600
XIII.—POLITICAL AND TRUST FUNDS ...	267,380	384,000	74,000	...	310,000	83,000	9,000	...
XIV.—PUBLIC DEBT INCURRED*	4,344,174	5,000,000	9,264,500	4,264,500	...	819,700	...	8,444,800
XV.—TREASURY NOTES ...	262,636	218,000	195,000	...	23,000	308,000	113,000	...
XVI.—GUARANTEED RAILWAY CAPITAL RECEIVED ...	2,310,878	2,149,700	2,022,600	...	127,100	1,459,000	...	563,600
TOTAL ...	125,231,321	125,629,400	134,269,053	8,639,653	...	124,906,475	...	9,362,578

* The Estimates in this Statement of the amounts to be borrowed and to be supplied to the Home Treasury by Bills in 1880-81 are the that the Secretary of State will raise by Bills the exact amount stated; or that the exact amount stated.

Abstract of the above showing how the

ACCOUNTS, 1878-79.		REGULAR ESTI	
£		£	
SURPLUS OF IMPERIAL REVE- NUE ...	11,955,428	SURPLUS OF IMPERIAL RE- VENUE ...	11,357,200
SURPLUS OF PROVINCIAL AND LOCAL REVENUE ...	715,405	DO. OF PROVINCIAL AND LOCAL ...	265,000
SERVICE FUNDS, CIVIL ...	96,375	SERVICE FUNDS, CIVIL ...	170,000
POLITICAL AND TRUST FUNDS	6,924	SAVINGS BANKS' DEPOSITS ...	117,000
PUBLIC DEBT INCURRED ...	3,847,184	DEPOSITS ...	238,400
TREASURY NOTES ...	122,750	REMITTANCES ...	729,022
GUARANTEED RAILWAY CAPITAL RECEIVED ...	771,014	PUBLIC DEBT INCURRED ...	3,867,200
BALANCE REDUCED ...	1,706,149	TREASURY NOTES ...	156,000
TOTAL ...	19,221,229	GUARANTEED RAILWAY CAPI- TAL RECEIVED ...	674,100
		TOTAL ...	17,603,922

FORT WILLIAM;
DEPT. OF FINANCE & COMMERCE,
The 24th February 1880.

E. W. KELLNER,
Deputy Comptroller General.

OF THE GOVERNMENT OF INDIA IN INDIA.

DISBURSEMENTS.	ACCOUNTS, 1878-79.	BUDGET ESTIMATES, 1879-80.	REGULAR ESTIMATES, 1879-80.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1880-81.	BUDGET ESTIMATES, 1880-81, COMPARED WITH REGULAR ESTIMATES, 1879-80.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—IMPERIAL EXPENDITURE ...	53,003,089	54,431,500	55,923,100	1,496,600	...	53,655,400	...	2,272,700
2.—PROVINCIAL AND LOCAL DEFICITS ...	973	203,000	59,000	...	149,000	247,000	188,000	...
3.—SERVICE FUNDS, CIVIL ...	520,026	453,000	421,000	...	32,000	451,000	30,000	...
4.—SERVICE FUNDS, MILITARY ...	349,940	214,000	220,000	6,000	...	32,000	...	188,000
5.—LOANS ADVANCED TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS ...	1,277,066	416,000	1,251,000	835,000	...	232,000	...	1,019,000
6.—SAVINGS BANKS' DEPOSITS WITHDRAWN ...	690,880	700,000	648,000	...	52,000	669,000	21,000	...
7.—OTHER DEPOSITS REPAID AND ADVANCES MADE ...	18,475,453	12,243,000	12,432,500	189,500	...	12,166,500	...	266,000
8.—LOCAL REMITTANCES ...	42,079	837,000	...	...	837,000	...	...	...
9.—INTER-PROVINCIAL AND INTER-DEPARTMENTAL TRANSACTIONS ...	19,566,018	24,525,000	25,539,078	1,014,078	...	26,667,000	1,127,922	...
10.—REMITTANCE ACCOUNT WITH THE HOME TREASURY ...	611,690	256,500	908,500	652,000	...	109,200	...	799,300
11.—SECRETARY OF STATE'S BILLS ON INDIA PAID*	15,464,758	15,000,000	15,750,000	750,000	...	16,900,000	1,150,000	...
12.—POLITICAL AND TRUST FUNDS	260,456	368,000	134,000	...	234,000	151,000	17,000	...
13.—PUBLIC DEBT DISCHARGED ...	496,990	1,673,500	5,397,300	3,723,800	...	836,700	...	4,560,600
14.—TREASURY NOTES ...	139,886	126,500	39,000	...	87,500	33,000	...	6,000
15.—GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	1,539,864	1,608,900	1,348,500	...	260,400	1,312,500	...	36,000
16.—BALANCE ...	12,792,153	12,568,500	14,193,075	1,624,575	...	11,444,175	...	2,748,900
TOTAL ...	125,231,321	125,629,400	134,269,053	8,639,653	...	124,906,475	...	9,362,578

best that can now be made; but they are subject to modification as the year goes on; the Government must not be understood to pledge itself will be borrowed during the year; or that it will be borrowed in India or in England as the case may be.

Ways and Means are provided.

ACCOUNTS, 1879-80.		BUDGET ESTIMATES, 1880-81.			
	£	SURPLUS OF IMPERIAL REVENUE		DEFICIT OF PROVINCIAL AND LOCAL EXPENDITURE	
		£		£	
SERVICE FUNDS, MILITARY ...	220,000	12,886,800	...	116,000	...
LOANS TO NATIVE STATES, CORPORATIONS AND INDIVIDUALS	173,000	152,000	...	32,000	...
POLITICAL AND TRUST FUNDS	60,000	124,000	...	19,000	...
SECRETARY OF STATE'S BILLS PAID	15,750,000	436,000	...	68,000	...
BALANCE INCREASED	1,400,922	382,800	...	17,000	...
		275,000	...	16,900,000	...
		146,500	...		
		2,748,900	...		
TOTAL ...	17,603,922	17,152,000	...	17,152,000	...

W. WATERFIELD,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

VIII
RECEIPTS AND DISBURSEMENTS AT THE HOME

RECEIPTS.	ACCOUNTS, 1878-79.	BUDGET ESTIMATES, 1879-80.	REGULAR ESTIMATES, 1879-80.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1880-81.	BUDGET ESTIMATES, 1880-81, COMPARED WITH THE REG- ULAR ESTIMATES, 1879-80.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
I.—BALANCE	1,076,657	1,211,200	1,117,925	...	93,275	1,806,925	689,000	...
II.—PUBLIC REVENUE	219,177	213,100	267,700	54,600	...	203,800	...	63,900
VIII.—DEPOSITS RECEIVED AND AD- VANCES RECOVERED	28,070	4,000	30,100	26,100	...	3,500	...	26,600
XI.—SECRETARY OF STATE'S BILLS ON INDIA SOLD AND BILLS BOUGHT IN INDIA	15,464,758	15,000,000	15,750,000	750,000	...	16,900,000	1,150,000	...
XII.—OTHER MISCELLANEOUS REMIT- TANCES FROM INDIA	501,249	107,000	150,400	43,400	...	129,000	...	21,400
XIV.—PUBLIC DEBT INCURRED*	3,726,534	3,009,500	3,873,500	864,000	...	2,013,300	...	1,860,200
XV.—GUARANTEED RAILWAY CAPITAL RECEIVED	873,799	923,300	819,400	...	103,900	250,000	...	569,400
TOTAL	21,920,294	20,468,100	22,009,025	1,540,925	...	21,306,525	...	702,500

* The Estimates in this Statement of the amount to be supplied to the Home Treasury by Bills in 1880-81 and of the Debt transactions are the exact amount stated, or that the Secretary of State will raise by Bills the exact amount stated, or that

Abstract of the above showing how the

ACCOUNTS, 1878-79.		REGULAR ESTI	
£	£	£	£
NET DEPOSITS RECEIVED AND ADVANCES RECOVERED	18,780	DEFICIT OF REVENUE	14,292,935
SECRETARY OF STATE'S BILLS	15,464,758	NET MISCELLANEOUS REMIT- TANCES	575,874
NET PUBLIC DEBT INCURRED	352,084	NET GUARANTEED RAILWAY CAPITAL WITHDRAWN	935,545
		BALANCE INCREASED	41,268
TOTAL	15,835,622	TOTAL	15,835,622
			TOTAL
			17,039,400

FORT WILLIAM;
DEPT. OF FINANCE AND COMMERCE,
The 24th February 1880.

E. W. KELLNER,
Deputy Comptroller General.

TREASURY OF THE GOVERNMENT OF INDIA.

