

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

Revenue
Pension (1899) Department.

CURRENT No. 341

From The Tril sept-

Order (am) no 1958 d/18 June '99

Recorded.

No. 623.

Dated 22.5.99.

Received 27-5-99

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Enclosures

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SUBJECT.

Recording resolution of the
Govt. reviewing the Finance
& Revenue Accounts of Govt.
for that Govt. for 1897-98 &
the Comptroller & Auditor General's
Appropriation Report on
these accounts.

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BACK PAPERS.

G.O.	No.	Department.	Date.
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FURTHER PAPERS.

G.O.	No.	Department.	Date.

Financial Department.

PROCEEDINGS OF THE MADRAS GOVERNMENT.

Read the following paper:-

Copy
attached.

From the Government of India, Finance and Commerce
Department, No.2039-A., dated 5th May 1899.

ORDER:-No.623, dated 22nd May 1899.

Recorded.

(True Extract.)

A. Edgington
for Chief Secretary.

To

The Revenue Department.

" Public Works Department.

" Local and Municipal Department.

" Accountant-General, Madras.

No. 2039-A.

GOVERNMENT OF INDIA.

FINANCE AND COMMERCE DEPARTMENT.

ACCOUNTS AND FINANCE.
Estimates and accounts.

RESOLUTION.

Simla, the 5th May 1899.

CHIEF SECRETARY
15 MAY 1899
GOVERNMENT OF MADRAS

READ—

The Finance and Revenue Accounts for 1897-98 and the Comptroller and Auditor General's Appropriation Report on these accounts.

RESOLUTION.—

GENERAL RESULTS.

The following is a comparison of the leading figures in the accounts of 1897-98 with the estimates of that year and with the accounts of the preceding year :—

				1896-97, Accounts.	1897-98.			Accounts, 1897-98, better + or worse— than Budget.
					Budget Estimate.	Revised Estimate.	Accounts.	
Revenue—								
India	...	...	Rx.	93,586,471	95,389,600	96,262,000	96,139,287	+ 749,687
England	...	...	£	327,107	173,000	192,000	193,662	+ 20,662
Exchange	...	...	Rx.	216,163	114,200	107,500	109,055	—5,145
Total			Rx.	94,129,741	95,676,800	96,561,500	96,442,004	+ 765,204
Expenditure—								
India	...	...	Rx.	70,624,145	72,623,900	77,136,300	76,939,069	—4,315,169
Provincial Adjustment	...	...	Rx.	—1,023,637	—1,190,000	—705,700	—457,678	—732,322
Net	...	...	Rx.	69,600,508	71,433,900	76,430,600	76,481,391	—5,047,491
England	...	...	£	15,795,836	16,088,500	16,291,000	16,198,263	—109,763
Exchange	...	...	Rx.	10,438,419	10,618,400	9,123,000	9,121,561	+ 1,496,839
Total			Rx.	95,834,763	98,140,800	101,844,600	101,801,215	—3,660,415
Deficit	...	...	Rx.	1,705,022	2,464,000	5,283,100	5,359,211	—2,895,211
Expenditure not charged against Revenue—								
Capital Expenditure on Rail-ways and Irrigation Works			Rx.	4,984,422	6,588,600	4,604,600	4,328,541	+ 2,260,059

2. The Revenue in India exceeded the Budget Estimate by Rx. 749,687, but there was also an excess in the total Expenditure in India charged against Revenue amounting to Rx. 5,047,491. The net Expenditure in England also exceeded the Estimate by £89,101, but the rise in Exchange reduced the net charge in the Exchange column by Rx. 1,491,694. The net deterioration as compared with the Budget Estimate being thus Rx. 2,895,211, the final result was an increase in the deficit of the year from Rx. 2,464,000 to Rx. 5,359,211.

