(321) Appendix H.

BERAR'S POSITION IN INDIAN FEDERATION.

A CASE

PREPARED BY THE BERAR ALL-PARTIES' COMMITTEE

FOR CONSIDERATION

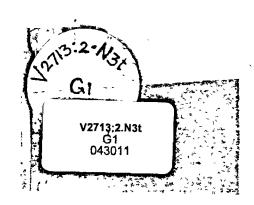
BY THE

MEMBERS

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THE ROUND TABLE CONFERENCE.

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BERAR'S POSITION IN INDIAN FEDERATION.

In pursuance of the Resolution of the Berar All Parties' Convention held at Akola on 21st June 1931, a copy of which is reproduced in Annexture I, we the members of the Committee present for careful consideration of the Members of the Round Table Conference and the Sub Committees appointed by the said Conference, the following facts and points relating to the political status and position of Berar in India, the difficulties which arise out of its anamolous position and which also handicap the moral, material and political development of its people with the object of urging on the members of the Conference and the Committees thereof the supreme necessity to make adequate provision in the furure constitution in order to redress the longstanding grievances of the people of Berar.

SECTION I.

Historic Summary.

2. We think it necessary to give a brief sketch of the history of Berar before proceeding to deal with the problems which we desire the Conference to solve in the best interests of the people of Berar.

From the earliest times, Berar occupies an important place in the history of India. It was known as Vidarbha in those early days. In the Upanishads, Brahmans, Ramayan and Mahabharat the two great epics of the Indian people, and subsequent Sanskrit literature, there are numerous references to the Sovereigns of Vidarbha. Even in the medieval ages, Vidarbha retained its separate entity, although there were some changes of ruling dynasties in that period. Andhras or Satwahanas, Vakatakas, Abhirs, Chalukyas and the Yadavas of Deogiri had ruled over Berar successively till the end of the 12th century. Scholars and Scientists, Poets and Philosophers of great reputation flourished in Berar during this period of Hindu rule and Berar became the most important seat of learning and culture in India. The literary style (Vaidharbi-riti) used by the scholars of Vidarbha was the subject of universal admiration among men of letters and was by common consent recognised as the best and the most approved style in Sanskrit as well as Prakrit literature.

After the extinction of the Yadavas, Berar was ruled by the Mahomedan rulers of Delhi for some time. But soon after there was a rebellion by Hasan Gango, Zafarkhan who proclaimed himself as the Sultan of Deccan in the year 1348. Berar was then described as one of the four Provinces of Deccan over which he ruled. It is interesting to note that Berar even then included Mahur. Ramgarh i. e. Ramtek in Nagpur district of C. P. and Pathri. Berar was again conquerred by the Hindu Kings of Vijayanagar who ruled over it for some years. It was after the defeat of Vijayanagar King by the combined forces of the Mahomedan rulers of Deccan, that Berar was again under the subjection of Mahomedan rulers of the Bahamani dynasty. The Subhedar of Berar who had his head-quarters at Ellichpur proclaimed his independence in 1490. After a duration of 80 years Imadshahi came to an end and the rulers of the Nizamshahi dynasty held sway over Berar for a short time. In 1506 Prince Morad the 4th son of Akbar besiezed Ahmednagar but raised the siege on receiving the formal cession of Berar. Inspite of this it appears from the records, that Berar was in the possession of Malikambar for the greater part of the reign of Jahangir, Akbar's son and successor. It was in the Shahajahan's reign that Berar passed once more

under the Moghul sway. So it continued till the time of Aurangzeb during whose reign Chhatrapati Shiwaji Maharaj, the founder of the Maratha Empire successfully revolted against the Mahomedan supremacy in Deccan and established Hindu Kingdom. Berar which continued to be in the possession of the Moghals was invaded by Shivaji, Sambhaji and Rajaram. In 1718 Abdulla and Hussein Allikhan the Ministers of the Moghal Emperor at Delhi, formally recognised the claim of the Marathas to Chauth a levy to the extent of 1th Revenue and also permitted them to levy from the ryots the contributions known as Sir-Deshmukhi as Royaltv on the appointment of the office of Deshmukha which amounted to 10 percent of the revenue collections. In this way Marathas established themselves as 'de facto' rulers of Berar in 1718, reducing the Subhedars appointed by the Emperor of Delhi to the position of their agents for the purpose of collecting Chauth and Sir-Deshmukhi. Asaijah the founder of the Nizam's dynasty in Deccan Hyderabad defeated Mubarizkhan, Governor of Khandesh at Fatekharda in 1724, and on the strength of that victory he began to assert his claim to the sovereignty of Berar. The Bhosla Rajah of Nagpur never recognised this claim but on the other hand posted his officers all over the Province. They occupied it with their troops and collected the revenues. In the year 1803 the Maratha confederacy was defeated in the battle of Assai and Argaon. The Bhosla Rajah of Nagpur signed the treaty of Deogaon by which he resigned all claims to the territories and revenues West of Wardha, Gavilgarh and Narnala. It was by the partition treaty of Hyderabad in the year 1804, That Berar territories which were ceded by the Bhoslas of Nagpur to the British Government were made over by them to the Nizam.

3. In the year 1853 a new treaty was concluded with the Nizam, under which the Hyderabad contingent was to be maintained by the British Government, while for payment of this force and in satisfaction of other claims, districts yielding a gross revenue of 50 lacs were assigned by H. E. H. the Nizam to the Company. The Berar districts assigned by this treaty are now properly understood to form the Province of Berar.

The provision of this treaty which required the submission of annual accounts to H. E. H. the Nizam were found to be productive of much inconvenience and embarassing discussions. Difficulties had also arisen out of the levy of customs duties under the Commercial treaty of 1802. To remove these difficulties and at the same time to reward the Nizam for his services in the days of Mutiny, a new Treaty was concluded in the year 1860. By Article IV of this Treaty "H. E. H. the Nizam agrees to forego all demand of an account of the receipts and expenditure of the Assigned Districts for the past, present or future. But the British Government will pay to H. E. H. the Nizam any surplus that may hereafter accrue after defraying all charges under Article VI and all future expenses of administration, the amount of such expenses being entirely at the discretion of the British Government."

4. In 1902 a fresh agreement was entered into with H. E. H. the Nizam. This agreement reaffirmed His Highness' Right over Berar, which instead of being indefinitely assigned to the Government of India, was leased in perpetuity at an annual rental of Rs 25 Lacs and authorised Government of India "to administer the Province in such manner as it might deem desirable."

In 1903 Berar was transferred to the administration of the Chief Commissioner of the Central Previnces by the Government of India, Foreign department, Notification No. 4246, dated the 11th September 1903, issued by the Governor General in Council in exercise of the powers conferred by the Indian (Foreign Jurisdiction) Order in Council, 1902, No. 3917-I-A, dated the 12th September 1902, (53 and 54, Vict. C. 37). V2713:2.N3t

SECTION II.

Review of past and present position.

5. It will be clear from this brief survey of its history that the people of Berar had to suffer very much from the frequent changes in the sovereign power ruling over them from the end of the 13th Century to the middle of the 19th Century and their moral and material progress was greatly impeded. During these times of constant warfare, everything was insecure and unstable and the Province had gradually fallen from the high position which it once occupied among the nations and nationalities of India.

Each conquest of the land by a foreignor resulted in the loss of some part of the large territory which was once included as an integral part of the country known as "Vidarbha" in the Pouranik period and "Berar" in the later period of Indian History. A part of it is now assimilated with the Bombay Presidency. Another part, historically a very important tract of old Berar is absorbed in the Nizam's dominions. A third part viz the entire Marathi speaking tract east of Wardha river has now become an integral part of the Central Provinces, and the fourth part which was the Central part of old Vidarbha is the only part of India now known as Berar. This is the net result of the political treaties of 1803, 1804, 1822, 1853, and 1860. The irony of fate is that even this Central part has no well-defined constitution and stable Government of its own under whose fostering care, Berar, the mere fragment of its former self, can thrive, prosper and make a serious effort to regain her position in the Common-wealth of Indian nationalities. After the extinction of the Hindu Kingdom of Deogiri, Berar became the common ground for the soldiers of fortune to covet and exploit without any regard to the interests of the native population and we have to note with deep regret and keen sense of disappointment not altogether unmingled with resentment that the process of exploitation has not ended even though conditions of peace and tranqulity were restored since the cession of 1853.

Half a century of Nizam's rule.

6. Since 1803 to 1853 Berar was under the administration of H. E. H. the Nizam when the people were subjected to all the evils inhering in and incidental to the oppressive rule of lessees to whom the Berar revenues used to be farmed out. People literally realised the significance of the phrase "Cankers of a clam world" during the palmy days of the oppressive farmers-General viz Messrs Palmer & Co., Puranmal, and Messrs Pestonji & Co., to whom the Berar revenues were partly or wholly assigned by the Nizam in repayments of loans advanced to the State. The state of Berar during this period is graphically described by a contemporary Writer as a "Squeezed orange".

Fifty years of British Resident's administration,

From 1853 to 1903 another period of half a century Berar remained a separate Province under the administration of the Resident at Hyderabad. During this period there was a good deal of progress in cultivation. There was slight rise in population as the Census report of 1881 showed. But the population again decreased by five per cent during the decade between 1891-1909. Inspite of this there were signs of progress all round but the British Government did not give sufficient attention to the development of the new Province although there used to be considerable surplus in their hands every year, after meeting the expenditure of ordinary Civil Administration and that incurred for the maintenance of the Contingent Force which was a primary charge on the revenues. From the Berar

administration Report of 1901-1902 it appears that the revenue was Rs. 1,24,41,522 and the expenditure both Civil and Military together amounted to Rs. 93,00,000 thus leaving a net surplus of Rs. 31,10,033 in the hands of the Government of India to be retained for Imperial purposes. Out of the total expenditure of Rs. 93,24,489 only Rs. 53,81,671 were spent for meeting administrative charges for Berar. A heavy millstone of Military expenditure and the greed of the Central Government for surpluses left no option to the Resident but to starve the Nation-building departments and neglect the developments of the assigned districts in those matters which accelerate the pace of the moral and material progress of the people.

Berar administration under C. P. Government.