DISBURSEMENTS.	ACCOUNTS, 1878-79.	BUDGET ESTIMATES, 1879-80.	REGULAR ESTIMATES, 1879-80.	INCREASE.	DECREASE.	BUDGET ESTIMATES, 1880-81.	BUDGET ESTIMATES, 1880-81 COMPARED WITH THE REGU- LAR ESTIMATES, 1879-80.	
							Increase.	Decrease.
	£	£	£	£	£	£	£	£
1.—PUBLIC EXPENDITURE ...	14,542,112	15,025,500	15,235,900	210,400	...	15,985,600	749,700	...
7.—DEPOSITS REPAID AND ADVANCES MADE ...	9,290	4,000	4,500	500	...	3,500	...	1,000
10.—MISCELLANEOUS REMITTANCES TO INDIA ...	1,077,123	1,033,500	1,040,500	7,000	...	1,142,800	102,300	...
13.—PUBLIC DEBT DISCHARGED ...	3,374,500	2,009,500	2,609,700	600,200	...	1,290,300	...	1,319,400
14.—GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	1,799,344	1,464,100	1,311,500	...	152,600	1,078,500	...	233,000
15.—BALANCE ...	1,117,925	931,500	1,806,925	875,425	...	1,805,825	...	1,100
TOTAL ...	21,920,294	20,468,100	22,009,025	1,540,925	...	21,306,525	...	702,500

best that can now be made; but they are subject to modification as the year goes on; the Government must not be understood to pledge itself that the Debt transactions will be carried out as estimated.

Ways and Means are provided.

MATES, 1879-80.		BUDGET ESTIMATES, 1880-81.	
	£		£
DEFICIT OF REVENUE ...	14,968,200	SECRETARY OF STATE'S BILLS	16,900,000
NET MISCELLANEOUS REMIT- TANCES TO INDIA ...	890,100	NET DEBT INCURRED ...	723,000
NET GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	492,100	BALANCE REDUCED ...	1,100
BALANCES INCREASED ...	689,000		
TOTAL ...	17,039,400	TOTAL ...	17,624,100
		DEFICIT OF REVENUE ...	15,781,800
		NET MISCELLANEOUS REMIT- TANCES TO INDIA ...	1,013,800
		NET GUARANTEED RAILWAY CAPITAL WITHDRAWN ...	828,500
		TOTAL ...	17,624,100

*

W WATERFIELD,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

IX.
CLOSING BALANCES OF THE PROVINCIAL GOVERNMENTS.

	REGULAR ESTIMATE, 1879-80.			BUDGET ESTIMATE, 1880-81.		
	Provincial.	Local.	TOTAL.	Provincial.	Local.	TOTAL.
	£	£	£	£	£	£
INDIA ... ..	...	4,900	4,900	...	3,000	3,000
CENTRAL PROVINCES	64,500	40,700	105,200	59,400	34,100	93,500
BRITISH BURMAH	166,900	49,800	216,700	122,300	47,800	170,100
ASSAM	16,300	2,600	18,900	25,800	4,300	30,100
BENGAL	524,900	256,500	781,400	561,700	324,400	886,100
NORTH-WESTERN PROVINCES AND OUDH	337,200	430,700	767,900	195,600	474,200	669,800
PUNJAB	86,700	54,400	141,100	98,100	58,500	156,600
MADRAS	44,100	372,500	416,600	76,200	306,600	382,800
BOMBAY	91,200	124,600	215,800	32,400	97,300	129,700
TOTAL ...	1,331,800	1,336,700	2,668,500	1,171,500	1,350,200	2,521,700

FORT WILLIAM;
EPT. OF FINCE. AND COMMERCE,
The 24th February 1880.

E. W. KELLNER,
Deputy Comptroller General.

W. WATERFIELD,
Comptroller General.

R. B. CHAPMAN,
Secy. to the Govt. of India.

APPENDIX.

TABLE I.—Miscellaneous.

	1874-75.	1875-76.	1876-77.	1877-78.	1878-79.	1879-80.	1880-81.
	£	£	£	£	£	£	£
DEFICIT of recorded Revenue compared with whole recorded Expenditure ...	3,930,374	2,601,684	5,992,062	8,334,139	2,337,507	3,581,000	2,895,000
PRODUCTIVE PUBLIC WORKS, Capital Expenditure ...	4,249,571	4,270,629	3,809,284	4,791,052	4,381,898	3,700,000	3,312,000
Recorded Revenue compared with the recorded Expenditure, excluding Expenditure on Productive Public Works—							
SURPLUS ...	819,197	1,668,945	...	...	2,044,391	119,000	417,000
DEFICIT ...	...	...	2,182,778	3,543,087	...	...	...
Net Public Debt incurred ...	8,998,168	4,109,522	4,760,145	7,345,416	4,199,263	5,131,000	706,000
NET PUBLIC DEBT incurred, including Capital transactions with Guaranteed Railway and other Companies and Native States, &c. ...	4,382,300	2,878,300	3,317,000	6,496,200	3,209,100	5,523,300	488,000
Value of commodities exported, excluding Gold and Silver ...	56,359,000	58,091,000	61,014,000	65,222,000	60,937,000	...	...
Value of commodities imported, excluding Gold and Silver ...	86,222,000	38,887,000	37,428,000	41,464,000	37,800,000	...	...
EXCESS OF EXPORTS OVER IMPORTS, excluding Gold and Silver ...	20,137,000	19,204,000	23,586,000	23,758,000	23,137,000	...	...
Net imports of Gold ...	1,874,000	1,545,000	207,000	468,000	(Exports) 896,000	...	...
Net imports of Silver ...	4,642,000	1,553,000	7,199,000	14,676,000	3,970,000	...	...
TOTAL NET IMPORTS OF GOLD AND SILVER ...	6,516,000	3,098,000	7,406,000	15,144,000	3,074,000	...	...
Excess of Exports over Imports, including Gold and Silver ...	13,621,000	16,106,000	16,180,000	8,614,000	20,063,000	...	...
Grand total value of Imports and Exports of all kinds ...	102,348,000	104,480,000	113,908,000	126,252,000	109,777,000	...	...
SECRETARY OF STATE'S BILLS sold (Rupees) ...	Rs. 11,74,37,000	13,75,00,000	14,85,70,000	11,69,85,000	16,91,24,000	18,90,00,000	20,28,00,000
Sterling Equivalent received ...	£ 10,841,600	12,390,000	12,696,000	10,134,000	13,949,000	15,750,000	16,900,000
SILVER coined at the Indian Mints ...	4,897,000	2,550,000	6,271,000	16,180,000	7,210,770	8,421,902	...
Gold coined in Germany ...	...	12,756,000	2,873,000	7,112,000	5,475,340	1,509,877	...
Silver coined in Germany ...	...	6,602,000	9,523,000	1,669,000	88,498	...	...
Maximum PRICE of AN OZ. TROY STANDARD SILVER IN LONDON ...	59½d. (25th April)	57½d. (27th April)	58½d. (18th Jan)	55½ (8th Oct.)	54½d. (2nd April)	53½ (Nov.)	...
Minimum ditto ...	57d. (9th March)	52½d. (22nd March)	47d. (7th July)	53½ (21st June)	48½d. (21st Dec.)	49½ (April)	...
Maximum price of a sovereign in Calcutta ...	Rs. 10 12 0	11 12 0	13 (7th July)	11 14 0 (6th Sept.)	12 11 (March)	12 11 (May)	...
Minimum ditto ...	10 9 0	11	11Rs. 3as. (6th Feb.)	11 4 0 (10th April)	11 11 (11th June)	11 15 (Jan.)	...
AVERAGE EXCHANGE upon Secretary of State's Bills sold per rupee ...	£ 1s. 10-22d.	1s. 9-64d.	1s. 8-49d.	1s. 8-79d.	1s. 7-761d.	1s. 8d.	1s. 8d.
Fixed RATE OF EXCHANGE for the ADJUSTMENT of transactions between the Indian and Imperial Treasuries ...	1s. 10d.	1s. 10½d.	1s. 9½d.	1s. 9½d.	1s. 9d.	1s. 7½d.	1s. 8½d.
Maximum RATE OF DISCOUNT ON LOANS on demand at the BANK OF BENGAL, Calcutta ...	11 (11th April)	9 (May)	11 (April)	12 (May)	9 (1st April)	9 (April)	...
Minimum ditto ...	3½ (July to Nov.)	4 (Nov. and Dec.)	5 (Aug. and Sept.)	(Dec. and Jan.)	8 (7th Nov.)	3 (Jan.)	...
Maximum RATE OF DISCOUNT at the BANK OF ENGLAND ...	6 (Dec.)	4 (Oct. and Jan.)	2 throughout the year.	5 (Oct. and Nov.)	6 (Oct. and Nov.)	8 (April to Oct.)	...
Minimum ditto ...	2½ (July)	2 (Aug.)	2 (subsequently.)	2 (subsequently.)	2½ (30th May)	2 (Nov. to Feb.)	...
Maximum MONEY BALANCES of the three PRESIDENCY BANKS ...	6,927,800 (July)	7,041,800 (July)	6,982,700 (July)	7,574,900 (Jan.)	6,978,500 (July)	7,703,600 (Feb.)	...
Minimum ditto ...	4,359,200 (May)	4,762,300 (May)	4,132,500 (Oct.)	3,672,200 (April)	4,589,300 (Jan.)	4,150,400 (April)	...
Maximum price in Calcutta of GOVT. FOUR PER CENT. RUPEE SECURITIES ...	104½ (15th July)	102½ (3rd June)	102½ (25th July)	93½ (27th June)	97 (July and Aug.)	95½ (July)	...
Minimum ditto ...	101½ (25th March)	99 (21st March)	96½ (13th Jan.)	92 (8th Sept.)	91½ (March)	91½ (May)	...
Maximum amount outstanding on London Register, of RUPEE SECURITIES ENFACED FOR INTEREST DRAFTS ...	14,214,617 (Nov.)	14,407,861 (Oct.)	14,125,982 (April)	14,588,744	15,950,002 (Feb.)	19,210,709 (Jan.)	...
Minimum ditto ...	13,098,988 (May)	14,111,441 (April)	12,655,322 (Dec.)	13,057,964	13,826,498 (Oct.)	15,908,182 (May)	...
Maximum price in London of such securities (in Gold) ...	98	98½ (7th April)	92 (15th Dec.)	84½ (5th April)	81½ (1st April)	80½ (Oct.)	...
Minimum ditto ...	98½	82 (4th March)	77 (6th July)	81½ (23rd Jan.)	72 (23rd Oct.)	71½ (May)	...
Maximum price in London of Secretary of State's FOUR PER CENT. STERLING BONDS ...	104½ (Feb.)	106½ (5th Aug.)	104½ (2nd Feb.)	104½ (30th Aug.)	104½ (July & Aug.)	105½	...
Minimum ditto ...	100½ (April)	102½ (3rd June)	101 (20th Oct.)	100½ (21st Mar.)	97 (Oct.)	100½	...
Maximum GOVERNMENT PAPER CURRENCY outstanding ...	11,327,607 (7th Feb.)	12,161,224 (22nd Oct.)	12,551,185 (7th Feb.)	15,757,790 (15th Jan.)	14,584,900 (Sept.)	14,329,700 (Jan.)	...
Minimum ditto ...	9,221,438 (7th April)	10,668,628 (7th May)	10,532,294 (15th May)	11,130,528 (30th April)	11,423,600 (March)	11,113,800 (June)	...
Number of SAVINGS BANKS ...	326	330	340	348	338	339	...
Number of Depositors in Savings Banks ...	67,316	73,401	80,004	83,518	84,503	90,084	...
Amount deposited in Savings Banks ...	1,746,793	1,895,452	1,936,193	1,925,335	1,912,401	2,057,639	...
Average of each Deposit ...	25	25	24	23	22	22	...
Net addition to Deposits ...	9,936	148,659	40,741	10,853 (Decrease.)	12,934 (Decrease.)	145,238	...
Cash Reserve at the BANK OF FRANCE in December of each year—in 000's of Francs ...	1,325,300	1,679,300	2,169,000	2,042,500	2,041,700	1,979,017	...
Silver ditto ...	813,200	605,000	638,600	865,400	1,058,100	1,220,501	...
Percentage of Silver on the Total Reserve ...	24	31	30	43	52	62	...