3. The large increase in the deficit of the year is more than accounted for by the outlay involved in the military operations on the North-Western Frontier and the expenditure on Famine Relief in excess of the Budget Estimates. The operations on the frontier, not foreseen when the Budget Estimate was framed, involved an expenditure in India of Rx. 3,847,992. The Budget Estimate of expenditure in India on the relief of distress was taken at Rx. 3,641,200, but the actual expenditure was 46 per cent. in excess of the Estimate and amounted to Rx. 5,322,888. In addition there was an expenditure in England charged to Famine Relief of Rx. 2,720, including exchange. It may be noted that the total expenditure (Rx. 5,325,608) on Famine Relief, fell very little short of the total deficit (Rx. 5,359,211) in the accounts of the year.

REVENUE SIDE.

4. While Assessed Taxes, Registration and Post Office showed satisfactory increases, the more important increases in the Revenues in India as compared with the Budget Estimates of the year occurred under the following heads:—

Heads.	Amount of increase.
Rx.	
Railway Receipts	592,157
Major Irrigation Works—Direct Receipts	409,644
Telegraphs	221,823
Customs	149,395
Mint	114,544
Provincial Rates	101,590
Land Revenue (including Land Revenue due to Irrigation)... ..	61,680
Marine	60,424

5. The increase in the Railway Revenue is distributed as follows:—

State Railways—Gross Receipts—Increase	1,020,765
Guaranteed Railways—Net Receipts—Decrease	428,608
Net Increase	592,157

The falling-off in the receipts of the Guaranteed Railways was due generally to the combined effects of plague and famine which adversely affected the export trade and the free movement of passengers. The State Railways, as a whole, showed a satisfactory increase owing partly to general development of traffic, partly to the movement of troops and materials in connection with the military operations on the frontier, and partly to the movement of grain into districts affected by famine. There was also a specially heavy pilgrim traffic in the closing months of 1897 and in January 1898. The increase in the receipts of the East Indian Railway amounted to Rx. 584,181 and that of the North-Western Railway to Rx. 482,821. There were also substantial improvements on the Burma Railways and the Indian Midland Railway, but there was a decrease on the Rajputana-Malwa Railway of Rx. 275,530.

The large increase in the Irrigation Revenue was a set-off against the expenditure on Famine Relief, being due generally to the large demand for water caused by the failure of the rains. Part of the improvement was also due to the extension of irrigation from the Chenab Canal in the Punjab.

The improvement in the Telegraph Revenue was unusually large in 1897-98 owing to the increase in message traffic in connection with the military operations on the North-West Frontier, the famine, plague, and earthquake of June 1897 in Assam.

The main causes of the increase in the Customs Revenue were the large imports of silver and the special activity of the trade in kerosine oil. The increase due to these two causes was partly counterbalanced by a slackness in the import trade in cotton goods, manufactured articles, etc., owing to the prevalence of plague and famine. The export duty on rice was also less than

the estimate on account of the diversion to India of rice which would in normal years have paid duty on export to foreign countries.

The Mint Receipts were high in 1897-98 owing to an exceptionally large coinage of British dollars and to the recoinage of Bhopal and Kashmir coins.

The increase under Provincial Rates occurred in Bengal (Rx. 80,138) owing mainly to the collection of arrears and the progress of revaluations; in the Punjab (Rx. 33,787), due to realisations from the Patwaris' Fees Fund in the Chenab Colony; and in Madras (Rx. 19,327) on account of arrears. These increases were partly counterbalanced by decreases chiefly in the Central Provinces, the North-Western Provinces and Oudh, and Bombay.

The small increase of Rx. 61,680 under Land Revenue is the balance of a large number of differences. There were better collections in Burma (Rx. 223,370), Punjab (Rx. 148,992), Central Provinces (Rx. 67,754) and Bengal (Rx. 53,219) while the receipts were less than the Budget Estimate in the North-Western Provinces and Oudh (Rx. 207,822), Madras (Rx. 163,122) and Bombay (Rx. 37,788). The estimate of suspension or loss of revenue caused by the famine in the North-Western Provinces and Oudh and Bombay proved too low, and in Madras the partial failure of the north-east monsoon adversely affected the Revenue.