First decade.

7. Then we come to the third and the last period 1903 to 1930, a period of more than a quarter of a century. This is the period during which Berar is administered by the Government of Central Provinces.

The people protested against the amalgamation from the very beginning when Lord Curzon the then Viceroy of India effected it in the year 1903. Yet they co-operated with the authorities patiently during the first 10 years without much protest in the new experiment with a sanguine expectation that the long-story of this exploitation of the resources in the interest of third parties would once for ever come to an end and that Berar would have even-handed justice. But soon after, it became manifest that the Government of Central Provinces looked upon Berar as a fertile source to be tapped in the interest of the Province in the Government of which they themselves were primarily interested. The following figures of the frevenues raised in Berar and the Central Provinces and the expenditure incurred over them for the years 1902-03, 1904-05, 1909-10, 1912-13 and 1915-16 are given from a statement published by the Government of Central Provinces in the C. P. Gazette March 24,1917 (vide annexture II).

In giving below the figures of income and expenditure for the year 1902-03 for C. P. we have excluded the income and expenditure over State Railways. Similarly we have excluded the income from the State Railway and Army receipts in Berar given in the same Statement for calculating the Revenues of Berar for the same year.

Statement of Berar Revenues and Expenditure.

	Year,		Revenues. Rs.	Expenditure. Rs.	Surplus. Rs.
1902-03 1904-05 1909-10 1912-13 1915-16	*** *** *** ***	 Statement o	1,10,39,382 1,27,57,982 1,40,53,179 1,63,79,598 1,62,68,922	68,10,953 66,13,816 51,75,076 60,31,001 68,00,538 and Expenditure,	42,28,400 61,43,300 88,78,100 1,03,48,500 94,68,400
1	Year,	,	Revenues. Rs.	Expenditure. Rs.	Sarplus.
1902-03 1904-05 1909-10 1912-18 1915-16	•••	*** *** *** ***	1,54,56,931 1,69,14,018 2,11,28,780 2,44,84,723 2,53,45,920	1,14,80,345, 1,40,67,131 2,43,95,826 2,89,16,952 3,15,60,193	Rs. 39,76,600 28,46,900 -32,67,100 -43,32,200 -62,24,200

of administration for Berar and C. P. the details of which are given separately in Statement V. appendix K. in the same Gazette for the corresponding years (Vide annexture II) we have approximately to add 20 lacs of rupees to the expenditure for the years 1912-13 and 1915-16 from Berar Revenues. This will reduce the Berar surplus for that year by 5 Lacs and increase the C. P. deficit by 15 Lacs. Thus we get a very vivid picture of the financial exploitation of Berar by the Government of Central Provinces during the first 10 years of their administration. They carried on the Berar administration with a view to tap the Berar people more and more without the slightest fiancial justification for taxation and increase in revenues for the purpose of Berar and raise the annual surpluses from Berar revenues to the sum of 98 lacs of rupees. On the other hand the administration of C. P. also was being run on extravagant lines so as to cause a deficit of more than 58 lacs in 1912-13.

The Government of Central Provinces prior to the amalgamation of Berar managed to keep their administrative charges not merely within the revenues raised in the Province but actually used to have annual surpluses between 30 lacs and 40 lacs a year. But as soon as the Government of India made a free gift of Berar revenues to this administration they imitated the extravagant ways of "the prodigal son." The Central Provinces Government forgot to cut their coat according to their own cloth but began to indulge in an increasing degree in the vicious habit of using the cloth of Berar for their own coats leaving the Berarees without sufficient cloth to cover their bodies decently. Berar is thus being fleeced without the slightest hesitation.

We do not propose to dwell at length and show in all details in this small pamphlet how this ruinous policy pursued by the Government of Central Provinces has added to the burden of taxation direct and indirect on the people of Berar not merely for the purpose of Provincial revenues but also for the sake of the revenues required by the local bodies. What is stated above will amply prove that the objects of effecting economy in Berar administration which Lord Curzon had in view in amalgamating the Assigned Districts with Central Provinces was also completely frustrated. Berar expenditure which stood at 53 Lacs of rupees in 1901-02 rose to 1,03,48,500 rupees in 1912-13. So the amalgamation was not fruitful of administrative economy anticipated by the Government of India nor of justice to the claims of Berar expected by the people of Berar.

Morley-Minto Reform period. Second Decade.

9. During the period of 10 years under discussion the administration of Central Provinces was purely of the type of what was known as a Non-regulation Province. It was by the proclamation of November 1913, that the provisions of the three Indian Councils Act of 1861, 1892, and 1909 were made applicable to the Province and the first legislative Council of the Province met in August 1914. In this Council, Berar was given the privilege of returning three representatives, one representing the Municipalities, the second the District Boards and the third the landed class. The Berar people who suffered meekly and silently for a period of 10 years and more from the time of amalgamation the injustice done tothem could now raise their voice of protest against it through their accredited representatives in the Legislative Council of the Province and since then Berar problem was almost an annual fixture of the Central Provinces Council debates. We cannot refere to this period without acknowledging our debt of gratitude to the late Rao Bahadur R. N. Mudolkar, whose able advocacy had more than anything else served to expose the wrong done to Berar in all its nakedness. The figures which we have hitherto used in this representation of Berar case, were

mainly available to the Public through his persistent and untiring industry. If 1903 to 1913 was a period of silent suffering, 1914 to 1920 can be characterised as a period of unavailing protest on the part of the Berar representatives in the hope of getting the wrong redressed.

It was also during this period the invidious distinction between a British Province and a Non-British Province like Berar in the matter of its legislation became particularly noticeable. Till 1914. i. e., the inauguration of Morley-Minto Reforms there being no local Legislative Council, all laws for Central Provinces were made by the Imperial Legislative Council, while the laws for Berar were enacted by the Governor General in Council in his Foreign Jurisdiction. So far as the Legislative powers were concerned, the peeple of both the Provinces were more or less standing on the same footing though there was undoubtedly a great constitutional difference between the mode of Legislation for them. In the case of C. P. it was the Legislature recognised under the Government of India Act while in the case of Berar it was the Governer General in Council in his Foreign Jurisdiction.

Administration by C. P. Government and its legal aspect,

10. The authority under which the Chief Commissioner of Central Provinces carried on his administration of Berar during the Morley Minto Reforms period was the Government of India Foreign Department Notification No. 4246-I-B, dated the 11th September 1903 by virtue of which the administration of Berar was transferred from the Resident at Hyderabad to the Chief Commissioner of Central Provinces. It was not thought necessary to issue any fresh Notification although the introduction of the Morley Minto reforms in the Central Provinces in the November of 1913 brought about a considerable change in the powers of the Chief Commissioner and his Legislative Council in respect of legislation affecting the Province. Berar Revenues were included in the Provincial budget for the purpose of discussion during this period under no other authority except the one derived from the Notification mentioned above. It has always been a legal puzzle which the Indian lawyers or the official legal advisers have not been able to solve satisfactorily. All constitutions have generally recognised the principle that the power of the purse and that of legislation are the two important essential ingredients of sovereignty. If for any difficulties arising out of treaty obligations or otherwise, the power of legislation over matters affecting Berar must remain in the hands of the Governor General in Council in his Foreign Jurisdiction, then we submit with great respect, that the power of the Berar purse must also continue to remain in the hands of the same authority. One is so indissolutely connected with the other. Constitutionally both these powers will remain in the hands of the Governor General in Council in his Foreign Jurisdiction so long as that authority wants to exercise the sovereign powers in the autocractic or despotic manner. Neither of them can be delegated to a third party which occupies constitutionally the status of a separate entity such as the Government of Central Provinces undoubtedly had even under the Morley reforms. But if the Governor General in Council in his Foreign Jurisdiction was of opinion and we wholeheartedly endorse that opinion that the Berar had alongwith the British Provinces outgrown the stage during which the autocractic rule could be justifiably maintained and steps had to be taken to confer the rights of democratic Government on them in their entirety or instalments, then, we have not the slightest hesitation to maintain that rights which the Government of India exercised in their Foreign jurisdiction over Berar could not devolve on the C. P. Government as representing Berar but on the people of Berar alone. The people of Berar could not be asked constitutionally to share with the people of Central

Provinces or their representatives in the Council the partial or full control of Berar funds. Even under the terms of the treaty of 1902 in Sub-clause (ii) it is stated that "the British Government, while retaining the full and exclusive jurisdiction and authority in the Assigned districts which they enjoy under the treaties: of 1853 and 1860, shall be at liberty notwithstanding anything to the contrary in those treaties to administer the Assigned Districts in such manner as they may deem desirable." The two conditions viz the specific retention of the full and exclusive jurisdiction and authority over Berar and the liberty to administer the Assigned Districts in such manner as the British Government may deem proper -collectively and severally impose a constitutional obligation on the Government of India either to exercise that whole authority including the power of the purse, directly in their Foreign jurisdiction as they have yet been doing in the case of legislation or to part with it, according to constitutional usages recognised by the constitutional law in favour of the people from whom all such authority is now universally recognised to have originated. In this -case, it is the people of Berar in whose name the authority was exercised by the Nizam and it is that authority which was transferred by the treaty of 1902 in perpetuity to the British Government, the consideration for the transfer being an annual rental of 25 lacs. We think that even the delegation of the power of administration as distinguished from the power of administering Berar funds under the Government of India Foreign department. Notification referred to above to the Government of a Province which can not own any allegience to H. E. H. Nizam and recognise him as their sovereign is an act of a highly questionable legality. Under these circumstances that delegation can take place only in favour of the people of Berar, whose right to legislate over their own affairs and administer their revenues can not admit of any such legal difficulties and is and must always remain undisputed according to approved constitutional usage and practice all over the Civilized World.

11. With the inauguration of the Morley Minto Reforms in the Central Provinces, the Chief Commissioner had to share partially his responsibilities for the administration of Berar with the representatives of the people of Central Provinces who were his constitutional advisers, a state of things that was, we venture to submit wholly uncontemplated either by the treaty of 1902 or the terms of the Indian Foreign Jurisdiction order in Council of 1902.

Berar's protest.