APPENDIX.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE II.—Sea-borne Trade for the year (Principal articles arranged in order of their declared value).

No.	EXPORTS.	1874-75.	1875-76.	1876-77.	1877-78.	1878-79.
1	OPIMUM—					
	Quantity Chests.	94,746	88,350	96,870	92,820	91,200
	Value £	11,956,972	11,148,426	12,404,748	12,374,355	12,993,979
	Average declared value per chest, in Rupees Rs.	1,262	1,261	1,281	1,333	1,425
2	COTTON—					
	Raw—					
	Quantity Cwt.	5,600,086	5,009,788	4,557,914	3,459,077	2,966,060
	Value £	15,257,342	13,278,964	11,746,184	9,383,534	7,913,046
	Average declared value per lb.—	As. 3 11	As. 3 9	As. 3 8	As. 3 10	As. 3 10
	(Pence, at average exchange)	5 40	5 13	4 71	4 98	4 73
	Twist and Yarn—					
	Quantity Lbs.	2,834,725	6,228,511	7,926,710	15,600,291	21,332,500
	Value £	147,562	266,951	367,303	682,059	886,451
	Average declared value per lb. Annas.	As. 8 4	As. 6 10	As. 7 5	As. 7 0	As. 6 1
	Other manufactures—Value £	364,812	396,472	445,079	460,674	511,498
	Average declared value per yard—	As. 2 6	As. 2 6	As. 2 6	As. 2 3	As. 2 1
	(Grey or unbleached... ..)	...	As. 4 9	As. 5 3	As. 4 10	As. 4 7
	(Coloured, printed, or dyed ... .. )	...	...	...	...	...
	Percentage of manufactures on whole value exported	3 25	4 76	6 47	10 85	15 01
3	RICE AND PADDY—					
	Quantity Cwt.	17,392,938	20,416,032	19,914,334	18,428,386	21,237,233
	Value £	4,765,334	5,311,095	5,815,221	6,950,276	8,973,722
	Average declared value of husked rice per cwt.—	2 0 10	2 2 3	2 15 1	3 12 6	4 4 4
	(Rupees)	5 11	4 70	5 02	6 55	7 03
	(Shillings, at average exchange ... .. )	...	...	...	...	...
4	JUTE—					
	Raw and manufactured—Value £	3,485,522	3,294,521	3,356,124	4,289,241	4,898,860
	Average declared value of raw jute per cwt.—	5 14 7	5 6 2	5 13 1	6 7 3	6 5 0
	(Rupees)	10 94	9 72	9 94	11 18	10 39
	(Shillings, at average exchange)	6 85	14 85	21 43	17 97	22 42
	Percentage of manufactures on whole value exported ... ..	...	...	...	...	...
5	SEEDS—					
	Quantity Cwt.	6,074,756	10,506,822	9,582,865	12,187,020	7,200,977
	Value £	3,235,950	5,461,982	5,319,124	7,360,284	4,675,036
	Average declared value of linseed per cwt.—	5 0 0	5 4 6	5 5 11	5 13 10	6 3 11
	(Rupees)	9 27	9 52	9 17	10 16	10 28
	(Shillings, at average exchange ... .. )	...	...	...	...	...
6	TEA—					
	Quantity Lbs.	21,137,087	24,361,599	27,784,124	33,459,075	34,432,570
	Value £	1,937,429	2,166,417	2,607,425	3,044,571	3,138,420
	Average declared value per lb.—	As. 14 8	As. 14 3	As. 15 0	As. 14 6	As. 14 7
	(Annas)	1 70	1 60	1 60	1 57	1 50
	(Shillings, at average exchange ... .. )	...	...	...	...	...
7	HIDES AND SKINS—					
	Quantity No.	18,162,851	19,433,332	19,792,877	22,916,317	21,223,403
	Value £	2,677,767	2,943,575	2,998,684	3,756,888	3,096,847
	Percentage of dressed or manufactured to whole value	18 87	40 44	49 77	48 29	42 06
8	INDIGO—					
	Quantity Cwts.	81,466	110,392	100,384	120,605	105,051
	Value £	2,576,302	2,875,062	2,962,785	3,494,334	2,960,462
	Average declared value per cwt.—	31 6 3 10	26 0 7 0	29 5 2 4	28 9 11 9	28 1 13 0
	(Rupees)	29 27	23 48	25 19	25 09	23 20
	(Sterling, at average exchange ... .. )	...	...	...	...	...
9	COFFEE—					
	Quantity Cwts.	311,831	371,986	302,489	297,327	341,186
	Value £	1,305,335	1,627,027	1,345,822	1,338,499	1,543,643
	Average declared value per cwt.—	41 13 9	43 11 10	44 7 10	45 0 3	45 3 11
	(Rupees)	77 51	78 88	75 97	77 98	74 50
	(Shillings, at average exchange ... .. )	...	...	...	...	...
10	WOOL—					
	Raw and manufactured—Value £	1,159,086	1,295,193	1,293,490	1,151,518	1,243,275
	Average declared value of raw wool per lb.—	As. 7 2	As. 7 4	As. 7 2	As. 6 6	As. 6 4
	(Annas)	9 99	9 95	9 22	8 44	7 82
	(Pence, at average exchange ... .. )	...	...	...	...	...
11	SILK—					
	Raw and manufactured—Value £	998,450	656,728	1,000,566	854,629	746,687
	Average declared value of raw silk per lb.—	4 10 1	3 2 9	5 7 8	4 10 5	4 4 7
	(Rupees)	8 57	5 72	9 25	8 06	7 06
	(Shillings, at average exchange ... .. )	...	...	...	...	...
12	WHEAT—					
	Quantity Cwts.	1,069,076	2,498,185	5,583,336	6,340,150	1,044,709
	Value £	490,435	901,026	1,956,332	2,356,990	513,778
	Average declared value per cwt.—	4 9 5	3 9 8	3 8 0	4 8 1	4 14 8
	(Rupees)	8 50	6 51	5 98	7 80	8 09
	(Shillings, at average exchange ... .. )	...	...	...	...	...
13	SALTPETRE—					
	Quantity Cwts.	553,330	415,080	466,218	389,002	382,405
	Value £	501,468	348,949	381,706	379,002	361,766
	Average declared value per cwt.—	9 1 0	8 6 7	8 3 0	9 11 11	9 7 4
	(Rupees)	16 78	15 16	13 96	16 88	15 57
	(Shillings, at average exchange ... .. )	...	...	...	...	...
14	LAC—					
	Value £	254,011	755,747	536,976	362,048	298,716
15	TEAK WOOD—					
	Quantity Cubic Tons.	42,868	60,612	45,108	56,939	37,413
	Value £	328,564	440,618	382,764	406,652	268,959
	Average declared value per cubic ton—	76 10 4	72 11 1	73 12 4	71 6 8	71 14 3
	(Rupees)	7 09	6 83	6 29	6 19	5 92
	(Sterling, at average exchange ... .. )	...	...	...	...	...
16	SUGAR—					
	Value £	319,238	253,937	925,196	745,851	204,360

APPENDIX.