A rise in the Pilotage Receipts in Calcutta and large recoveries in connection with the employment of Royal Indian Marine vessels on Imperial service led to the increase in the Marine Receipts.

6. The improvements above mentioned were partially counterbalanced by decreases in the Revenue in India under some other heads, of which the more important are the following:—

	Total decrease.
Rx.	
Opium	636,428
Excise	189,646
Salt	139,775
Gain by Exchange	116,030

The loss in the Opium Revenue was caused by a reduction of Rx. 201,455 in the price obtained for the Bengal Provision opium and a falling-off in the duty on exports of Malwa opium of Rx. 433,015. The opium trade suffered a serious decline owing partly in the decline in dollar exchange and partly to competition of home grown opium in China, and the average price per chest of Bengal opium realised at the monthly sales was Rs. 1,023 only against Rs. 1,075 taken in the Budget Estimate. The duty on Malwa opium was reduced by Rs. 100 a chest, with effect from October 27, 1897, in view of the state of the trade, but the reduction had not any immediate effect in arresting the decline.

The decrease in the Excise Revenue occurred in Bengal (Rx. 70,225), Madras (Rx. 67,990) and North-Western Provinces and Oudh (Rx. 48,504), and is ascribed to the famine. There were smaller decreases in the India Provinces, in Assam, Bombay and the Central Provinces and small increases in Burma and the Punjab.

Of the falling-off in Salt Revenue, Rx. 113,239 occurred under Madras and Rx. 42,085 in Bengal. The deficiency in Madras was not a real loss of revenue, but was merely a postponement of the realisation of revenue from 1897-98 to 1898-99 owing to a greater resort by traders towards the end of the year to the six months' credit system instead of cash payment.

The head "Gain by Exchange" is a very uncertain head and is not susceptible of an accurate forecast.

EXPENDITURE SIDE.

7. The major heads of account under which the Budget grants of expenditure in India were exceeded, may be divided into two classes, namely, (1) those

that were affected by famine and plague; and (2) those that were not so affected. The major heads affected by famine under which excesses have occurred are:—

	Amount of total excess over Budget.	Amount of expenditure caused by famine and plague.
	Rx.	Rx.
3. Land Revenue	20,493	104,800
18. General Administration	14,116	31,900
19-A. Courts of Law	16,981	41,100
19-B. Jails	78,003	134,900
20. Police	49,355	124,200
24. Medical	263,652	314,800
33. Famine Relief	1,681,688	5,322,900
35. Construction of Protective Irrigation Works	12,517	20,300
Total	2,136,805	6,094,900

The excess under the head "3—Land Revenue" occurred chiefly in the charges for District Administration on account of famine establishments, but partly in the commission on increased Land Revenue collections in Burma.

Under "18—General Administration" heavy expenditure on telegram charges and temporary establishment had to be incurred in connection with the famine, the plague, and the disturbances on the North-Western Frontier.

The excess under "19-A.—Law and Justice" occurred chiefly in Bengal, the North-Western Provinces and Oudh and the Punjab.

The increase in the expenditure on jails was caused by high prices of food grains, by the purchase of grain for stock in anticipation of a still further rise in prices, and by a high jail population in the North-Western Provinces and the Punjab.

The higher Police expenditure is attributed to grain compensation amounting to about Rx. 55,100 in the Central Provinces, Bengal, Punjab and Bombay and to charges connected with the famine and plague.

The extra charges connected with the measures for the prevention of plague more than account for the increase in medical expenditure.