12. We desire to state that all these considerations were duly pressed on the attention of Mr. Montague and Lord Chelmsford, when they toured throughout the country to ascertain the public opinion before making their famous report on Indian reforms. The justice of the Berar case put forth by the members of the Berar deputation in the address presented by them to the Secretary of State and the Viceroy seems to have been clearly appreciated by them as the following passage in their report in para 246 clearly indicates:—

"In Orissa and Berar at all events, it seems to us that the possibilities of instituting sub-provinces need not be excluded from consideration at a very early date".

The Berar Provincial Congress Committee and the Yeotmal District Association two leading political bodies in the Province in submitting their written statements before the Franchise Committee and the Functions Committee placed for their consideration two alternative schemes one based on the assumption that Berar should be treated as a separate Province and the other on the alternative assumption of the same being treated as a part of the Central Provinces

administration. The Chairman of the Franchise Committee gave his opinion before the examination of the witness representing the Congress Committee began that the schemes submitted by the two bodies from Berar based on the assumption of a separate Council for Berar were out-side the scope of the inquiry. We desire to note that the scheme of the Congress Committee ruled out of order by the Chairman of the Committee closely followed the lines suggested by late R. B. Mudholkar at the meeting of the Provincial Congress Committee held for that purpose.

Position under Montague Chelmsford reforms and Parliamentary legislation for Berar.

13. When the Montague Chelmsford reforms were actually introduced 17 seats were allotted to Berar including 3 seats for Mohomedan representation in the assigned districts. And Berar was also allowed the privilege of returning one elected member to each of the two Chambers of the Central legislature, viz: the Indian Legislative Assembly and the Council of State. This representation given to the people of Berar was conceded to them, constituting Berar a separate and independent constituency regulated by electoral rules specially framed for them. It was treated as an independent unit for the purpose of representation on the Central legislature under the Government of India Act, 1919.

As Berar subjects were technically treated as non-British subjects, their elected representatives were supposed to be incompetent of taking their seats in the Provincial and Central Legislature by virtue of elections held in a non-British Indian territory and by a non-British Indian electorate.

In order to tide over this technical difficulty, an express provision to the following effect was made in Sec. 72 A (e):—

"Members nominated to the legislative Council of the Central Provinces by the Governor as the result of elections held in the Assigned districts of Berar shall be deemed to be elected members of the legislative Council of the Central Provices."

The whole of Sec. 72 A was inserted by part I of schedule II of the Government of India Act 1919 (9 and 10 George 5 c. 10 vide Sec. 7 ibid). Sec. 72 A (c) distinctly provided for three steps to extend the benefit of reforms to the people of Berar. First, Berar was to return members by process of election. Secondly such elected members were to be nominated to the Council as the result of elections; it means that the power of nomination which the Governor was to exercise, was not of a discretionary nature in any manner. In fact the Governor is compelled under the Act to nominate the members elected and none else. Thirdly these elected members so nominated were to be treated as elected members of the Council.

Although we deem these privileges as wholly inadequate to meet the requirements and political aspirations of the people of Berar, we cannot but recognise the fact that the British Parliament exercised their Sovereign rights in legislating not merely for the people of British India but also for the citizens of the four Districts which were and are still recognised as non-British territory. We presume that the Berar electoral rules promulgated by the Government of India Foreign and Political department notifications 1186-I dated 24th July 1923, were framed under the authority given in section 72 (c) of the Government of India Act.

Conditional allocation of Berar revenues to the Central Provinces Government

- 14. Under the authority of Section 45 A (b) of the Government of India Act, rule 14 (2) of the Devolution rules, the following provision was expressly made.
- The Revenues of Berar shall be allocated to the Local Government of the Central Provinces as a source of Provincial revenue. This allocation shall be subject to the following conditions, namely:—
- (1) That the Local Government of the Central Provinces shall be responsible for the due administration of Berar, and
- (ii) That if, in the opinion of the Governor General in Council provision has not been made for expenditure necessary for the safety and tranquility of Berar, the allocation shall be terminated by order of the Governor General in Council or diminished by such amount as the Governor General in Council may by order in writing direct."

The specific provision of Devolution with regard to Berar revenues enabling the Government of the Central Provinces to use the same as a source of their provincial revenue and the imposition of certain conditions on them with regard to the same, more than amply justified the protests made by the Berar representatives against the Central Provinces Government during the six years of the Morley Minto reform period on the grounds of inequity and want of constitutional propriety. The rule and the conditions specified therein were intended to give sufficient warning to the Central Provinces Government about the nature of the responsibilities to the people particularly in the matter of the administration of Berar revenues which were handed over to their charge under the rule. In our opinion this rule required the Government of Central Provinces to maintain a clear and separate account of Berar revenues to vindicate their position that they have duly fulfilled the conditions on which the allocation was made.

15. But the Government of the Central Provinces have yet done nothing of the kind, and the Government of India have not shown much concern to insist on strict and rigid enforcement of the same, in the interests of the people of Berar inspite of the fact that the representative from Berar in the Indian Legislative Assembly had made repeated attempts to draw their attention to the grievances of Berar, sometimes by raising a debate on Berar administration by moving a token cut to the demand for grant for Foreign and Political Department or sometimes by interpellations and sundry other ways.

Sim Committee and its formula.

- 16. In the very first ressions of the first Provincial Council held under the Reforms Act of 1919, Berar representatives moved a resolution for an equitable financial adjustment between Central Provinces and Berar. After a long discussion with certain amendment of the original resolution Government agreed to the appointment of a Committee to enquire into the whole question. This was the famous Sim Committee whose recommendations are generally described by the short, title "Sim Formula". (Vide annexure III).
- 17. The main feature of this arrangement was to classify the Provincial expenditure into two categories Central and Divisible. "Central

includes expenditure on Land Revenue, Excise, Registration, General Administration, Administration of justice, Police, Jails, and certain other heads which must be regulated by the needs of the Province as a whole and cannot be distributed between Central Provinces and Berar according to the work done in the two areas. To this list was added expenditure made compulsory by the devolution rules, such as Provincial contribution, the Famine Insurance Fund and the interest on the capital invested by the Government of India in the Province in the construction of protective Irrigation works.

Divisible expenditure includes the statutory charge of interest on capital expenditure incurred by the Governor General in Council on the construction of the productive irrigation works, miscellaneous irrigation expenditure and expenditure on irrigation works financed from ordinary revenues on civil works other than the major works in connection with subjects, the expenditure on which is Central; on Public Health, grants, to Local Bodies, subject to certain exceptions, on Education, Medical Administration, Agriculture and Industries. The total money available for expenditure under these divisible heads is to be distributed in the proportion of 3/5th to the Central Provinces and 2/5th to Berar as the contributions derived from the two localities. And in future the annual financial statement isto show the financial contributions forthe budget year of each locality and the distribution of divisible expenditure between each, according to the budget proposals. This Sim Formula, which in itself did not do any real justice to the people of Berar, was again circumscribed with a number of exceptions, explanations and provisos, which left many loopholes to the Finance department of the Central Provinces Govenment to get out of it.

The very principle on which major items of expenditure were grouped as "Central" meant glaring injustice to the people of Berar. Judged either by the test of population or by that of area, the share of Berar for such expenditure cannot exceed 25 per cent at the most, of the total expenditure required. Yet by the enunciation of this principle on which, items of Central expenditure were grouped to-gether, Berar was made to contribut, nearly 15 to 20 percent more than what was legitimately due from it. This so called Central expenditure swallowed nearly 3/4th of the entire revenues of the province and the residue left for distribution according to the Sim Formula came to 1/2th or a little more. Four Districts of Berar are, under this arrangement, compelled to contribute 40 per cent of the expenditure required for 22 districts falling under the Category of "Central" Expenditure.

18. The inequitous nature of the arrangement is too obvious to need any further comment. But this arrangement, inequitous and unjust as it undoubtedly was, was not consistently adhered to by the Central Provinces Government. During the first 3 or 4 years following the formal adoption of the Sim Formula no serious attempt was made to allot the expenditure for Berar even under the divisible heads to the full limits definitely laid down in the formula. Shelter was taken under clauses which circumscribed its application. It was during the regime of one Minister from Berar that the budget allotment for divisible expenditure on Berar came up to 38 per cent. This registered the high water mark. That was in the year 1928-29. After this tidal wave of 38 per cent we find a graduale ebbing. In 1929-30 it stands at 35 per cent, again reduced to 34 per cent in 1930-31. And the budget allotment for the year 1931-32 stands still at 30 per cent. The figures given are simply budget allotments and we have reasons to believe that the actual expenditure falls short of the budget allotments. This is the only step taken by the Central Provinces

-Government to pacify the discontented representatives of Berar. It was an arrangement more to legalise the appropriation or we venture to say rather misappropriation of nearly 60 to 70 lacs of Berar surplus to expenditure outside Berar, than any serious attempt to allot "a reasonable share of Berar revenues for the benefit of Berar". In its inception the Sim Formula was already unjust enough but in actual practice it proved very illusory and evasive. It conclusively disclosed that the authorities who are entrusted with the duty of making adequte provision for the proper administration of Berar, have no inclination to do justice to the Berar ryots who are being actually bled white by an annual drain amounting to 70 lacs of rupees pumped out of their life blood to maintain the costly services in a sister province with whom their fate is for the time being indissolutely linked. This much is enough to give the idea of the measure of control which the Berar people have over their purse, during the period of Reforms (1921 to 1930).

Berar Legislation rules.

19. We now refer to another feat of the Central Provinces Government for satisfying the grievances of the Berar people as regards the power of legislation of laws peculiar to Berar. A set of rules called Berar Legislation rules were published in the Central Provinces Gazette on the 1st December 1923 under Central Provinces Government Legal department Notification No. 420-553 dated 30th November 1923. (vide annexure 1V). Under these rules, members elected from Berar to the Cental Provinces Legislative Council with five members to be nominated by the Governor were to constitute themselves into a Committee for the consideration of legislation affecting Berar. Governor has also the power of nominating two additional members having special knowledge or experience of the subject matter of legislation. This meant that there can be seven nominated members against 17 elected. In a body of 24 a little less than 33 per cent are nominated of whom all can be officials if the Governor is so inclined.