COMMERCIAL AND FINANCIAL STATISTICS.
Sea-borne Trade for the year, &c.—continued.

No.	IMPORTS.	1874-75.	1875-76.	1876-77.	1877-78.	1878 79.
1	COTTON—					
	Twist and Yarn—					
	Quantity Lbs.	37,097,260	31,927,340	33,270,208	36,196,661	33,145,651
	Value £	3,157,780	2,794,769	2,733,535	2,850,616	2,779,774
	Average declared value (Annas	...	14 00	13 14	12 60	13 42
	per lb. { Pence at average exchange	...	1s. 6 93d.	1s. 4 83d.	1s. 4 37d.	1s. 4 57d.
	Other manufactures—					
	Value £	16,263,560	16,463,875	16,012,932	17,332,639	14,137,694
	TOTAL COTTON GOODS.—Gross Imports £	19,421,340	19,258,644	18,746,467	20,183,255	16,917,468
	Re-exports—					
	Twist and Yarn—					
	Quantity Lbs.	781,220	792,668	839,539	934,437	754,648
	Value £	56,249	57,424	58,423	62,733	51,217
	Other manufactures—					
	Value £	1,061,727	984,105	1,064,392	1,089,614	1,132,627
	Total Re-exports £	1,117,976	1,041,529	1,122,815	1,152,347	1,183,844
	TOTAL COTTON GOODS.—Net Imports £	18,303,364	18,217,115	17,623,652	19,030,908	15,733,624
2	METALS Value £	2,607,122	3,310,452	3,721,007	3,736,958	3,372,903
3	SILK, (Raw and Manufactured) " "	1,583,405	1,404,235	1,037,957	1,485,550	1,496,487
4	RAILWAY PLANT AND ROLLING-STOCK " "	780,867	1,079,105	1,194,145	1,727,560	1,491,831
5	SUGAR " "	516,564	895,929	403,607	798,036	1,480,880
6	LIQUORS " "	1,636,568	1,702,197	1,585,345	1,683,555	1,372,487
7	PROVISIONS " "	363,727	717,234	664,938	861,116	990,530
8	WOOLLEN MANUFACTURES " "	557,585	1,119,274	911,890	955,142	961,666
9	MACHINERY AND MILL-WORK " "	1,185,943	1,439,921	963,504	873,960	893,875
10	COAL, (excluding coke and patent fuel)—					
	Quantity Tons.	360,252	388,480	523,384	603,731	473,027
	Value £	685,720	647,562	918,309	1,004,942	881,444
	Average declared value (Rupees	19 03	16 67	17 54	16 64	18 63
	per ton— { Shillings, at average exchange	34 94	31 01	30 34	28 83	30 68
11	SALT —					
	Quantity Tons.	277,085	365,254	298,776	254,231	274,182
	Value £	755,771	601,146	430,895	401,366	593,621
	Average declared value (Rupees	27 28	16 45	14 42	15 78	21 65
	per ton— { Shillings, at average exchange	50 51	29 66	24 62	27 35	35 45
12	APPAREL Value £	620,456	634,256	542,860	579,106	546,089
13	SPICES " "	179,126	395,988	432,991	488,884	509,043

TABLE III.—Sea-borne Trade for the first ten months (Principal articles arranged in order of their declared value).

	1875-76.	1876-77.	1877-78.	1878-79.	1879-80.
	£	£	£	£	£
Value of commodities exported, excluding gold and silver	46,309,370	48,265,519	52,210,342	47,821,206	51,522,819
Value of commodities imported, excluding gold and silver	30,830,219	30,408,746	34,457,474	32,426,305	33,557,095
Excess Exports	15,479,151	17,856,773	17,752,868	15,394,901	17,965,724
Net imports of silver	966,336	5,628,814	13,117,467	2,187,577	6,680,763
Net imports of gold	1,486,222	410,234	278,765	482,078	1,388,535
TOTAL NET IMPORTS OF GOLD AND SILVER	2,452,558	5,218,580	13,396,232	1,705,499	8,069,298
GRAND TOTAL IMPORTS AND EXPORTS OF ALL KINDS	83,124,766	91,365,735	104,112,657	88,090,522	96,944,010

*

APPENDIX.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE III.—Sea-borne Trade for the first Ten months, &c.—continued.

No.	EXPORTS.	TEN MONTHS, 1ST APRIL TO 31ST JANUARY.				
		1875-76.	1876-77.	1877-78.	1878-79.	1879-80.
1	OPIUM ... { Quantity ... Chests Value ... £ Average value per chest ... Rs.	73,095 9,186,788 1,256-13-3	81,613 10,490,687 1,285-6-8	77,387 10,264,066 1,326-5-3	76,165 10,917,614 1,433-6-8	91,081 12,299,004 1,350-5-5
2	COTTON, RAW { Quantity ... Cwts. Value ... £ Average value per lb. ... Rs.	4,295,871 11,476,987 0-3-9	3,561,477 8,968,014 0-3-7	2,585,377 6,949,554 0-3-10	2,281,507 6,149,132 0-3-10	2,895,909 7,992,393 0-3-11
	MANUFACTURES—					
	Twist and Yarn { Quantity ... lbs. Value ... £ Average value per lb. ... Rs.	4,587,225 196,768 0-6-10	6,817,270 316,636 0-7-5	12,779,989 558,913 0-6-11	18,306,631 767,675 0-6-8	20,445,445 854,667 0-6-8
	Other manufactures—Value ... £	326,201	375,860	392,895	431,844	420,624
	TOTAL COTTON (RAW AND MANUFACTURED)... £	11,999,956	9,660,510	7,901,362	7,348,651	9,267,684
3	RICE AND PADDY. { Quantity ... Cwts. Value ... £ Average value per cwt. ... Rs.	13,045,994 3,549,719 2-11-6	11,658,224 3,397,812 2-14-8	10,186,650 4,017,311 3-15-1	12,420,606 5,699,274 4-9-5	12,507,197 5,149,989 4-1-11
4	JUTE (Raw and Manufactured)—Value ... £	2,639,630	2,895,432	3,679,332	4,076,573	4,539,642
5	SEEDS ... { Quantity ... Cwts. Value ... £ Average value per cwt. ... Rs.	8,514,379 4,414,548 5-2-11	8,559,142 4,668,529 5-7-8	11,239,493 6,758,930 6-0-2	6,357,845 4,089,485 6-6-11	5,767,116 3,764,594 6-8-5
6	HIDES AND SKINS. { Quantity ... Cwts. Value ... £ Average value per cwt. ... Rs.	534,504 2,378,801 44-8-1	495,367 2,309,783 46-10-0	709,852 2,990,696 42-2-1	630,278 2,455,043 38-15-2	709,755 2,786,059 39-4-1
7	TEA ... { Quantity ... lbs. Value ... £ Average value per lb. ... Rs.	21,254,915 1,899,961 0-14-4	25,186,248 2,361,799 0-15-0	30,306,610 2,770,735 0-14-7	30,692,313 2,808,432 0-14-8	34,243,539 2,746,782 0-12-10
8	INDIGO ... { Quantity ... Cwts. Value ... £ Average value per cwt. ... Rs.	78,004 2,037,990 261-4-3	83,443 2,450,385 293-10-7	90,577 2,632,728 290-10-7	64,514 1,767,026 273-15-0	78,538 2,256,421 287-6-11
9	WOOL (Raw and Manufactured)—Value ... £	1,061,452	1,079,667	939,198	1,049,930	1,007,621
10	WHEAT ... { Quantity ... Cwts. Value ... £ Average value per cwt. ... Rs.	2,155,626 775,554 3-9-6	4,839,290 1,673,400 3-7-4	6,206,669 2,790,304 4-7-11	1,035,657 508,125 4-14-6	1,814,566 918,918 5-1-0
11	COFFEE ... { Quantity ... Cwts. Value ... £ Average value per cwt. ... Rs.	164,692 662,275 40-3-5	168,552 722,544 42-13-11	191,693 846,358 44-2-5	201,626 885,939 43-15-0	188,080 833,670 44-5-2
12	SILK (Raw and Manufactured)—Value ... £	531,870	801,388	766,098	607,139	584,575
13	SALTPETRE ... { Quantity ... Cwts. Value ... £ Average value per cwt. ... Rs.	300,501 254,955 8-7-9	369,887 302,734 8-2-11	311,682 304,068 9-12-1	311,091 296,222 9-8-4	421,263 386,482 9-2-9
14	TRAK ... { Quantity ... C. tons Value ... £ Average value per ton ... Rs.	48,776 356,332 73-0-11	35,771 263,504 73-10-8	44,153 311,678 70-2-9	34,115 247,752 72-9-11	30,810 222,878 72-5-5
15	LAC ...	593,588	425,327	299,599	234,712	220,105
16	SUGAR ...	94,465	425,940	447,616	134,724	156,533

APPENDIX.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE III.—Sea-borne Trade for the first ten months—concluded.