The increase in the expenditure on the relief of distress of Rx. 1,681,688 is distributed as follows among the several Provinces:—

	Rx.
Madras	704,911
Central Provinces	665,794
Bombay	274,688
North-Western Provinces and Oudh	220,695
India, General	6,176
	1,872,264
Deduct—decreases in—	
Bengal	118,236
Punjab	68,527
Burma	3,813
	190,576
Net Increase	1,681,688

Local Governments were allowed full liberty to spend up such amounts as they considered necessary for the relief of distress, subject to the observance of the usual procedure for the control of expenditure with reference to Budget grants; and the expenditure in excess of the Budget grants, so far as it could be foreseen during the course of the year, was covered by additional grants.

The higher expenditure on the construction of Protective Irrigation Works represents mainly the expenditure at normal rates on certain tanks in Bombay started as Famine Relief Works.

8. The excesses over Budget grants unconnected with famine occurred under the following heads:—

	Amount of excess over Budget.
	Rx.
6. Stamps	698
7. Excise	29,071
9. Customs	679
17. Mint	28,273
21. Marine	19,562
27. Territorial and Political Pensions	7,571
29. Superannuation Allowances, etc.	22,495
30. Stationery and Printing	13,583
38. State Railways—Working Expenses	173,902
39. Guaranteed Co.'s Interest	1,699
42. Major Irrigation—Working Expenses	32,319
43. Minor Works and Navigation	771
46. Army	3,393,639
Total	3,724,262

The excess under the head "7—Excise" is nominal, being due to a change in the distribution between "5—Salt" and this head of the charges for combined Salt and Excise establishments in Madras. That under the head "17—Mint" was caused by the larger coinage of the year mentioned above in paragraph 5. The Marine charges were higher partly owing to smaller recoveries for work done for other Departments and partly to the employment of Royal Indian Marine ships on trooping service. Some arrear payments of political pensions swelled the head "27—Territorial and Political Pensions" and the growth of the ordinary pension charges was under-estimated in some of the Provinces.

As regards the head "30—Stationery and Printing," there were larger purchases of stationery in Bengal and Madras than had been anticipated: additional grants were made during the year to cover the increase in expenditure.

The increases in the Working Expenses of State Railways and Major Irrigation Works were necessary to earn the increased revenue.

The other excesses do not require any notice except the large increase in Army expenditure.

9. The following are the usual details of the Army expenditure in India:—

	Budget, 1897-98.	Accounts, 1897-98.	Excess.	Saving.
	Rx.	Rx.	Rx.	Rx.
Army and Garrison Staff	556,720	535,174	...	21,546
Administrative Staff	204,465	204,367	...	98
Regimental pay, allowances and charges	8,432,407	8,278,218	...	154,189
Commissariat Establishments, Supplies and Services	3,833,007	3,747,552	...	105,455
Remount and Veterinary Establishments, etc.	366,781	303,255	...	63,526
Clothing Establishments, Supplies and Services	260,352	245,829	...	14,523
Barrack Establishments, Supplies and Services	234,185	235,104	...	1,582
Administration of Martial Law	42,569	40,799	...	1,770
Medical Establishments, Supplies and Services	749,473	750,623	1,150	...
Ordnance Establishments, Stores and Camp-equipage	882,937	852,006	...	30,931
Ecclesiastical	30,180	28,327	...	1,853
Education	48,288	45,305	...	2,983
Sea Transport Charges	56,821	66,115	9,294	...
Miscellaneous Services	137,836	108,477	...	29,359
Volunteer Corps	193,770	185,396	...	8,374
Rewards for Military Services	17,713	19,455	1,742	...
Military Pensions to Europeans	112,987	97,744	...	15,243
Military Pensions to Natives	700,800	714,885	14,085	...
Widows' pensions and compassionate allowances	24,485	25,421	936	...
Departmental pensions	62,623	62,880	257	...
Unadjusted expenditure	...	32,385	...	32,385
Military operations on the North-Western Frontier	...	3,847,992	3,847,992	...
Total	16,968,900	20,362,539	3,875,456	481,817

The above comparison between the Budget grants and the accounts shows that the expenditure under the ordinary heads was kept well under control. There was an aggregate excess of Rx. 27,464 only under six heads, due chiefly to higher medical charges in consequence of increased sickness among troops and famine prices of articles of diet, larger expenditure on Sea Transports and Rewards in connection with the Diamond Jubilee, heavy charges for Compensation for dearth of provisions to native pensioners owing to the famine, and the grants of pensions and compassionate allowances to the widows and children of officers killed on service on the North-Western Frontier.