The members of this Committee have no right to initiate the private bills without previous sanction of the Governor and without the provisional approval of the Governor-General in Council to whom the draft law shall be referred under rule 3. They have no right of interpellation or moving resolutions either.

Committee's power to consider legislation is limited only to certain classes of legislation relating to Berar. Besides, there is rule 10 which clearly sets out the nature of this Committee. It runs as follows:—

"Nothing in these rules is to be understood as derogating from the power of the Governor-General in Council to legislate for Berar as he thinks fit and if necessary, without reference to this Committee." This is followed by a note which states that the Committee is a body whom the Governor-General in Council may or may not consult for advice. It is better to quote the note itself.

"The above rules relate to the procedure to be observed in framing laws for Berar. These rules have no statutory power representing the existing policy of the local Government and the Governor-General in Council on the subject of legislation for Berar. Special attention is invited to rule 10 which will cover the case when on account of a sudden emergency the local Government may request the Governor General in Council to promulgate a law without reference to the Committee".

Lastly the rules are not framed and promulgated by the Government of India Foreign department notification as usual, but by the Central Provinces-Government who have no right of legislation whatsoever. They are no more than mere instructions which have no binding force.

The powers of legistation, which the Governor General in Council exercisesover Berar are more autocratic and drastic than his powers of issuing ordinances
under the Government of India Act., In time of emergency, for British India
Ordinances are only short-lived but the ordinances for Berar styled as Foreign
Department notifications are permanent and never stand in need of ratification
by the Central Legislature or the Berar Legislature Committee which as we have
shown above, is not a statutory body and consequently has no constitutional
existence.

20. Such is the legislative machinery set up to satisfy the political aspirations of the people of Berar in matters of legislation. They are ashelpless today in this respect as they were before this rickety machinery of legislation rules came into existence. The legislative Committee proved a great illusion on the very first occasion when it was convened to consider the Berar Land Revenue Code. The Committee by an overwhelming majority passed a number of important amendments modifying the principles of landassessment and theory of land ownership in the original draft. passed was modified by the Governor General in Council on all the important amendments passed by the Committee and sent back for reconsideration after a very long time. The new Committee reconsidered the first draft as modified. and amended it again so as to restore it substantially to the form in which. it was passed by the first Committee. The Governor General in Council turned down all the important amendments effected by the Committee and practically passed it in the form in which it was sent for reconsideration to the Committeefor the second time.

This is in brief the history of the half-hearted efforts which the Local Government and the Government of India have made during the last decade-(1920-1930) to conciliate public opinion in Berar and give recognition to their claims for being treated on terms of equality with their brother citizens in the British Indian Provinces. It may be appropriately described as a period of futile remedies.

The rights of Provincial autonomy which they enjoy at present amount to the privilege of a few elected seats on the Central Provinces Legislative Council and of assisting their colleagues from Central Provinces in framing their laws, Legislation affecting Berar is not and cannot be before that Council for consideration. During the period intervening between 1903 to 1930 important laws peculiar to Berar such as Berar Forest law, Berar Excise law etc., were repealed and other laws applied in stead without the people of Berar being consulted in any way although they were at the same time allowed het luxury of representation on the Local Legislative Council and the Central Legislature.

Berar claim not in consistent with treaty obligation.

21. We hope that the narrative will serve to give a fair idea of the problems arising out of the anomalous position of Berar. We want to make it clear beyond doubt that we desire the British Government to respect the terms of the treaties concluded between the British Government and H. E. H. the Nizam. What we urge is that these terms do not in any way conflict with the duty which the British Government has to discharge towards.

the people of Berar viz. granting them the same rights and privileges which they have hitherto extended and will have to extend to the people in the provinces in British India.

Summary of conclusions.

- 22. We now think it expedient to summarise the propositions which we have endeavoured to bring out prominently in the foregoing paragraphs:—
- 1. Berar was regarded a separate and an independent country and had an honoured place in the nationalities of India from times immemorial to the end of the 13th century.
- 2. During the Moghal period, as well as the later time when a constant struggle for supremacy over Berar was going on for about 5 centuries, it stood as an integral part by itself either of the Maratha Empire or Nizam's Dominions and was never treated as an adjunct of or tacked on to any other Subha or Province of their Kingdom.
- 3. Treaties concluded by the British Government with H. E. H. the Nizam and the Raja Bhosla of Nagpur in the years 1803, 1804, 1822, 1853 and 1860 had served to partition the Berar territories among different Provinces of British India and the dominions of Nizam and the existing territory of four districts which had always been the central part of Berar is now the only territory known by that name. It is only a fragment of the greater Berar which existed only 125 years ago almost in its integrity.
- 4. During the struggle it has been the ground for exploitation by political adventurers.
- 5. Even this fragment, has during the British administration, no stabled and sound constitutional form of Government within which the people can make any real progress as Berar is treated as a Non-British territory and constitutionally not a part of British India. It is administered by the Governor General in Council through foreign Department.
- 6. During British connection the process of exploitation has not ceased. On the other hand it has become more systematic and more difficult of resistance.
- 7. The remedies hitherto adopted to confer the benefits of representative Government have proved more or less of an ineffective nature and failed to vest any real power in the hands of the people of Berar as regards legislation pertaining to Berar or administration of revenues raised in Berar.
 - 8. Berar people are smarting under this grievance.
- 9. That the clumsy procedure of transfer of administration from one officer to another officer gives rise to problems of a very complicated nature and lands the Government of India into a fallacious position.
- 10. Parlimant has tacitly asserted its right to legislate for Berar in the Government of India Act by enacting provisions in section 72-A (c) relating to its representatives on the Central Provincial Council.

- 11. The principle that Berar revenues can not be gifted away for administration to any Government without imposing conditions of proper administration of Berar is now partially recognised in Develution Rule 14 (2).
- 12. That the inclusion of Berar revenues in the funds for administration by the Central Province Government has given rise to a sharp conflict of interest between Central Provincial Government and the Berar people as well as between the non-official representative of Central Province and those of Berar in the local legislative council with unsatisfactory results on the council proceedings and the administration of the Provinces.
- 13. Berar is recognised to have a right to return elected representatives to the Central Legislature in its own right and not as a part of Central Provinces.
- 14. Berar has to be treated as a unit by itself on account of the peculiar position it occupies in the territories under the administration of the British Government and in view of that position, the Government of India Act had to take special notice of it and provide special measures for extending the benefits of the imposed-democratic system of Government.
- 15. That there has been a standing protest against amalgamation from the very beginning and an emphatic demand for constituting it into a separate province with full control over its legislation and finance from the people of Berar.
- 16. In the Montague-chelmsford report the necessity of Berar being constituted as a Sub-Province under the Government of India Act of 1919 was definitely conceded.
- 17. Prima facie restoration of Berar to its position as a separate Province appears to be a reasonable and proper solution of the difficulties.

SECTION III.

Federal Scheme and the position of Berar.

23. We think that we are now in a position to discuss the proposed scheme of Federation and indicate its bearings on the position of Berar.

The conclusion of the Federal Structure Committee relating to the component elements of Federation are embodied in para 3 of the interim report presented at the meeting of the cammittee of the whole conference held on 16th December 1930. They are as follows:—

The component elements of the Federation should be on one hand,

- (a) The Federating Provinces of British India and on the other hand,
- (b) Such Indian states or groups of states as may enter the Federation. Provision should be made for the subsequent entry from time to time of such further states or Groups of states as agree to enter the Federation.

Then subsequently in para 4 of the same report, it is stated that the Federating organism will be neither the Government of British India as it exists at present, nor autonomous provinces released from the Central tie.

The powers of Federation will involve the creation of a new state which will derive its powers—

- (a) in part from the powers which the States will agree to concede to the Crown, to be placed at the disposal of the New Federation and
- (b) in part from the transfer to it of such of the powers of the Central Indian Gavernment (and also it may be of the provincial Government) as may be agreed to be necessary for the purposes of the Federation.

We submit with great respect that the members of the Federal Stucture Committee, although they were engaged in the task of framing a scheme of United India and translating into a material form the aspirations for a United India which were in the minds of her Philosophers and Rulers before "the first English trader set his foot on her shores" had not before them, the map of the entire Indian Peninsula. Had it been there, we have no doubt that they would have at once discovered that there were certain territories in India which did not admit of the description of any one of the two categories, which according to the recommendations in para 3 of the report, would form the component elements of the Federation. We have already shown above that Berar is not technically a British territory although it is administered by the British Government since 1853. Up to 1903 it was a separate unit of a administration but since then the Local Government of the Central Provinces is entrusted with its administration. Still it is not and cannot be an integral part of that administration but only as an adjunct, as the right of this administration is derived from the Governor General in Council in his Foreign Jurisdiction who constitutionally represents the British Crown and to whom delegation of powers is made by the Foreign Jurisdiction Order in Council of 1902. It appears to us that in view of the clearly defined nature of the parts which will constitute the component elements, a territory like Berar will be debarred from entering the Federation as a Federation Unit. We do not at all think that the recommendations of the Federal Structure Committee were delibarately worded to exclude the entry of Berar into the future Federation. It was indeed a misfortune of Berar not to have any representative on the Committee when the important problem dealing with the component elements of the Federation as well as the source from which the Federation was to derive its sovereign power was being discussed and provi--sionally settled at the meeting of the Sub-Committee. We therefore read with a great sigh of relief the following observations made in para 2 of the Sub-Committee report presented at the meeting of the Committee of the whole Conference held on 15th Jan. 1931.

"It must be clearly understood that although agreement has been reached by a majority of the Sub-Committee on many important matters, such agreement is only provisional and every member followed the example of Lord Reading, who said that the understanding had been from the outset that it would be open to all members when they come to consider the complete proposals for thh Federal Constitution, to modify or change any provisional assent they might have hitherto given. Every member of the Sub-Committee reserves to himself the right of modifying his opinion before the final picture is completed. This is the attitude of the British and Indian Members alike."

24. We therefore urge that the provisional recommendations in para 3 of the report relating to the component elements of the Federation as well as the one relating to the derivation of the powers of Federation from the transfer of the power of the Central Indian Government in para (b) will have to be substantially amended with a view to enable a tract like Berar which is neither British India nor a Native State, to enter the Federation as a federating Unit.