No.	IMPORTS.	THE MONTHS, 1ST APRIL TO 31ST JANUARY.					
		1876-78.	1876-77.	1877-78.	1878-79.	1879-80.	
1	COTTON—						
	Twist and yarn	Quantity ... lbs.	25,923,585	26,724,669	30,872,371	29,736,857	27,309,866
		Value ... £	2,286,139	2,230,376	2,425,336	2,480,030	2,248,408
		Average value per lb. ... Rs.	0-14-1	0-13-4	0-12-7	0-13-4	0-13-2
	Ditto in sterling average exchange ...	Value ... £	1s. 7d.	1s. 5d.	1s. 4½d.	1s. 4½d.	1s. 4½d.
		Value ... £	13,097,382	13,056,417	14,512,524	12,274,502	13,819,200
	TOTAL COTTON GOODS ... £		15,383,521	15,286,793	16,937,860	14,754,532	16,067,608
	Re-exports						
	Twist and yarn	Quantity ... lbs.	701,646	614,051	736,160	651,373	730,075
		Value ... £	50,656	43,119	49,911	44,508	47,715
Average value per lb. ... Rs.		0-11-7	0-11-3	0-10-10	0-10-11	0-10-5	
Other manufactures—Value ... £		819,803	859,705	875,357	966,713	857,853	
Total Re-exports ... £		870,459	902,827	925,168	1,011,220	905,567	
TOTAL COTTON GOODS—Net Imports ... £		14,513,062	14,383,966	16,012,692	13,743,312	15,162,041	
2	METALS ... Value £	2,533,767	2,893,993	3,008,118	2,919,762	2,849,539	
3	SILK (Raw and Manufactured) ...	1,126,453	831,428	1,271,782	1,313,747	1,263,602	
4	LIQUORS ...	1,194,828	1,286,521	1,431,367	1,113,119	1,250,897	
5	RAILWAY PLANT AND ROLLING-STOCK ...	931,228	1,013,812	1,227,159	1,249,238	1,104,248	
6	WOOLLEN MANUFACTURES ...	856,225	823,119	849,529	846,254	901,642	
7	PROVISIONS ...	560,436	539,059	716,939	834,573	882,062	
8	COAL (excluding Coke and Patent Fuel)—	Quantity ... Tons	262,999	347,716	469,270	377,684	446,226
		Value ... £	428,858	643,794	764,610	708,320	860,491
Average value per ton ... Rs.		16-4-10	18-8-2	16-4-8	18-12-1	19-4-6	
9	SUGAR ... Value £	618,833	349,806	657,043	1,137,030	853,951	
10	SALT ...	Quantity ... Ton	302,897	255,504	217,202	223,565	277,279
		Value ... £	505,238	363,684	324,628	477,384	611,322
Average value per ton ... Rs.		16-10-10	14-3-9	14-15-1	21-5-7	22-0-9	
11	MACHINERY AND MILL-WORK ... Value £	1,243,685	803,705	724,078	781,969	549,049	
12	APPAREL ...	548,970	460,767	491,306	464,159	466,922	
13	SPICES ...	315,656	367,877	389,649	430,862	406,197	

TABLE IV.—Wholesale Prices of typical commodities in Gold and Silver in London and Calcutta in December of each year. (Prices of March 1873=100.)

IN LONDON—(prices quoted from the LONDON ECONOMIST.)	MEASURED IN GOLD.							MEASURED IN SILVER.*							
	1873.	1874.	1875.	1876.	1877.	1878.	1879.	1873.	1874.	1875.	1876.	1877.	1878.	1879.	
Scotch Pig Iron (Warrants) ...	91	68	54	49	43	36	55	95	71	58	51	48	44	63	
Coals, Hetton, Wallsend (London) ...	94	90	75	57	55	60	50	97	94	79	59	61	72	57	
Copper, Chili Bars ...	93	93	92	85	74	64	74	96	97	98	90	82	77	85	
Straits Tin ...	79	65	56	52	45	42	62	82	67	60	54	50	50	71	
Wheat ...	112	81	83	91	94	72	85	115	84	88	96	104	87	97	
Flour, town-made ...	111	82	90	82	98	69	86	114	85	96	86	109	83	98	
Beef, inferior ...	125	110	128	98	85	90	85	129	115	136	102	94	108	97	
Cotton, No. 40, Mule Twist ...	95	83	86	80	71	61	77	97	88	91	84	78	73	87	
Wool, Southdown Hogs ...	96	89	85	80	76	65	71	99	93	91	85	84	78	81	
Sugar, Foreign Muscovado ...	92	87	77	113	74	80	95	95	91	82	119	82	96	108	
Coffee ...	124	97	105	101	98	73	83	128	101	111	106	119	88	94	
Pepper ...	126	95	78	69	63	N.	...	109	100	83	73	70	N.	...	
Saltpetre ...	86	80	83	87	88	89	96	86	82	88	92	109	108	110	
Gold ...	...	...	...	...	...	...	...	103	104	106	105	111	120	114
Silver ...	97	96	94	95	90	83	88	...	...	...	...	...	...	...
IN CALCUTTA (prices quoted from the CALCUTTA PRICE CURRENT.)															
Grey Shirtings (3½ lbs.) ...	...	...	...	...	...	...	...	93	84	84	78	73	74	81
Mule Twist, white, good, No. 40 ...	...	...	...	...	...	...	...	96	91	87	87	75	75	88
" " Turkey red, No. 40 (12 lbs.) ...	...	...	...	...	...	...	...	115	104	94	85	85	78	77
" " Orange, No. 40—60 ...	...	...	...	...	...	...	...	107	93	87	90	83	73	87
Copper, Sheathing ...	...	...	...	...	...	...	...	102	100	102	93	83	80	87
Iron, flat, bolt, bar and square ...	...	...	...	...	...	...	...	115	89	78	68	60	56	76
Spelter, hard ...	...	...	...	...	...	...	...	114	118	148	143	130	107	121
Hides, buffalo, slaughtered ...	...	...	...	...	...	...	...	92	88	75	104	75	69	96
Indigo, good ...	...	...	...	...	...	...	...	110	NIL	90	110	86	100	119
Jute, picked ...	...	...	...	...	...	...	...	144	137	125	150	147	153	169
Lac dye, fine ...	...	...	...	...	...	...	...	87	60	55	69	58	54	73
Shell Lac, fine orange ...	...	...	...	...	...	...	...	129	183	119	68	49	56	153
Linseed, fine bold clean ...	...	...	...	...	...	...	...	111	110	92	102	106	N.	120
Rice, Ballam ...	...	...	...	...	...	...	...	165	153	135	159	168	259	153
Silk, raw, Cosimbazar ...	...	...	...	...	...	...	...	80	58	40	98	80	69	87
Sugar, Benares ...	...	...	...	...	...	...	...	94	87	87	88	NIL	...	...
Tea, good Souchong ...	...	...	...	...	...	...	...	114	123	104	123	100	77	82
Wheat, Doodiah ...	...	...	...	...	...	...	...	115	96	78	96	114	109	109
Gold ...	...	...	...	...	...	...	...	102	100	102	103	105	109	110

* The values measured in silver in London have been calculated from the values in gold on the basis of the price of standard silver in London.

APPENDIX.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE V.—Actual CAPITAL EXPENDITURE on STATE RAILWAYS in 1878-79, and estimated Expenditure on such works in 1879-80 and 1880-81, and to the end of 1880-81.