Of the total expenditure of Rx. 3,847,992 on military operations, Rx. 3,701,800 were sanctioned as additional grants during the year, and the balance of Rx. 146,192, as well as the excess of Rx. 27,464 under ordinary grants, are now sanctioned.

10. It will be observed that the increases in expenditure explained in the foregoing paragraphs are trifling except in cases where they are due to war, famine or plague or to increased revenue earned by means of increased expenditure. Against the aggregate excess of Rx. 5,861,067 under the various heads mentioned

before, there was a total saving of Rx. 1,545,898 under the other heads in India. The important savings occurred under the following heads:—

	Amount of saving of expenditure. Rx.
4. Opium	267,779
5. Salt	96,685
11. Forests	77,832
13 & 14. Interest on Debt and other obligations	87,020
16. Telegraph	52,329
25. Political	51,840
39. Guaranteed Companies—Surplus Profits, etc.	176,787
40. Subsidized Companies—Land, etc.	122,440
44. Military Works	147,760
45. Civil Works	274,052

The grants for Productive expenditure under heads like Opium, Salt, Forests and Telegraph generally leave a sufficient margin for unforeseen requirements and show savings in the actual result. The Budget Estimates for Interest payments and Political charges provided for the year's ordinary requirements, but the amounts due were not fully claimed in the year.

The falling-off in the earnings of Guaranteed Railways reduced the payments for Surplus Profits, and the provision for land for private Railway Companies proved too high.

The expenditure on Civil and Military buildings and roads was restricted during the course of the year to meet the larger requirements for Famine Relief.

COMPARISON OF EXPENDITURE WITH GRANTS.

11. Paragraphs 7 to 10 of this Resolution deal with the aggregates of Imperial, Provincial and Local expenditure, and in the following paragraphs the variations in Imperial, Provincial and Local expenditure are examined separately, with reference to the ordinary Budget check in each Department. The table below compares the expenditure with the Budget Estimates for each section of the accounts distributed under Civil, Military and Public Works heads, expenditure on Famine Relief being separately shown:—

	IMPERIAL.		PROVINCIAL.		LOCAL.	
	Budget.	Accounts.	Budget.	Accounts.	Budget.	Accounts.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
1. Civil Departments	2,432,300	2,405,736	10,631,000	10,978,319	1,510,400	1,504,422
2. Famine Relief	2,946,100	4,678,777	418,000	585,313	277,100	58,798
3. Other Civil heads (including Post Office)	5,921,200	5,490,584	6,918,100	6,905,704	1,280,700	1,272,634
4. Railway Revenue Account	13,702,600	13,506,303	49,400	55,593	...	...
5. Other Public Works heads (including Telegraphs)	3,872,400	3,693,397	3,900,000	3,866,155	1,795,700	1,571,735
6. Army	16,968,900	20,362,539	...	...	...	...
Total	45,843,500	50,137,336	21,916,500	22,394,084	4,863,900	4,407,649

EXCESS OVER GRANT—IMPERIAL.