If in para (a) after the words "the Federating Provinces of British India" some words to the effect "and any other territory in India over which the British Government has acquired permanent right of administration with or without the right of sovereignty vesting in them" are added then there will be no difficulty left in the way of Berar to enter the Federation. So far as our knowledge goes there is no other important territory in India held on the terms of permanent lease from the Sovereign of a Native State by the British Government except Berar. If this is correct, we would prefer the express mention of the words "Assigned districts of Berar" in place of the phraseology suggested above.

Similarly some change will have to be made in clause 4 (b) also. As a part of British India it is administered by the Governor General in Council in Foreign Jurisdiction. The mere transfer of the powers by the Central Government may not be deemed sufficient to empower the Federation to exercise its sovereign powers over Berar for the purpose of Federal subjects. We suggest that after the words 'Central Indian Government' the words 'and the Governor General in Council in Foreign jurisdiction' may be inserted. These are the tentative suggestions which we offer for the consideration of the experts on the Committee. The point that we emphasise is that the wording of the clauses 3 and 4 of the Report should be either sufficiently comprehensive for admission of Berar as a Federating Unit or it should specifically mention the case of Berar for such admission.

25. We submit that there can be no technical bar what so ever for treating Berar as a Federating Unit. It is entirely within the competence of the Governor General in Council to delegate his powers of administration to the people of Berar on condition of their joining Federation. The Conference is anxious that every Native State should join the Federation. The rulers of the Native States who support the idea of Federation and expressed their readiness to join the same when it will be materialised, were greatly praised for the patriotic spirit shown by them. The Premier in his speech delivered on the 19th January 1931 at St. James's Palace spoke of them in the following terms:—

"Your Highnesses, I can add nothing to the tribute that has been paid to you by previous speakers regarding the magnificient part that you have played in making it possible." Then further-on the Premier observed referring to the Ruling Chiefs at the Conference "You came, you made your declaration you showed your patriotic interest in Indian affairs and your very wise vision regarding the future and your words made it possible for us to build up a constitution and put positical weight upon it." We expect Government of India to show the same patriotic interest in Indian affairs by declaring openly their intention to place Berar on the same footing as a British Indian Province or an enlightened Native State for the purpose of entering Government of India ought not to be allowed to the Federation. plead any excuse for withholding from the people of Berar the status of a Federating Unit. It is the duty of the members of the Round Table Conference to ask the Governor General in Council who administers Berar in Foreign Jurisdiction to set an example to Ruling Chiefs and Princes of the Indian States by opening the door of federarion to Berar which is still treated as a Non-British territory. Government of India has now to do for Berar in view of their rights of permanent lessees with liberty to administer Berar in any way they may deem proper guaranteed under the treaty of 1902, what the Government of India would have asked H. E. H. the Nizam to do, had the position been otherwise. If it is wise and patriotic for an Indian state to surrender his power of autocratic rule in certain mattters in fayour of the Federation that is to be, it is certainaly equally wise and patriotic for the

Government of Irdia to part with their autocratic powers of administration over Berar in favour of the same Federation.

26. We think that this is a convenient place to bring to the notice of the members of the Federation a few facts relating to Berar which will leave no doubt in their mind about the competency of Berar to enter the Federation as a Federating Unit in its own right.

Berar is a compact Province with an area 17,767 sq. miles and a population of 34,43,755 according to the Census of 1931 (Provisional figures). This will show that it is bigger than some of the major Indian states such as Baroda, Bhopal and Indore in India. In population it is bigger than the majority of the States which are federated to gether in the American Commonwealth. (See page XVIII Vol. I, American Common-wealth by Bryce.) There are a number of European States such as Belgium and Holland which are smaller in size. We do not think it necessary to point out that on the grounds of population and income the case of Berar is very much stronger than that of Sind and the North-West-Frontier Provinces. Besides the population of Berar is issentially homogenous. Mahomedan element does not exceed 5 per cent of the population. The relations between Hindus and Mahomedans in Berar have been on the whole of a cordial nature.

27. We have no hesitation to maintain that Berar will be self-supporting as a separate administration. The following statement shows the revenues credited into and the payments made from the Treasuries in Berar Districts for 4 years and also the overhead charges which in our view will be adequate. They are calculated at 25 per cent of the entire overhead charges of the combined Provinces of the Central Provinces and Berar. Central Provinces have 18 districts while Berar has 4. A balance of over 50 lacs on an average per year will be left with economy in the administration and the normal expansion of revenue, the balances will be still larger and Berar can certainly bear the costs of maintaining an efficient administration even, at a higher cost, if necessary.

Statement showing Revenues credited in Berar Treasuries.

Year.	1926-27.	1926-27. 1927-28.		1929-30.	
Provincial	Rs. 2·00·31	Rs. 1·93·32	Rs. 2·02·92	Rs. 1·95·42	
Statement showing	ng payments	made out B	Berar Treas	suries.	
Year.	1926-27.	1927 28.	1928-29.	1929-30.	
	Rs.	Rs.	Rş.	Rs.	
Provincial	1.29.04	1.32.94	1.21.33	1.28.96	

^(*) These are not actually made from Berar Treasuries. These represent 25 per cent. of the entire overhead charges of the combined Province, which will be the reasonable share of Berar.

1,56,73

1,54,66

1,50,47

1,53,44

Total

We believe that the above Statement is sufficient to demonstrate beyond doubt that it can be a self-supporting Unit.

It is one of the most fertile tracts of India and has rich black cotton soil. Berar cotton crop supplies nearly 1/4th of the total quantity of the annual yield of the cotton in India, as the following figures taken from Bombay Cotton Annual 1929-1930 will show.

	Berar,		Total No. of Bales pressed.	Total for India, No. of Bales pressed.
,			Rs.	Rs.
1929-30	•6•	•••	9,84,150	42,04,322
1928-29	***	•••	10,05,312	42,12,881
1927-28	***		9,40,229	38,45,059

(These figures do not include cotton consumed in local Mills and not pressed into bales for export).

We have drawn the attention of the members of the Committee to these few facts to indicate the present capacity and future potentiality of Berar to maintain its position as a Federating Unit.

In insisting on the Federal Structure Committee to widen the terms of the recommendations in para 3 of their first report for the sake of enabling Berar to be a Federating Unit alongwith other British Provinces, we are not altogether unmindful of the safeguards mentioned in para 11 of the Committee's Report and particularly of their following recommendation in para 11.

(1) During the period of transition the Governor General shall be responsible for defence and external affairs including relations with the Indian States outside the Federal sphere.

We ourselves are entirely opposed to any reservation of the kind. But even if it be found necessary for the Committee and the Round Table Conference to uphold it during the period of transition, we do not think that our claim does in any way conflict with. As soon as Berar becomes a federating Unit its administration comes within the Federal sphere and consequently outside the range of those relations with the Native States for which the Governor General shall remain responsible. In fact our demand is to take Berar administration outside the sphere of Governor General's responsibility as it exists at present. Administration of Berar is purely a question of civil administration and is in no way connected with the diplomatic relations between the Governor General and the Native States to which the recommendation in this paragraph dealing with the safeguard ostensibly refers.

28. We now propose to refer to the difficulties which are likely to arise purely from the point of view of the political status of Berar if the right of Berar to be a Federating] Unit be not clearly defined at the Sub. Committee.

First we propose to summarise the chief recommendations made by Sub Committee II (Provincial constitution) regarding Provincial Legislature.

- (1) Diarchy shall be abolished,
- (2) The individual ministers shall be jointly responsible.
- (3) Governor to summon the member possessing the largest following in the legislature and invite him to select the Ministers.
- (4) The new Provincial Council shall be wholly elected and the official block should disappear.
- (5) Nomination may be resorted to in the case of some Provinces only to secure the representation of groups unable to return own members through the polls.

Under these conditions it will not be open to the Government to have recourse to nomination to secure representation of Berar on the local Legislative Councils, as it can not be said that Berar can not secure its representation through polls. Government can not nominate a large block of members from Berar to a Council which constitutionally must consist of elected members only.

Besides this no Berar member can ever command the largest following inside the Council Chamber and he can not be summoned at any time and be invited to form a Ministry. It means that there can be no chance for a member from Berar to be a Prime Minister or Chief Minister of the Province.

There being a sharp conflict between the interests of the representatives from Central Provinces and Berar arising mainly out of the Berar revenues being treated as a source of Provinces Government, it will be always difficult for the Central Provinces Chief Minister to include the real leader of Berar party commanding the majority of Berar Members in his Cabinet. This will also create difficulties in the formation of political parties in the Central Provinces purely on political issues and we fear that absence of such clear parties will hinder the administration of responsible Government on really healthy and progressive lines.

Again this inclusion is bound to create difficulties in keeping up the joint responsibility. In fact the group of Berar members will have to play the roll of permanent opposition without any hope of coming to power in the C. P. Council and all the evils arising out of irresponsible opposition will increase to the detriment of healthy public life in Berar and the efficient administration of the Province also.

It is impossible for such a group to take any active and intelligent part in the constructive work before the Council and the element of responsibility so far as Berar is considered will only be nominal.

In a really responsible Legislature there can be no artificial restraint on the power of the legislature to control the Provincial purse. The voice of majority must prevail. The situation of Berar is bound to be worse.

29. We do not think that it is dignified for us to ask that Berar Revenues should be treated as a separate fund and that the expenditure from the same should be votable only by a part of the house, a state of things which will become inevitable, if Berar is treated as a part of Central Provinces with a common legislature.

In that case it would be absolutely necessary to introduce certain conditions to restrict the free voting power of the Central Provinces representatives as regards expenditure over Berar from the Berar funds. This will

undoubtely diminish or even damage the real power of the legslature over affairs for transaction before them. These are some of the main difficulties—which we anticipate. Some of them are formidable. The better solution in our opinion in the interest of the real provincial autonomy is to treat Perar and Central Provinces as two distinct Federating units of the Federation, otherwise there is no way out of them and no end to the troubles also.

