
SPEECH

OF

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Finance Minister

**On the Budget Estimates for 1958-59 of the
Government of Bombay in the Legislative Assembly
on Tuesday, the 25th February 1953**

Sir,

I rise to present the Budget Estimates of the State for the year 1958-59. If I may say so, this is the first regular Budget of the New State of Bombay after reorganisation in November 1956 and reflects the policies and programmes of Government after it has had time to settle down, considering the transitional difficulties of integration of all its component units.

2. The year that has gone by has witnessed several stresses and strains in the economic and monetary situation in the country. We began the financial year 1957-58 at a critical stage in our progress, faced with difficulties of foreign exchange accentuated by the Suez Canal disturbances and internal problems of food supply with consequent rise in prices. Towards the close of the current financial year, however, the economic situation has somewhat eased. Economic Adviser's general index of wholesale price which moved up from 102·6 in 1956 to 107·7 on 19th January 1957 stands at 106·0 on 18th January 1958. What is more comforting is the fact that the index of cereal prices has been held stable at 97 since December 1956, though there have been some variations in between.

3. Industrial relations between labour and capital in our State were peaceful as during the previous year. A notable recent decision of Government is to run the Narsinggirji Mills at Sholapur which has closed down since some months throwing about 4500 hands out of employment as an Unemployment Relief Scheme.

4. The index of industrial production in the country has continued to record improvement from 130·0 in 1956 to 150·6 for the period January to July 1957 on the average, with 161·5 in July 1957 itself. The

consumption of electrical energy in the component areas of the reorganised Bombay State has also increased from 2.3 billion units in 1956 to 2.8 billion units in 1957.

5. We began the year 1957-58 under tight monetary conditions and in May 1957 the Reserve Bank advised the State Governments generally not to go to the market for their borrowing, but owing to our sound financial position, though our annual target for open market borrowing is Rs. 13 crores, we were able to persuade the Government of India to agree to our floating a loan of Rs. 6 crores and this we did successfully. Within a couple of hours our loan was closed with a 10 per cent. excess. Towards the end of the year conditions of open market borrowing seem to have considerably eased and the Government of India were able to float a second loan of Rs. 30 crores and our Financial Corporation, the Bombay Provincial Co-operative Land Mortgage Bank as well as the Municipal Corporations of Bombay and Ahmedabad were able to tap the money market successfully. It appears that the monetary and economic climate is gradually turning towards more stable conditions.

Second
Finance
Commission
Award.

6. For the State Governments, the most important financial event of the current year was the Report of the Second Finance Commission. The claims of the Bombay Government regarding the various terms of reference of the Commission and the general nature of its recommendations are already known. So far as the Bombay State is concerned, the most outstanding single inference that may be drawn from the Report is that the Commission does not seem to have recognized the fact that the reorganisation of the new State as a National solution of a complex political problem has faced us with tremendous transitional financial difficulties arising out of integration which require augmenting of our resources by way of Central devolution of shared taxes and grants-in-aid. As

a result of the Niemeyer Award in 1937, the old Bombay State with a population of 2.1 crores without the merged areas was given 20 per cent. of the States' share of the divisible pool of taxes on income other than the corporation tax. The Deshmukh Award of 1949 raised this percentage to 21 for the then enlarged State of Bombay with the merged Princely States. In 1952, the First Finance Commission reduced this share to 17.5 per cent. even though the population of the State had increased to 3.59 crores as a result of the merger of the States just referred to. Now in 1957, while the reorganized Bombay State has a population of 4.82 crores, the Second Finance Commission has further reduced the State's share to 15.97 per cent. of the divisible pool. Meanwhile, be it noted, the collections of income-tax within the Bombay State have increased from 3.5 crores in 1937-38 and Rs. 50 crores in 1952-53 to more than Rs. 66 crores in 1957-58. This reduction in our share in income-tax is due to the fact that the Finance Commission has given greater weightage to population than before as compared to collection. It has also recommended that in future, the distribution should be entirely on population basis. I would leave it to the Honourable Members to judge the loss which we have suffered in this respect by the two Finance Commission Awards since the Niemeyer Award in 1937 and the Deshmukh Award in 1949, and are likely to do so in future.

7. The First Finance Commission had given to the State Governments a share of 40 per cent. in the net proceeds of Union Excise Duties on Matches, Tobacco (including manufactured Tobacco) and Vegetable Products and the share of this Government was fixed on a population basis at 10.37 per cent. in the States pool. The Second Finance Commission has extended the divisible Union Excise Duties to five more commodities, viz., Sugar, Tea, Coffee, Pepper, and Vegetable Non-essential Oils. The States' share

in Union Excise Duties in these commodities has, on the other hand, been reduced from 40 per cent. to 25 per cent. In the divisible net proceeds we have been given a share of 12·17 per cent. though even on the basis of population, let alone consumption, our share should have been 13·5 per cent. We are thus hit both ways ; in the case of income-tax large weightage is given to population,—collection of tax being relatively ignored—and in the case of Excise Duties, however, even the population weightage has been changed to our disadvantage.