12. The excesses in 1897-98 in the Imperial section of the accounts under the Civil heads in each Province, which were not covered by formal grants during

the year, together with the whole of the excesses in the Imperial share of the expenditure on Famine Relief, are shown in the following table under the appropriate major heads of account :—

	India.	Central Provinces.	Burma.	Assam.	Bengal.	North-Western Provinces and Oudh.	Punjab.	Madras.	Bombay.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
1. Refunds and Drawbacks...	...	...	5,333	...	...	363	175	253	...
2. Assignments and Compensations.	...	874	140	...	...	712	2,287	...	...
3. Land Revenue	...	...	...	...	1,878	...	...	...	9
4. Opium	...	...	...	...	...	...	...	...	...
6. Stamps	1,788	...	8	...	...	1,676	...	...	...
7. Excise	...	...	815	...	...	...	...	1,628	...
10. Assessed Taxes	6	41	...	...	...	6	...	1	11
11. Forests	1,203	...	...	...	...	...	...	...	...
12. Registration	37	...	...	...	1,816	...	939	...	...
13. Interest on Ordinary Debt	...	...	...	...	...	...	2	...	...
14. Interest on other obligations.	...	2	1,397	42	419	...	...	...	...
17. Mint	1,857	...	...	...	...	...	...	...	816
18. General Administration...	917	...	383	...	354	...	331	...	322
19-A. Courts of Law	5,600	...	...	...	...	...	...	...	...
19-B. Jails	443	...	...	...	...	...	...	...	...
24. Medical	5,005	...	...	...	...	...	...	...	...
25. Political	...	...	...	...	...	...	6,767	...	5,216
26. Scientific, etc., Departments.	...	...	...	...	19	568	...	...	230
27. Territorial and Political Pensions.	39	...	...	...	480	...	2,769	...	4,574
28. Civil Furlough, etc., allowances.	129	...	...	...	...	...	75	...	...
29. Superannuation Allowances, etc.	1,838	1	33	...	1,110	1,276	380	...	166
30. Stationery and Printing	...	...	...	...	2,326	...	...	...	...
32. Miscellaneous	2,968	...	477	...	91	...	2,591	89	243
33. Famine Relief	6,179	57,077	...	...	...	...	...	56,595	...
Total	28,009	57,995	8,586	42	8,493	4,601	16,316	58,566	11,687

Sanction is now accorded to the expenditure incurred in excess of grants as shown in this table.

13. Among the items included under the group "Other Civil heads" in the table in paragraph 11, an excess of Rx. 15,637 occurred in the expenditure of the Indian Marine Department, of which Rx. 6,300 was sanctioned in the course of the year, and the remainder, Rx. 9,337, is now sanctioned.

14. The following excesses in the Imperial section under Public Works heads of expenditure not covered by additional grants in India are also formally sanctioned :—

	Rx.
35. Construction of Protective Irrigation Works	12,517
39. Guaranteed Companies—Interest	1,699
42. Major Irrigation Works—Working Expenses	2,385
Ditto ditto Interest	80
43. Minor Works and Navigation	55

15. The Army expenditure in India has already been dealt with in paragraph 9 of this Resolution.

EXCESSES OVER GRANT—PROVINCIAL AND LOCAL.

16. The following table compares the total Provincial and Local expenditure in each Province in 1897-98 with the Budget Estimates :—

	BUDGET ESTIMATE.			ACCOUNTS.		
	Provincial.	Local.	Total.	Provincial.	Local.	Total.
	Rx.	Rx.	Rx.	Rx.	Rx.	Rx.
India ...	...	15,500	15,500	...	14,879	14,879
Central Provinces	853,300	145,200	998,500	884,474	128,340	1,012,814
Burma	3,042,200	200,000	3,242,200	2,990,260	172,899	3,163,159
Assam	660,900	127,000	787,900	733,128	117,338	850,466
Bengal	4,736,500	874,200	5,610,700	4,847,364	756,681	5,604,045
North-Western Provinces and Oudh.	3,269,700	1,109,900	4,379,600	3,316,814	1,062,777	4,379,591
Punjab	1,905,800	423,500	2,329,300	1,958,101	392,713	2,350,814
Madras	3,795,800	1,319,300	4,615,100	3,319,795	1,231,710	4,551,415
Bombay	4,132,300	648,900	4,801,200	4,344,238	530,312	4,874,550
Total	21,916,500	4,863,900	26,780,400	22,394,084	4,407,649	26,801,733