30. Leaving aside the question of the position of Berar in the provincial Council, its representation in the federal Legislature will be still more difficult and inequitable. Federal Structure Committee have unanimously decided that the British Indian members of the Senate should be elected by the Provincial legislature by single transferrable vote. It is doubtful whether members from Berar returned to the Central Provinces Council can be held eligible to become British Indian members of the Senate. It would be necessary to define British Indian member as including any Indian member of a British Indian provincial legislature. Secondly Berar will be losing the distinctive right of repesentation in both the Chambers of the Central legislature which it has been enjoying in her own right for the last so many years. It would be a constitutional set back to the political progress of Berar. Thirdly the smallness of Berar members in the C. P. Council will not enable them to return, even by the method of single transferable vote, adequate number of representatives to the Senate.

It is difficult to say what the position of Berar will be as regards. representation in the lower Chamber, as the Committee have not made any difinite recommendation in the matter.

- 31. These are some of the main additional difficulties that the Berar will have to face, if the Federal Structure Commiltee will not make adequte provision for admitting Berar as a Federating Unit. We respectfully submitthat the old difficulties, viz., the difficulty regarding legislation on Berar affairs and the power to administer Berar revenues exclusively by themselves can be solved and the possibility of other difficulties just mentioned be averted if the status of Berar as a Federating Unit is unequivocally recognised in the recommendations of Conference and the Committee for the future constitution of India.
- 32. We therefore earnestly desire the Round Table Conference and the Federal Structure Committee will
- (1) widen the scope of the component elements of the Federation soas to permit the admission of non-British territory administered by the British Government as a Federating Unit
- (2) make definite provision for recognising Berar as a Federating Unit; and
- (3) Suggest some arrangement to secure to the people of Berar onapermanant constitutional Basis complete control over Berar Revenues and Berar legislation as well as Representation on both the chambers of the Federal legislature in their own right as heretofore in proportion to their importance, by
- (a) Constituting Berar into a sub-province under the Deputy Governor with a Cabinet responsible to Berar legislature on lines laid down in section 52 of the Government of India Act 1915, provided the creation of a sub-province is feasible under the proposed federal scheme of Government and also-consistent with the status of Berar as a federating unit or
- (b) by Constituting it if necessary into a Governor's Province with a responsible cabinet and with all the rights and privileges of a British Indian. Province enjoying the status of a federating unit.

Yeotmal, Dated 11-8-1931. M. S. ANEY,
President, Berar All Parties' Committee.

ANNEXURE. I.

On the 1st and 2nd of June 1931 Berar Political Provincial Conference was held at Khamgaon with Sirdar Vallabhbhai Patel, the President of the Indian National Congress at Karachi 1931 and of the All India Congress Committee for the year 1931-32. At the Conference the following Resolution was passed unanimously.

"Whereas it appears that a large number of people in Berar are of opinion that Berar should be a separate Province in the future constitution of self-government for India and enjoy the same rights autonomy and status as other Provinces may enjoy under that constitution and whereas it is necessary to ascertain public opinion of the Province on the question and have a proper discussion of the same and

Whereas it would be eventually necessary to appoint some representative-Committee to carry out the decisions that may be arrived at in such discussions such as to instruct the members of the Round Table Conference properly on this question, create an organised public opinion in the Province in support of those decisions etc.

The Conference resolves that the President of the Berar Provincial Congress Committee is hereby authorised to convene a small Conference of leading public men representing various parties and schools of thought in Berar at some convenient Central place before the end of this month".

Mr. Waman Gopal Joshi, the President of the Berar Provincial Conference issued invitations to a large number of leading public men representing different parties and schools of thought in the Province to attend the Conference at Akola on the 21st of June. The Conference was attended by a large number of publicmen invited and presided over by Mr. Waman Gopal Joshi, the President of the Berar Provincial Congreess Committee. It passed the following two resolutions.

"Whereas Berar at present occupies an unenviable and anomalous position resulting in its administration being run partly by the Foreign Department of Government of India and partly by the authorities to whom the powers of that Department are delegated,

And whereas such a state of things is highly detrimental to the growth of the civic and political rights of the people of Berar, and their moral and material progress also,

And whereas it is necessary to secure a definite and legitimate status for Berar in British India at this time when the entire problem of the future constitution of India is under revision and consideration,

This Conference is emphatically of opinion that Berar must be treated in every respect as a part of British India for the purpose of administration and in the future constitution of India the people of Berar must be invested, even if necessary, by constituting Berar into a separate Unit of Federation, with all the rights of citizenship which the people of the Federating Units in British India will have particularly in regard to control over Provincial Administration and Revenues.

The Conference appoints following Committee, with Mr. M. S. Aney as President to take all steps necessary by approaching and instructing Congress delegates and other members of the Indian and British delegation to the Round Table Conference, in order to get these rights of the people of Berar duly recognised and provided for in the forthcoming Federal constitution of India and carry on all kinds of propaganda work in support of the same.

1. Mr. M. S. Aney, 2 Sir M. V. Joshi, 3 Mr. R. M. Deshmukh, 4 Mr. Y. M. Kale, 5 Veer Vamanrao Joshi, 6 Mr. Brijalal Biyani, 7 Mr. S. V. Gokhale, 8 Mr. P. B. Gole, 9 Mrs. Durgatai Joshi, 10 R. B. K. V. Brahma, 11 R. B. R. V. Mahajani, 12 Mr. B. G. Khaparde, 13 Mr. R. A. Kanitkar, 14 Mr. V. B. Chaubal,

15 R. S. Satarkar 16 Mr. S. M. Rahman, 17 Mr. A. Latif, 18 Mr. Naik, 19 Mr. T. L. Dighe 20 Mr. Babasaheb Paranjape, 21 Mr. P. C. Joglekar."

Resolution No. 2 A Committee consisting of Sir M. V. Joshi as President, Mr. B. G. Khaparde, Mr. R. M. Deshmukh be appointed to negotiate with the Government of India for securing a representative from Berar on the Round Table Conference.

The Committee in pursuance of the Resolution sent the following Telegram to H. E. the Viceroy on 22nd June 1931.

"At a political conference to which all parties interested in the question were invited we the undersigned have been authorised to represent to your Excellency the need of a representative for Berar at the coming session of the Round Table Conference. The anomolous position held by Berar which is at present legislated for under the jurisdiction given to the Government of India under the Foreign Jurisdiction Act leads to the result that the members for Berar in Provincial Council at Nagpur have no more than a merely advisory voice in legislation regarding Berar. It also leads to Berar revenues being spent to a larger extent than is justifiable on the Central Provinces to which at present, Berar is linked.

"The fact of the anomalous position of Berar has received attention even in the Mountford Report resulting in a suggestion that the case of Berar for being made a sub-province should be considered. To emphasise the various disabilities legal, financial and otherwise for which Berar suffers at present, the conference considers that a request be made to the Government of India for such a representative. We accordingly pray your Excellency to treat this matter as urgent and to be pleased to appoint a representative for the above purpose at the coming session of the Round Table Conference."

It is also learnt now that at the All-Parties Conference at Akola on the fundamental position of Berar and its solution a general unanimity prevailed and it was the general feeling that the formation of Berar into a separate unit would prove to be the only satisfactory solution of the problem. The following resolution was therefrom adopted:- "Owing to the present undesirable and undefined political status of Berar, it was being administered partially by the Foreign and Political Department and partially by such authorities as the said department would appoint. This position is detrimental to the rights and progressive advancement of the people of Berar. It is, therefore, necessary to change the political status of Berar and get it positively defined while the whole political structure of India is being reconstructed. This All-Parties' Conference is unequivocally of the opinion that for all practical purposes of administration Berar, like the other British Indian Provinces, should be treated as a part of British India, and should in the future constitution be given as a distinct unit the same rights in respect of their administration and Provincial Finance, as may be confetred upon the people of other Indian Provinces, and, if necessary, Berar be constituted into a separate federating Province for the purpose."

The following is the reply. D. O. No. 6560 G. P.

Viceregal Lodge, SIMLA, 23rd June 1931,

Dear Sir,

I am desired by His Excellency to acknowledge the receipt of your telegram dated 22nd June which is receiving his consideration.

Yours faithfully,
Sd.
Private Secretary to the Viceroy.

ANNEXURE II. Statement (I)
Statement showing the Revenue raised in Berar under the various major heads during the years 1902-03, 1904-05, 1909-10, 1912-13 and 1915-16.

	Major heads.		1902-03.	1904-05.	1909-10.	1912-13.	1915-16,
	***		Rs.	Rs.	Rs.		Rs.
		- 1	3	•	1		
1.	Land Revenue	••••	74,53,315	81,22,012		85,96,949	96,36,460
2.	Opium	••,[60,375	•••	1,49,631	1,69,943	1,52,93
4.	Stamp		8,76,€57	8,90,042		13,65,278	14,22,51
5.	Excise		15,70,719	24 ;46,388	26,38,686	40,98,166	36,39,77
6.	Provincial Rates	3	•••	***	•••	•••	•••
7.	Customs	•••	16,361	17,876	42,140	51,722	41,28
8.	Assessed Taxes	•••	17,705	2,57,821		2,91,263	3,74,12
9.	Forest	•••	5,34, 530	6,60,640			13,12,46
10.	Registration		90,689	1,03,249	1,45,452	2,30,567	2,09,95
11.	Tributes	•••	•••	•••	•••	•••	•••
12.	Interest	•••	30,856	17,625	25,827	20,416	26,27
13.	Post Office		`	•••	•••	•••	•••
16-A	Law and Jus	tice	ļ				
	Courts of Law		53,260	49,291	71,032	71,313	65,13
16-B	Law and Just	tice				'	•
_	Jails		29,755	20,717	5,564	6,538	5,43
17.	Police		82,529			3,805	5,32
19.	Education		47,964	36,991		97,894	1,08,65
20.	Medical		2,662				6,13
	Agriculture) ","	-,02			(21,81
21_F	Scientific and I	Mis	792	213	27,487	32,30 8) .
~1-1	Departments		(11,03
22.	Receipts in 'aid	1 00	,		ļ		
~~.	superannuation		39,649	25,159	45,482	52,514	83,93
23.		and	25,040	20,100	20,200	0.0,011	1
, U	Printing	au.	7,164	3,409	1,522	1,701	14,51
25.	Miscellaneous	•••	1,07,966	17,844		33,926	
		• • •			14,~11	00,000	00,0
26.	State Railways		1,12,549	***	•••	•••	• • • • • • • • • • • • • • • • • • • •
29.		ajor			,		
	Works Direct	re-					
	ceipts	•••	***	•••	•••	•••	•••
	Do. Portion			Ì	'		1
	Land revenue	ane		l			ł
	to Irrigation	•••	***	•••	•••	•••	*** ,
30.	Minor Works	and		ř	1		`
	Navigation	•••	4**	•••	***	***	•••
31.	Civil Works	in		}			1
		ivil			_ '	•	1 .
	Officers	•••	•••	44	1	00.040	
In c	harge of P. W. (Offi-			19,019	23,648	50,89
	· cors	***	16,434	21,002)		
	Army	•••	1,54,735	4	****	* ***	••• ,
34.	Military Works	•••	***	•••	250	***	•••
				1	1 :	1	ľ
							
				l	1		•
	Total Revenue				1,40,53,179		

ANNEXURE II. Statement (II)

Statement showing the Expenditure incurred in Berar underthe various Major heads during the years 1902-03, 1904-05, 1909-10, 1912-13, and 1915-16.