	1878-79, Accounts.	1879-80, Regular Estimate.	1880-81, Budget- Estimate.	To end of 1880-81.	Sanctioned Estimate.	Balance remaining to be spent.
	£	£	£	£	£	£
East India	297,314	58,700	630,000	38,266,951 (a)	...	...
Rajputana	359,296	248,000	172,000	3,545,000	3,267,000	—278,000
Western Rajputana	344,633	631,000	355,000	1,649,000	1,604,000	—45,000
Sindia	211,264	130,000	100,000	893,000	904,000	11,000
Holkar	—73,865	36,000	19,000	1,260,000	1,246,000	—14,000
Nemuch	226,255	278,000	339,000	1,786,000	2,202,000	416,000
Wardah Coal	11,027	15,000	...	501,000	541,000	40,000
Nagpur and Chattisgarh	106,300	250,000	217,000	593,000	837,000	244,000
Rangoon and Irrawaddy Valley	121,375	40,000	10,000	1,262,000	1,251,000	—1,000
Northern Bengal	386,190	129,000	60,000	2,139,000	1,945,000	—194,000
Tirhoot	20,850	27,000	15,000	565,000	600,000	35,000
Patna and Gya	250,105	73,000	25,000	350,000	404,000	54,000
Nalhati	6,963	—1,000	—1,000	32,000	36,000	4,000
Calcutta and South-Eastern	14,069	—1,000	—2,000	672,000	739,000	67,000
Cawnpore and Furruckabad... ..	69,715	154,000	68,000	282,000	322,000	40,000
Ghazipur and Dildarnagar... ..	2,653	44,000	5,000	55,000	65,000	10,000
Muttra-Hathras... ..	3,740	1,000	...	110,000	125,000	15,000
Muttra-Achneyra	5,311	...	55,000	60,000	90,000	30,000
Dhond and Manmad	359,469	112,000	100,000	1,124,000	1,350,000	226,000
Jadun Valley	816,105	304,000	200,000	6,295,000	7,180,000	885,000
Punjab Northern	369,905	663,000	303,000	4,053,000	3,803,000	—250,000
Fluctuations in Store Balances	—166,725	—243,000	—80,000	155,000	...	—155,000
Reserve ... ..	...	...	242,000	242,000	...	—242,000
	3,464,630	2,940,000	2,232,000	27,623,000	28,526,000	903,000
Deduct PRODUCTIVE PUBLIC WORKS OUTLAY in- cluded in the above	3,327,838	2,608,000	1,982,000	26,533,000	...	...
Balance ORDINARY OUTLAY	136,742	332,000	250,000	1,090,000	...	...
Railways constructed wholly from Ordinary Funds—						
Patri Salt Railway ... ..	...	...	...	81,000	90,000	9,000
Frontier Railways chargeable to Army ... ..	...	1,440,000	2,040,000	3,480,000	...	...
Total ORDINARY	136,742	1,772,000	2,290,000	4,651,000	...	...
GRAND TOTAL	3,464,630	4,380,000	4,272,000	31,154,000	...	...

(a).—£6,550,000 added on account of premium added to the Capital of the East India Railway on the purchase being effected.

APPENDIX.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE VI.—Actual Capital Expenditure on works of Irrigation, &c., for which Capital and Revenue Accounts are kept, in 1878-79, and estimated expenditure on such works in 1879-80, 1880-81, and to the end of 1880-81, &c.

	1878-79 Actuals.	1879-80 Regular Estimates.	1880-81 Budget- Estimates.	TO END OF 1880-81.			Estimated cost (current sanctions).	Balance of current sanctions remaining to be spent.
				Outlay against current sanctions.	Outlay against sanctions that have expired.	Total.		
IRRIGATION AND NAVIGATION PRODUCTIVE PUBLIC WORKS.								
Orissa Canals	56,356	78,000	44,000	1,953,300	...	1,953,300	1,931,000	...
Midnapore Canal	27,517	7,300	15,500	755,600	...	755,600	768,000	12,300
Tidal Canal ... ..	...	...	...	177,300	...	177,300	177,000	...
Sone Canals	171,763	139,700	80,500	2,298,500	...	2,298,500	2,736,000	437,500
Ganges Canal	61,798	30,000	59,300	743,825	2,343,275	3,087,100	1,021,000	277,175
Agra "	6,597	5,000	7,500	786,800	...	786,800	801,000	14,200
Lower Ganges Canal	157,693	151,100	133,000	1,688,100	...	1,688,100	2,473,000	784,900
Western Jumna "	79,438	53,100	65,000	462,000	312,000	774,000	722,000	260,000
Bari Doab "	11,376	10,000	5,000	1,509,600	...	1,509,600	1,652,000	142,400
Other projects	233,946	313,200	220,000	...	...	4,955,600	...	...
TOTAL ...	806,638	797,400	630,000	...	...	17,986,100	...	...
Deduct Ordinary outlay on Productive Public Works included above.	11,984	...	...	...	...	5,306,300	...	...
NET TOTAL ...	794,654	797,400	630,000	...	...	12,679,800	...	...
IRRIGATION AND NAVIGATION WORKS. (Not classed as Productive Public Works).								
Eastern Jumna Canal	1,511	9,700	10,000	69,000	204,000	273,000	139,000	70,000
Other projects	105,653	134,600	95,800	...	...	2,294,900	...	...
Ordinary outlay on Productive Public Works	11,984	...	...	...	...	5,306,300	...	...
TOTAL ...	119,148	144,300	105,800	...	...	7,874,200	...	...
Deduct Outlay against the grant for Productive Public Works or works not admitted to the category of Productive Public Works	—3	...	4.	...	...	255,200	...	...
NET TOTAL ...	119,151	144,300	105,800	...	...	7,619,000	...	...
GRAND TOTAL ...	913,805	941,700	735,800	...	...	20,298,800	...	...

APPENDIX.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE VIII.—Gross earnings, Working expenses and net earnings of works of Irrigation, &c., for which Capital and Revenue Accounts are kept, to end of 1878-79, with Regular Estimates for 1879-80 and Budget-Estimates for 1880-81.

	ACTUALS.					Regular Estimates, 1879-80.	Budget-Estimates, 1880-81.
	1874-75.	1875-76.	1876-77.	1877-78.	1878-79.		
IRRIGATION AND NAVIGATION PRODUCTIVE PUBLIC WORKS.							
GROSS DIRECT REVENUE.							
Orissa Canals	4,848	4,549	7,456	16,110	18,200	27,000	28,500
Midnapore Canal	11,622	11,111	13,699	17,009	17,071	22,100	26,000
Tidal Canal	5,289	2,293	4,503	6,228	6,079	6,100	6,100
Sone Canals	...	5,090	7,318	10,130	43,763	51,500	56,000
Ganges Canal	201,988	212,882	220,154	250,463	261,114	271,500	246,000
Agra	55	3,709	8,952	21,467	42,633	35,900	43,500
Lower Ganges Canal	...	...	...	...	...	9,100	18,000
Western Jumna	91,290	100,872	87,818	99,210	118,056	117,400	114,000
Bari Doab	64,638	77,189	59,270	56,903	80,608	93,400	108,300
Other projects	10,462	11,984	16,036	25,372	25,748	27,900	35,100
TOTAL	390,222	429,679	425,201	502,882	613,270	666,900	680,600
INDIRECT REVENUE.							
Ganges Canal	41,915	62,580	64,279	72,290	67,181	66,900	66,900
Agra	87,256	40,128	88,593	87,378	10,697	21,700	11,700
Western Jumna Canal	14,825	16,653	4,679	11,903	17,738	14,700	10,000
Bari Doab	24,291	20,345	25,868	27,789	31,078	606,200	614,000
Other projects	...	...	...	...	...	...	...
TOTAL	118,087	139,706	133,517	153,667	126,934	709,500	702,600
TOTAL DIRECT AND INDIRECT REVENUE.							
Orissa Canals	4,848	4,549	7,456	16,110	18,200	27,000	28,500
Midnapore Canal	11,622	11,111	13,699	17,009	17,071	22,100	26,000
Tidal Canal	5,289	2,293	4,503	6,228	6,079	6,100	6,100
Sone Canals	...	5,090	7,318	10,130	43,763	51,500	56,000
Ganges Canal	243,903	275,463	284,433	322,743	328,285	338,400	311,900
Agra	55	3,709	8,952	25,976	42,633	35,900	43,500
Lower Ganges Canal	...	...	...	...	...	9,100	18,000
Western Jumna Canal	128,546	141,000	126,406	136,686	128,993	139,100	125,700
Bari Doab	79,293	93,842	63,949	68,806	98,344	113,100	118,400
Other projects	34,753	32,329	42,002	53,161	56,326	634,100	649,100
TOTAL	508,909	569,385	558,718	656,749	740,204	1,376,400	1,383,200
WORKING EXPENSES.							
Orissa Canals	19,643	20,762	21,466	21,607	23,909	25,100	29,700
Midnapore Canal	13,043	16,740	17,128	20,362	17,283	12,900	12,900
Tidal Canal	3,463	3,904	1,243	3,056	2,316	2,700	2,400
Sone Canals	...	11,645	19,959	25,241	37,051	41,500	32,800
Ganges Canal	97,823	105,462	105,940	97,670	96,991	102,100	94,600
Agra	4,676	8,319	11,613	15,792	18,359	19,700	20,100
Lower Ganges Canal	...	...	...	...	...	9,100	21,100
Western Jumna Canal	33,874	37,516	38,937	41,873	51,436	46,100	40,100
Bari Doab	33,746	48,094	55,365	52,388	41,543	46,500	46,700
Other projects	41,837	98,418	92,605	86,239	91,710	106,300	92,600
TOTAL	247,495	350,758	363,356	364,358	381,650	411,800	393,000
NET REVENUE.							
Orissa Canals	-14,795	-16,213	-14,010	-5,497	-5,709	1,900	-1,200
Midnapore Canal	-1,421	-5,629	-3,429	-3,373	-212	9,200	13,100
Tidal Canal	1,836	-1,611	3,260	3,172	3,761	3,400	3,700
Sone Canals	...	-6,463	-2,6	-15,111	6,712	10,200	23,200
Ganges Canal	146,580	170,000	6,833	234,873	231,304	236,300	217,300
Agra	-4,521	-4,610	-2,661	10,184	23,774	16,200	23,400
Lower Ganges Canal	...	...	...	...	...	...	-3,100
Western Jumna Canal	94,872	103,484	87,469	94,713	77,557	93,000	85,600
Bari Doab Canal	46,547	45,748	8,584	16,408	56,801	66,600	71,700
Other projects	-7,084	-98,089	-50,003	-33,078	-34,884	627,800	556,500
TOTAL	260,814	218,627	195,362	292,291	358,654	964,600	990,200
IRRIGATION AND NAVIGATION WORKS. (Not classed as Productive Public Works.)							
GROSS DIRECT REVENUE.							
Eastern Jumna Canal	61,111	59,249	56,541	57,563	63,198	72,900	60,300
Other projects	22,471	20,053	23,596	19,353	23,908	29,300	30,300
TOTAL	83,582	79,302	80,137	76,916	87,106	102,200	90,600
INDIRECT REVENUE.							
Eastern Jumna Canal	16,989	23,153	22,153	22,680	22,153	22,200	22,200
Other projects	95,825	131,608	123,480	125,987	134,131	187,000	222,900
TOTAL	112,814	153,760	145,633	148,667	156,284	209,200	245,100
TOTAL DIRECT AND INDIRECT REVENUE.							
Eastern Jumna Canal	78,100	81,401	78,694	80,243	85,351	95,100	82,500
Other projects	118,296	151,601	153,076	145,340	158,039	216,300	253,100
TOTAL	196,396	233,002	231,770	225,583	243,390	311,400	335,600
WORKING EXPENSES.							
Eastern Jumna Canal	20,171	23,027	21,474	20,357	20,415	18,700	19,600
Other projects	95,933	108,997	108,469	109,822	95,925	91,500	94,391
TOTAL	116,104	131,974	129,903	130,179	116,340	110,200	113,900
NET REVENUE.							
Eastern Jumna Canal	57,929	58,374	57,220	59,886	64,936	76,400	62,900
Other projects	22,363	42,714	44,587	35,518	62,114	124,800	168,900
TOTAL	80,292	101,088	101,807	95,404	127,050	201,200	231,700