It is necessary to consider the aggregate grants and actuals for Provincial and Local expenditure, as the sanction of the Government of India is not required to any excess under a Provincial or Local head of account, which is met by re-appropriation from some other grant, so long as the Budget grant for the Provincial and Local expenditure of the Province as a whole is not exceeded. The Provinces in which the Provincial and Local expenditure in 1897-98 has in the aggregate exceeded the Budget grant are the following :—

	Total excess.
	Rx.
Central Provinces	14,314
Assam	62,566
Punjab	21,114
Bombay	73,350

Against the excesses stated above, additional grants for Provincial expenditure of Rx. 36,600 in the Central Provinces and Rx. 101,500 in Bombay were made during the course of the year. In Assam, authority was given for the debit to Imperial Revenues of Rx. 80,000 out of the total expenditure on the repair of damages by earthquake, but the whole of such expenditure was recorded in the Provincial Section, while the Imperial contribution was adjusted through the Land Revenue head. In the Punjab also, an excess over the Budget of Rx. 54,271 under the head "33—Famine Relief" in the Provincial and Local Sections was met out of grants under that head included in the Imperial Section. There are, therefore, no unauthorised excesses in expenditure in any of the Provinces, but formal sanction is now accorded to the total excesses in Assam and the Punjab shown above. Additional grants for Provincial expenditure of Rx. 30,000 in Bengal and Rx. 42,500 in the North-Western Provinces and Oudh were made in the course of the year to meet anticipated excess expenditure, but in the result the total Provincial and Local expenditure closely agreed with the Budget grants.

SUMMARY.

17. The main features of the differences between the Accounts and the Budget Estimates of the year 1897-98 were the following: the expenditure on direct Famine Relief considerably exceeded even the large amount (Rx. 3,641,200) for which the Budget Estimate provided, the main reason being that the monsoon rains, though ultimately very favourable, were a little late; the Military operations on the North-Western Frontier involved a heavy expenditure; the excess due to the greater intensity of the famine and the Military operations amounted to Rx. 5,529,680; there was also a recrudescence of plague necessitating expenditure on preventive and remedial measures, especially in Bombay, and the total direct and indirect expenditure on account of these measures amounted to Rx. 348,600. Against these deteriorations, there were (1) a fairly substantial improvement in Revenue—chiefly Railway and Irrigation Revenue under which the increase exceeded Rx. 1,000,000; (2) savings on the Estimate of ordinary Army expenditure of Rx. 454,353; (3) a reduction in the net charge for Exchange on Sterling expenditure of Rx. 1,491,694; and (4) a substantial reduction of expenditure caused by restrictions under Civil and Public Works heads. The final result was an increase in the estimated deficit of the year of Rx. 2,895,211.

18. In paragraph 19 of the Resolution in this Department, No. 1838-A., dated the 26th April 1898, reviewing the Appropriation Report for 1896-97, it was directed that in future such reports should be prepared so as to bring out more prominently the cases of failures of the Budget check and the reasons for such failures, and the Secretary of State, in paragraph 23 of his Despatch No. 172, dated the 20th October 1898, expressed the hope that these orders might lead to strengthen the system of Budget check and control over expenditure. The Government of India are pleased to observe that the instructions have been generally followed in preparing the reports for 1897-98, and that there has been a great improvement in the form and nature of the reports prepared by the Civil Account Officers. But there is still room for further improvement in some Provinces. It should be specially borne in mind that the Appropriation Reports are not intended so much to justify the estimates as to record facts and reasons connected with the failure of the estimates.

ORDER.—Ordered that a copy of the Resolution be communicated to all Local Governments and Administrations; to the Home, Revenue and Agriculture, Foreign, Military and Public Works Departments; to the Comptroller and Auditor General, and to all Accountants General and Comptrollers, for information.

J. B. BRUNYATE,

Under Secy. to the Govt. of India.