	. 1	1902-03	1904–5	1909-10	1912-13	1915-16
		Rs.	Rs.	Rs.	Rs.	Rs.
1.	Refunds and draw-	17,413	24,178	62,387	32,307	43,338
2.	backs Assignments and	1.,410	N4,110	,	02,001	40,000-
	compensations	12,145	25,12,533	4,905	13,7 16	
3.	Land Revenue	14,62,709	14,83,216	16,03,261	16,48,704	17,66,818
4. 6.	Opium Stamps	10 3 4,11 9	52,169	31,926	38,129	34,764
7.	Excise	23,627	22,403	67,745	68,976	84,927
10.	Assessed Taxes	•••	***	9,805	11,938	16,189
11.	Forest	2,13,948	2,54,418	4,99,857	6,27,424	
12. 13.	Registration Interest on ordi-	50,943	46,903	52, 008	66,643	62,399
10.	nary Debt			{		
14.	Interest on other	•••	, .		•••	
	obligations	4,76,093	•••	****	, 4••	***
15,	Post Office	8,843	>**	· • • • • • • • • • • • • • • • • • • •	•••	•••
18.	General Adminis- tration	3,06,410	59,481	74,132	70,2 95	74,849
19A	Law and Justice	0,00,410	199,401	11,102	10,200	14,045
1471	Courts of Law	3,01,765	3,12,455	3,96,148	4,04,246	4,23,679
19B	Law and Justice]		1		
00	Jails	84,625	82,711	48,887	51,871	54,049
20. 22.	Police	5,62,043 2,01,165	5,28,065 1,89,757	6,45,700 3,81,248	6,69,534 4,57,359	7,47,158 6,17,544
23.	Education Ecclesiastical	1,116	9,703	10,469	9,330	10,521
24.	Medical	1,82,327	1,42,460		2,66,109	3,21,401
26 <i>-1</i>	Agriculture)	- 1		·		14
26-1	Biggientific & Mis.	19,729	14,356	59,199	67,225	68,737
27.	Departments) Territorial and Po-		Į	` ` {:		10,488 -
~ .	litical pensions	35,216	5,694	7,354	5,817	4,566
29.	Superannuation al-		-,	- 1		•
	lowances and Pen-	3,34.004	3'',	1 20 100	4 00 900	0.18 011
30,	sions	3,24,094	1,45,445	1,68,102	1,90,3 83	2,17,311
00,	Stationary and Printing	80,292	32,728	1,571	1,694	17,715-
32.	Miscellaneous	16,66,831	18,005	35,495	43,777	70,320-
33.	Famine relief Civil.	· · ·	Í			, ,
	P: Works Depart-	1 000		1	į	
35.	ment Construction of Pro-	1,232	•••	•••	; =••	***
	tective Irrigation	1	j	\$,	
	Works.	•••	***	7,753	100	***
38.	State Railways	5 2,3 30	•••	+++	•••	***
4 3.	Irrigation, Minor Works and Navi-	ļ	*1*			
	gation ,		j			5,479-
45.	Čivil Works	· -**•		,P10 {	•••	0,±10
	In charge of Civil	· .			, ,	
	Officers	}				
	In charge of P.	8 80 040	6,69,468	8,89,242	12,75,424	15,88,944
46.	W. O Army	6,62,062 20,92,662	U,U#,*UO	•••	10,10,264	10,00,844
47,	Military Works	16,146	5,291	3,098	•••	***
49.	Irrigation Works.			l,		
	Contributions	66,000	***	•••	***	***
	ĺ					
	Tôtal expenditure	89,55,945	66,13,816	51,75,076	60,31,001	68,00,538

ANNEXURE II. Statement (III).

Statement showing the revenue raised in Central Provinces under the various Major Heads during the years, 1902-03, 1904-95, 1909-10, 1912-13 and 1915-16.

	Major Heads.		1902-03.	1904-05.	1909-10.	1912-13.	1915-16.
			Rs.	Rs.	Rs.	Rs.	Rs.
1.	Land Revenue	•••	79,11,373	87.29.557	1,02,14,795		1,11,06,871
2,	Opium		2,40,508	2,88,409	2,98,00,336	3, 45,394	3,17,074
۰, 4.	Stamp	•••	14,61,142	15,45,619	19,93,548	23,49,297	
5.	Excise	•••	22,54,111	31,75,849	42,48,791	65,06,319	64,26,090
6.	Provin : rates	•••	2,21,870		{	•••	***
7.	Customs		1,21,664		1,75,077	2,20,160	
8.	Assessed taxes		3,70,104		3,71,151	4,49,997	5,73,703
9.	Forest	•••	15,17,205	13,52,819	12,36,026	19,42,778	
10.	Registration	***	87,145	96,852	1,51,267	1,59,238	
11.	Tributes	***	2,89,200	2,44,550	2,38,587	2,37 9 7	
12.	Interest	•••	1,03,099	80 465		1,59,873	2,44,665
13.	Post Office		28,253	15,100		•••	•••
16.		stice		- •		· 	ł
10.	Courts of Law		1,19,060	1,25,828	1,50, 052	1,63,740	1,78,640
16_F	Law & Justice		2,18,445	1,56,572	2,5),416		
17.	Police		18,314	16,203			
19.	Education	•••	41,809	. 37,711	52,124	1,01,994	
20.	Medical		14,634				
	Agricul:)	10,000	-,	•	(88,940
	Scientific and	Mis	22,556	33,995	66,801	83,687	}
-	Dept:		(,	00,000	,		15,544
22.	Receipts in a	id of				İ	-0,011
~~.	superannuation		61,221	61,926	69,538	1,01,336	2,09,680
23.	O. 1.	and	01,001	01,020	55,550	2,02,000	2,00,000
•••	Printing		16,429	25,860	44,049	33,844	47,884
25.	Miscellaneous		2,76,403	1,08,267			
26.	State Rail		2,10,200	2,00,00.	2,.0,000	2,02,000	2,00,012
	Gross Receipts	8	1,52,12,794			***	
29.	Irrigation Ma	ior	-,,,	,	1		
	Works Direct	Te-	i				
	ceipts	1		11	31,580	93,231	97,988
	Do. Portion	of		**	22,000	00,001	,
	Land Revenue						
	to Irrigation					4,824	5,168
30.	Minor Works	and		•••		2,022	-
	Navigation			1,696	19,209	47,423	47,610
31.	Civil Works	L	•••	1,000	10,200		
		Civil					
	Officers	3	1,250	732	,		
	In charge of P	W	رافرسمو ۵	.02	5,81,119	13,42,638	3,36,291
	Officers		52,845	94,279)		
34.	Military Work	. ~~	00,750	0 3 3 4 1 0	267	•••	•••

		Ì				3 44 01 F9Q	2.53.43.920
	Total revenu		3.05.63.420	1,69,14,918	2,11,28,7 80	2,41,04,	-11
			-,-,,-,-,-	J	l		-

ANNEXURE II. Statement (IV)
Statement showing the Expenditure incurred in Central Provinces under various major heads during the years 1902-03, 1904-05, 1909-10 1912-13 and 1915-16.