APPENDIX.

COMMERCIAL AND FINANCIAL STATISTICS.

TABLE IX.—Statement shewing the true Financial results to the revenues of India of the guarantee of interest upon the Capital of the Guaranteed Railway Companies excluding the East Indian Railway Company.

	1873-74.	1874-75.	1875-76.	1876-77.	1877-78.	1878-79.	1879-80.		1880-81, Estimate.
							Original Estimate.	Regular Estimate.	
Open mileage to end of official year ...	4,057	4,093	4,308	4,495	4,532	4,541	4,562	4,562	4,595
	£	£	£	£	£	£	£	£	£
Gross earnings ...	4,907,145	5,104,172	5,782,089	6,757,875	8,484,612	7,393,807	7,025,000	7,315,000	7,500,000
Working expenses ...	3,315,350	3,123,810	3,321,800	4,108,412	4,835,455	4,658,483	4,240,000	4,895,000	4,675,000
Percentage of working expenses on earnings ...	67.56	61.20	57.45	60.79	56.99	63.01	60.36	66.92	62.33
Net traffic earnings ...	1,591,795	1,980,362	2,460,289	2,649,463	3,649,157	2,735,324	2,785,000	2,420,000	2,825,000
Net gain by the remittance to England of Capital receipts and disbursements in India at the contract rates of exchange instead of at the average yearly rate obtained for the Secretary of State's Bills ...	35,776	65,901	19,257	...	...	...	8,900		
Total revenue ...	1,627,571	2,046,263	2,479,546	2,649,463	3,649,157	2,735,324	2,874,000	2,420,000	2,825,000
Gross Guaranteed Interest—									
Paid in India ...	26,185	24,453	22,001	14,544	13,463	10,486	10,000	9,400	9,000
Paid in London* ...	3,092,385	3,125,524	3,142,253	3,157,152	3,157,301	3,200,335	3,256,000	3,259,000	3,257,000
Total guaranteed interest (sterling payments converted at the average exchange of the year) ...	3,351,330	3,403,397	3,505,652	3,911,444	3,659,307	3,866,311	3,126,000	3,922,000	3,919,000
Surplus paid to Railway Companies ...	...	11,424	86,674	79,735	243,438	294,716	300,000	94,900	345,000
Land and supervision ...	140,483	45,088	83,176	40,756	48,414	45,777	65,700	52,900	56,050
Interest on revenue balances ...	12,723	15,461	19,912	15,918	1,991	1,525	1,600	2,400	1,600
Net loss on receipts and disbursements of Capital in India calculated in the same way as the gain ...	...	...	...	9,544	7,018	63,044	...	58,000	8,000
Total expenditure ...	3,504,536	3,475,370	3,695,414	4,057,397	3,960,168	4,271,373	4,493,300	4,130,200	4,329,650
Net expenditure from the public treasury ...	1,876,965	1,429,107	1,215,868	1,407,934	311,011	1,536,049	1,619,300	1,710,200	1,504,650
Net revenue ...	...	...	...	...	...	...	...	...	...

* With the exception of the figures in this line which are true sterling figures, all the amounts in this table are in rupees converted into the conventional sterling of the accounts by the removal of one digit to the right.

STATEMENTS.
NET REVENUE, EXCLUSIVE OF REVENUE FROM LOCAL FUNDS, 1868-69 TO 1880-81.

REVENUE.	1868-69.	1869-70.	1870-71.	1871-72.	1872-73.	1873-74.	1874-75.	1875-76.	1876-77.	1877-78.	1878-79.	1879-80.	1880-81.
	£	£	£	£	£	£	£	£	£	£	£	£	£
<i>I & 4.—Land Revenue (omitting Capitation Tax) ...</i>	18,874,663	20,168,629	19,786,907	19,723,595	20,467,637	20,130,196	20,897,492	20,553,900	18,936,197	19,127,719	21,543,554	21,379,600	21,149,100
<i>I.—Capitation Tax ...</i>	217,175	221,395	204,363	203,647	212,442	221,829	228,864	222,440	235,707	241,065	252,237	253,300	253,300
<i>III & 5.—Forest ...</i>	145,326	153,144	71,251	140,155	166,003	227,831	157,615	267,113	160,730	240,039	142,556	133,300	153,600
<i>IV—VII & 6—9.—Excise includ- ing Customs duties on im- ported wines and spirits ...</i>	2,261,696	2,274,908	2,306,196	2,468,611	2,434,397	2,438,644	2,520,895	2,695,118	2,731,532	2,688,302	2,857,030	3,017,000	3,002,500
<i>V & 7.—Assessed Taxes ...</i>	446,493	1,025,799	1,996,755	772,569	560,671	15,388	2,336	343	—63	81,457	837,312	731,600	500,600
<i>VI & 8.—Provincial Rates ...</i>	...	...	...	...	...	...	...	...	...	234,847	432,808	494,900	568,600
<i>VII.—Sugar duties (Inland) ...</i>	131,359	134,719	156,247	196,835	166,980	180,353	157,715	155,206	172,493	134,317	...	...	...
<i>VII & 9.—Customs duties on ex- port ...</i>	552,172	435,938	596,882	634,443	748,305	675,096	618,916	687,949	556,106	613,304	573,804	591,300	592,600
<i>VII & 9.—Other duties of Customs on imports ...</i>	1,461,470	1,312,818	1,371,170	1,276,721	1,243,289	1,271,731	1,379,521	1,339,605	1,193,379	1,375,462	1,154,982	1,007,300	981,600
<i>VIII & 10.—Salt ...</i>	5,176,427	5,462,016	5,685,259	5,455,690	5,727,145	5,711,059	5,805,262	5,772,218	5,855,707	5,949,940	6,503,031	6,948,500	7,138,400
<i>IX & 11.—Opium ...</i>	6,731,295	6,130,845	6,031,034	7,657,187	6,870,415	6,323,395	6,214,782	6,252,026	6,280,781	6,521,337	7,699,032	8,398,400	7,241,900
<i>X & 12.—Stamps ...</i>	2,149,905	2,224,928	2,349,873	2,341,282	2,481,652	2,575,644	2,597,011	2,692,418	2,706,802	2,856,994	2,959,819	3,054,400	3,053,000
<i>XI & 13.—Registration ...</i>	38,772	57,722	42,021	46,032	59,899	60,148	52,712	47,987	49,959	78,695	105,559	100,000	99,000
<i>XII & 14.—Mints ...</i>	78,223	56,150	—32,859	11,830	—30,492	—9,685	27,928	2,863	128,253	311,776	68,344	150,000	85,000
TOTAL NET REVENUE ...	38,264,976	39,659,011	40,565,099	40,928,597	41,108,343	39,821,629	40,160,549	40,689,186	39,007,583	40,352,254	45,130,048	46,259,600	44,819,200
Deduct—													
<i>27.—Allowances and Assignments</i>	1,778,358	1,863,615	1,756,973	1,724,510	1,834,140	1,921,700	1,808,368	1,783,724	1,742,543	1,717,616	1,826,434	1,900,000	1,846,000
<i>Less II.—Tributes ...</i>	687,363	765,126	719,421	744,036	741,465	768,544	734,972	726,188	694,334	675,120	703,660	714,000	698,000
Net deductions ...	1,090,995	1,098,489	1,037,552	980,474	1,092,675	1,153,156	1,083,396	1,057,536	1,047,609	1,042,496	1,122,824	1,186,000	1,148,000
NET BRITISH INDIAN REVENUE	37,173,981	38,560,522	39,527,547	39,948,123	40,015,668	38,668,473	39,077,153	39,631,650	37,959,974	39,309,758	44,007,224	45,073,600	43,671,200