			0 4760 101	1		
,	Major hèads	1902-03	19^4-05	1979-10	. 1912–13	1915-16
		Rs.	Rs.	Rs.	Rs.	Rs.
1.	Refunds and draw-	37,972	64,208	71,124	49,942	90,569
2. ··· 3.	Assignments and compensations Land Revenue	50,381 12,47,370	51,133 13,94,587	25,55,956 22,13,147		
4.	Land Revenue Opium	•••	*** >		1	
6. 7.	Stamps	42,309 51,270		89,978 2,00,061		
10.	Assessed Taxe		,	2 *** 2 1	130	64
11.	Forest	11,51,139 43,851	10,66,197 51,437		13,19,311	
12. 13.	Interest on Ordi-	-	1	7:1	62,879	62,137
· -	nary Debt	96,525	60,089	1,60,133	1,27,804	1,98,774
14.	Interest on other obligations	2,427	3,958	7,101	47,805	83,508
15.	Post Office	73,413			•••	*** :
18.	General Admini- stration	6,44,306	7,62,180	9,06,626	9,84,241	10,48,335
19-A	. Law and Justice	, - 1				
19-B	Courts of Law Law and Justice	10,73,987	12,2 4,6 94	20,79,748	21,73,441	24,59,336
19-D	Jails	4,57,208	4,44 951	5,65,217	5,09,577	6,02,838
20.	Police	15,04685	15,78,316	24,59,358	26,61,923	28,41,793
22. 23.	Education Ecclesiastical	4,38,369 45,039	5 83 424 70,990	12,73,952 73,861	16,49,278 89,090	
24:	Medical	3,41,621	4 24,479	6 ,8 3,5 6 5	8,04,624	9,10,386
25.	Political Agriculture	43,053	46,075	45,615	40,212	
26-B	Agriculture Scientific & Mis.	u ' €* *	, ***	· • • • • • • • • • • • • • • • • • • •	· •••	7,12,551
1	Departments	1,18,320	1,65,480	3;89,421	6,78,385	69,277
27.	Territorial and Political pensions.	2,17,986	2,09,942	1,86,472	1,76,875	1,73,772
29.	Superan nation	, ,	714			
	Allowances and pensions	3,91,462	4,32,966	4,47,877	5,67,110	7,44,545
30.	Stationary and		· .	1		,
00	Printing Miscellaneous	1,74,05; 1,01,23 <u>i</u>	3,18,274	3,25,888 81,541	3,25,889 1,36,731	3,53,090
32. 33.	Miscellaneous Famine relief,	1	3,08,857	ı		98,509
	Civil	65,585	157	25,183	•••	••• + 8
35.	P. W. D Of Construction	1,59,438	_21	-1,190	-31	*** !
00.	Protective Irriga-					
-0 G /	tion Works Reduction or avoid-	1,81,541	8,91,999	14,27,734	17, 6,397	19,53,560
36(ance of Debt	••• ,	•••	12,80,000	12 8),000	•••
38.	State Railways-	HP FE 0.10	· /.	3		15
	Working expenses. Interest charge-	78,76,2)2	***	***	•••	•••
	able against Cos.	01.01.016		-		
	on advances Do. on capital de-	21,64,656	€.] ••• €	54 (. ***,	r ***
•	posited by Cos	1,649	*6*	* 64.	•••	***
41.	Mis. Ry. Expd	1,36,362	•••	•••	•••	***
42.	Irrigation Major Works—	i	•	-		
	Working expenses.	***	•••	2 3,106		
	Interest on Debt Irrigation Minors	•••	•••	•••	3,73,208	7,91,011
	and Navigation	98,839	2,72,854	8,89,886	4,64,743	5,71,694
45.	Civil Works— In charge of Civil					
	Officers	5,715	36,524)		
	In charge of P.		, ,	79,392	64,33,049	62,48,945
47.	W. D Military Works	26,01,547 19,652	33,90, 7 96 9,596	5,025		
47. 4 9.	Irrigation Works	•••	•••	•••	10,44,513	26,13,589
	-	2,16,59,214	1 40 67 131	2.43 05 834		
	1176 TALCINLIUMITO	N. AU. U U. O. 14	しゅうエンシひょうよびよ	~,~u,ou,ou()	₩\$UU,₩\$U,₩\	0.10.00.133

ANNEXURE II. Statement (V)

Provincial Expenditure on account of Central Offices of administration in the Central Provinces and Berar for the year 1902-03, 1904-05, 1909-10, 1912-13 and 1915-16.

						-
Name of Central Office	ce.	1902-03	1904-05	1909-10	1912-13	1915–16
-Commissioner of Sett. ments & Director Land Records.		62,241	75,840	93 ,17 9 ¹	68,562	58,885
Commissioner of Excis	sė.	.4 1	- ,	1) -		57,209
Chief Conservator of Forest.	of	, .·	2, .	33,602	44,795	41,126
General Administration	n.	5,76,669	6,61,410	8,42,364	8,68,131	9,25,185
Judicial commr Court.		67,631	94,271	1,60,604	1,76,210	2,13,828
70.1	of ,	1 0, 503	31,871,	38 , 868	36,599	
Dalles	of	47,751	66,817	2,20,917	2,11,240	2,34,605
Director of Public In struction.	n-	30,939	36,674	55,494	46,554	63,996
O': II:4-1	of 	32,476	47,171	49,249	44,116	48,404
Sanitary Commir:				6,279	29,796	23,340
Director of Agr:		1		69,091	93,607	1,27,080
Chief Engr:	•••	1,21,737	1,34,026	1,40,885	1,17,339	1,17,175

ANNEXURE III.

1921-22 C. P. and Berar Administration Report, page 61, Para 82.

82. With reference to a resolution passed by the Legislative Council in March 1921, the Local Government appointed a Committee to submit a scheme for a financial settlement between the Central Provinces and Berar, designed, while safeguarding the necessary requirements of a single Government, to secure that a

reasonable share of Berar revenues shall be spent for the benefit of Berar. A brief summary is given of the recommendations of the Committee, which have been accepted by the Local Government. In order to assess the comparative contributions of the Central Provinces and of Berar to the joint revenues of the Province, the only heads of revenue which can fairly be taken into account are Land Revenue, Excise, Stamps, Medical, Agriculture, Civil Works, and the net receipts from Forests and Irrigation; of the total contributions under these two heads in the last two years the Central Provinces contributed three-fifths and Berar two-fifths. Provincial expenditure: "Central' includes expenditure on Land Revenue, Excise, Registration, General Administration, Administration of Justice, Police Jails, and certain other heads, which must be regulated by the needs of the Province as a whole and cannot be distributed between the Central Provinces and Berar according to the work done in the two areas, and, of the expenditure made compulsory by the Devolution Rules, the annual provincial contribution to the Governor General in Council, the Famine Insurance Fund, and interest on the capital expenditure incurred by the Governor General in Council in the construction in the province of protective irrigation works, which in the past were financed from the "Famine Grant" and in the future will be finaced from the Famine Insurance Fund; "divisible" expenditure includes the statutory charge of interest on capital expenditure incurred by the Governor in Council on the construction of productive irrigation works, miscellaneous irrigation expenditure, expenditure on irrigation works financed from ordinary revenues, on civil works other than major works in connection with provincial subjects the expenditure on which is "central," on public health grants to local bodies, and subject to the proviso that supertending and inspecting staff and any institutions maintained for the benefit of the whole Province are to be treated as "Central" expenditure, on education, medical administration, agriculture and industries. The total money available for expenditure under these "divisible" heads is to be distributed between the Central Provinces and Berar in the same proportion of three fifths to the Central Provinces and two fifths to Berar as the contributions derived from the two localities; and in future the annual financial statement is to show the comparative contributions for the budget year of each locality and the distribution of the "divisible" expenditure between each according to the budget proposals. This proportion of three-fifths to two-fifths is to be altered only at long intervals and when a radical change in the proportion of the comparative contributions has become apparent; and for the present the Local Gevernment has decided that it will not ordinarily review the proportion except at intervals of not less than five years. The application of this formula of distribution is under no circumstances to have the effect of reducing fixed recurring expenditure or to involve the stopping of any previously sanctioned original work which is in progress: if therefore in any year the total expenditure of either the Central Provinces or Berar on recurring charges or works in progress exceeds its proportionate share of the total divisible expenditure, new items of expenditure in that locality must be reduced to an amount sufficient to restore the balance. In this financial settlement no account is taken of loans, it being assumed that receipt on account of Loans granted by the Local Government to cultivators or local bodies will be counter balanced on the side of

expenditure by payments on account of the money borrowed for financing the provincial loan account, so long as the provincial loan account is financed by borrowed money; should it be ever financed out of provincial revenues, the payment of interest on loans made by the Local Government would represent a net revenue; this income, however, it would obviously be impossible to distribute, as its source could only be the lending out of a provincial balance, and it is not proposed to distribute such balances between Berar and the Central Provinces.

ANNEXURE IV.

Berar Legislation rules. (C. P. Gazette 1-12-1923. No. 420-553 dated 30-11-1923

- 1. The Committee for the consideration of legislation affecting Berar-shall consist of:—
 - (i) the member of Government in charge of the draft law or of the Central Provinces Act to be modified,
 - (ii) the members nominated to the Central Provinces Council as the result of elections held in Berar,
 - (iii) one member nominated by the Governor to represent the depressed classes,
 - (iv) the legal Secretary to Government,
 - (v) two officials nominated by the Governor for the purpose of any specified legislation.

In addition the Governor may nominate for the purpose of any legislation not more than two persons having special knowledge or experience of the subject matter of the legislation.

- 2. The President or Deputy President of the Legislative Council of the Central Provinces, or in their absence a member of the Committee nominated by the President of the Central Provinces Legislative Council, shall preside over the Committee.
- 3. The Legal Secretary to Government shall be Secretary to the Committee.
- 4. The Committee may, with the previous approval of the Governor General in Council, take into consideration legislation of the following description:—
 - (a) draft laws regulating in Berar,
 - (i) land tenure,
 - (ii) assessment, collection and assignment of land revenue and cesses,
 - (iii) village administration,
 - (iv) fairs and markets; and
 - (b) proposed modifications of Central Provinces Act in their application to Berar.

- 5. When the Local Government or a Non-official member of the Committee proposes to lay before the Committee any legislation of the description mentioned in rule 4, the draft law or proposed modification shall be referred by the Local Government to the Governor General in Council for provisional approval.
- 6. If approval is accorded, the draft law of proposed modification, amended, if necessary, in accordance with any directions given by the Governor General in Council, shall be laid before the Committee.
- 7. The Rules of Business and procedure contained in Central Provinces. Legislative Council Rules 13 to 17, and Central Provinces Legislative Council Standing Orders 4 to 7, 9 and 22 to 33, shall be followed so far as they are applicable to debates on legislation, provided that in Legislative Council Rule 13 and Standing Order 22, the number six shall be substituted for the number twenty.
- 8. The procedure to be followed in the introduction, consideration and amendment of draft laws and modifications of Central Provinces Acts shall as far as possible be that prescribed by the rules and standing orders of the Central Provinces Legislative Council.
- 9. (1) The draft law as amended or the Central Provinces Act as modified by the Committee shall be reported by the Committee through the Local Government to the Governor General in Council.
- (2) If the Governor General in Council considers that the Legislation as reported by the Committee requires amendment, the Committee will be called upon to consider the amendments proposed by the Governor General in Council and to report again to the Governor General in Council through the Local Government.
- 10. Nothing in these rules is to be understood as derogating from the power of the Governor General in Council to legislate for Berar as he thinks fit and, if necessary, without reference to the Committee.

Note. The above rules relate to the procedure to be observe in framing laws for Berar. These rules have no statutory power and represent the existing policy of the Local Government and of the Governor General in Council on the subject of legislation for Berar. Special attention is invited to rule 10 which will cover the case where, on account of a sudeen emergency, the Local Government may request the Governor General in Council promulgate a law without reference to the Committee.

V2713:2.N3F GI 43011