Comparative Analysis of the whole Net Expenditure 1868-69 to 1880-81. (The transactions of

	1868-69.	1869-70.	1870-71.	1871-72.	1872-73.
4.—Land Revenue (except Surveys), Settlements and Charges of collection, which are treated as sets-off to I, Land Revenue	£ 1,948,131	£ 1,874,682	£ 1,863,827	£ 1,881,999	£ 1,863,489
15 & XIII.—Post Office	—14,476	—23,215	—17,518	—132,365	137,748
17.—Administration	1,441,277	1,469,194	1,360,171	1,367,665	1,371,762
18 & XV.—Minor Departments	266,827	266,538	226,351	281,017	359,808
19 & XVI.— { Jails and Penal Settlements... { Other charges under Law and Justice	447,457 1,511,574	496,601 1,681,632	563,313 1,771,181	440,973 1,860,816	495,000 1,777,853
20 & XVII.—Police	2,190,743	2,138,925	2,005,380	2,028,724	2,030,341
21 & XVIII.—Marine	456,023	(c) 668,160	426,966	379,288	356,143
22 & XIX.—Education	533,438	553,613	563,460	551,228	559,150
23.—Ecclesiastical	163,590	161,083	153,544	157,928	156,539
24 & XX.—Medical	414,064	486,580	572,856	486,511	534,208
25 & XXI.—Stationery and Printing	331,265	296,960	384,302	280,690	273,735
26.—Political	352,831	418,087	356,711	315,410	390,816
30 & XXIV.—Miscellaneous	(a) 187,573	162,343	169,686	35,650	(e) 31,748
NET CIVIL EFFECTIVE CHARGES	10,230,317	10,651,183	10,400,230	9,935,534	10,338,340
1, 2 & XXII.—Interest	5,413,032	5,248,483	5,499,156	5,604,099	5,350,110
28.—Civil Furlough and Absentee Allowances	122,461	157,918	175,068	173,028	156,059
29 & XXIII.—Superannuations. (No credit taken for transfers from Military Funds)	(b) 1,057,922	(d) 994,158	1,121,318	1,102,103	1,241,680
NET CIVIL NON-EFFECTIVE CHARGES	6,593,415	6,400,559	6,795,542	6,879,230	6,747,849
37 & XXX.—Loss by Exchange	132,139	142,555	663,865	380,142	694,845
31.—Famine ... ..	...	73,649	...	...	...
FAMINE AND LOSS BY EXCHANGE	132,139	216,204	663,865	380,142	694,845
16 & XIV.—Telegraphs	410,597	296,266	260,037	222,234	233,747
32.—Railways—Expenditure	4,331,965	4,485,720	4,503,074	4,671,201	4,869,757
XXV.—Do. Revenue	2,333,265	2,818,773	2,870,438	3,143,077	2,880,469
Net Railways	1,998,700	1,666,947	1,632,636	1,528,124	1,989,238
33, 34.—Irrigation and Navigation and Other Public Works. Expenditure	6,346,847	5,039,981	4,056,669	3,925,298	4,244,198
XXVI & XXVII.—Ditto Revenue	560,834	703,948	604,745	597,610	613,456
Net Irrigation and Navigation and Other Public Works	5,786,013	4,336,033	3,451,924	3,327,688	3,630,762
NET EXPENDITURE ON PUBLIC WORKS, INCLUDING RAILWAYS, CANALS AND TELEGRAPHS	8,195,310	6,299,246	5,344,597	5,078,046	5,853,797
36 & XXIX.—The Army	15,136,593	15,250,779	15,112,651	14,733,692	14,596,802
GRAND TOTAL	40,287,774	38,817,971	38,316,885	37,006,644	38,231,633
GRAND TOTAL, EXCLUDING LOSS BY EXCHANGE AND FAMINE RELIEF	40,155,635	38,601,767	37,653,020	36,626,502	37,536,788

Exclusive of—

(a) a credit of 276,340l.—Securities confiscated in the mutiny.

(b) an arrear charge of 328,374l for Military Fund Pensions.

(c) a special charge of 320,046l., being certain debit balances of Marine Funds written off in the Bengal Accounts

(d) 451,211l. balances of Police Superannuation Fund credited this year.

(e) 163,318l. awarded by the Privy Council to the representatives of the late D. O. Dyce Sombre.

* 341,516l. saved in 1874-75 and 108,434l. more in 1875-76 making 450,000l.

Local Funds, and the special items at foot are excluded, because they disturb the comparisons

1873-74.	1874-75.	1875-76.	1876-77.	1877-78.	1878-79.	REGULAR ESTIMATE, 1879-80.	BUDGET, 1880-81.
£	£	£	£	£	£	£	£
1,863,083	1,853,917	1,891,900	1,882,576	1,929,263	1,934,260	1,880,800	2,008,000
143,936	104,680	84,893	66,468	58,148	64,576	107,100	74,400
1,373,708	1,349,371	1,411,067	1,474,095	1,473,764	1,478,193	1,474,800	1,454,000
328,933	326,208	332,154	297,787	262,167	253,939	251,200	336,900
516,589	531,160	547,760	548,581	578,460	693,398	689,800	621,500
1,859,232	1,924,954	1,966,481	2,035,122	2,027,409	2,004,633	1,989,100	2,098,500
2,021,214	2,031,077	2,056,090	2,104,355	2,085,350	2,013,698	2,058,200	2,051,600
298,544	297,035	398,800	466,975	310,892	298,839	352,200	342,200
600,300	605,840	642,439	630,137	634,797	613,546	607,800	610,300
163,677	165,930	161,983	163,866	158,039	155,200	156,000	159,000
550,305	564,479	582,373	569,608	583,191	555,491	537,800	570,600
302,648	368,885	393,644	395,480	392,355	424,105	389,800	435,700
366,209	404,223	429,535	505,228	468,975	448,734	470,900	435,900
-133,567	-30,435	12,114	-33,414	-1,303	49,342	71,000	56,700
10,252,811	10,497,324	10,911,238	11,106,864	10,961,507	10,987,954	11,036,500	11,255,300
5,329,512	4,869,642*	4,993,694	5,262,975	5,568,036	5,736,428	5,716,900	5,491,800
258,464	216,704	229,199	235,990	237,362	231,561	220,000	233,000
1,191,587	(f) 1,443,506	1,603,791	1,474,597	1,543,192	1,675,217	1,788,300	1,632,300
6,779,563	6,519,852	6,826,684	6,973,562	7,348,590	7,643,206	7,725,200	7,357,100
882,718	785,820	1,355,861	2,059,311	1,554,922	3,225,831	2,864,000	3,174,000
3,864,673	2,237,860	508,554	2,145,431	5,345,775	313,420	99,000	5,000
4,747,391	3,023,680	1,864,415	4,204,742	6,900,697	3,539,251	2,963,000	3,179,000
161,199	145,630	184,120	131,900	102,716	99,227	6,000	-19,000
4,927,061	5,275,109	5,144,230	5,306,520	5,941,823	6,561,827	(h) 6,987,000	(h) 6,521,000
3,656,335	4,262,550	4,549,722	5,459,332	7,141,987	6,178,134	6,701,000	7,545,000
1,270,726	1,012,559	594,508	-152,812	-1,200,164	383,693	286,000	-1,024,000
4,552,263	3,964,555	4,682,225	4,065,407	4,031,978	4,206,608	4,220,700	4,155,800
700,322	637,982	647,123	718,544	866,681	1,235,609	1,251,900	1,229,900
3,851,941	3,326,573	4,035,102	3,346,863	3,165,297	2,970,999	2,968,800	2,925,900
5,283,866	4,484,762	4,813,730	3,325,951	2,067,849	3,453,919	3,260,800	1,882,900
14,217,390	14,386,321	14,262,843	14,866,639	15,769,780	(j) 15,441,272	15,487,000	(k) 15,330,000
41,281,021	38,911,939	38,678,915	40,477,758	43,048,423	41,065,602	40,472,500	39,004,300
36,533,630	35,888,259	36,814,500	36,273,016	36,147,726	37,526,351	37,509,500	35,825,300

Exclusive of—

(f) 3,051,918. the balance of the Civil Service Annuity Fund credited this year.

(g) 676,381. Afghan War charges.

(h) 230,000. spent, each year, on the Rawalpindi-Jhelum Line, treated as war charges.

(i) 4,656,000. Afghan War charges.

(k) 4,130,000. ditto ditto.

in all, by the redemption of the Capital Stock of the East Indian Company.