Estate Duty has been divided on the same basis as income-tax, i.e., with greater weightage to population against collection. The Government of India have levied with effect from 1st October 1957 a new tax on Railway Fares. The net proceeds of this tax under Article 269(d) of the Constitution belong to the States and the Finance Commission has recommended that the share of this Government in the net proceeds should be 16·28 per cent. based on earnings from passenger fares within the State. This is a welcome gain to our resources. The Commission has further added to the resources of State Governments other than Bombay, U.P. and Madras, by grants-in-aid under Article 275 (1) of the Constitution, of an aggregate sum of Rs. 36·2 crores in 1957-58 to be increased to Rs. 39·5 crores in 1961-62.

8. Taken together, the effect of the Award of the Finance Commission with reference to the sharing of various taxes as well as grants-in-aid has meant an increase in the devolution of revenues levied and collected by the Centre to the States from a sum of Rs. 93 crores per annum, in 1956-57, to an average of Rs. 154 crores per annum, for the period 1957-58 to 1961-62. The First Finance Commission had also raised the devolution of Central revenues from an average sum of Rs. 73 crores to Rs. 93 crores per annum, during the

period 1952-53 to 1956-57. Taking the period of the decade 1952-53 to 1961-62 covered by the schemes of distribution of the two Finance Commission Awards, the aggregate Central devolution to State Governments by shared taxes and grants-in-aid has been increased by a total sum of Rs. 500 crores which has replenished and benefitted the finances of all States to the singular exclusion of the Bombay Government, and this, inspite of the fact that the Bombay Government alone among the State Governments has not only fulfilled, but, actually exceeded the target of additional taxation during the First Five-Year Plan period while the performance of other States in the matter of additional taxation was an aggregate levy of only Rs. 56.4 crores or 27 per cent. of the target additional taxation of Rs. 207 crores. Against our target of Rs. 23.5 crores we raised over Rs. 28 crores by additional taxation in the First Plan period. I am mentioning this because in the terms of reference of the Finance Commission it was specifically asked to take into account "the efforts made by the States to raise additional revenue from the resources available to them" for assessing the States which are in need of assistance by way of grants-in-aid under the substantive proviso to Article 275. In spite of this, the Commission has awarded to States other than Bombay and also U.P. and Madras, an annual grant-in-aid of Rs. 36.2 crores in 1957-58 to be increased to Rs. 39.5 crores by 1961-62. In our memoranda submitted to the Commission we had pointed out that as a result of the reorganisation, the State Government was faced with the problems of meeting the anticipated budgetary deficits of Kutch, Saurashtra and Marathwada totalling Rs. 325 lakhs and that in addition, it had to tackle the problem of raising the standard of the under-developed component parts of the new State to the level of the former Bombay State which must be done to satisfy the legitimate aspirations of the people. As a matter of fact the integration of services alone is going to cost us Rs. 3 crores annually.

9. Further, in its recommendation on the question of compensation to be paid to State Governments for their present revenue from Sales Tax on mill-made textiles, sugar and tobacco, including tobacco products, to be replaced by corresponding additional Union Excise Duties, the Commission has unfortunately, inspite of our emphatic pleading in this respect, reduced the existing sales tax revenue of the State Government from these commodities by an annual sum of Rs. 4 crores consisting of (1) Rs. 3 crores from inter-State sales tax revenue from these commodities, and (2) at least Rs. one crore from intra sales tax on these commodities. In its recommendations relating to the compensation to be paid to the States on the replacement of State Sales Taxes by additional Union Excise Duties, the Commission completely excluded the States' income from Inter-State Sales Tax which had already accrued since July 1957. This was entirely wrong in our view. Further, the Finance Commission seems to have considered distribution of Sales Tax Revenue on these commodities, income from which was being voluntarily foregone by the States in consideration of full compensation for the same, also as a matter of devolution of revenues according to needs, as it has introduced an element of population apart from consumption in their distribution scheme which was not contemplated. For a State like Bombay for which the Sales Tax has proved to be a very helpful source of revenue and the income from which has been steadily improved from a humble beginning of a little over Rs. 1 crore in 1946-47 to about Rs. 11 crores in 1952-53 and Rs. 32.5 crores in 1957-58, the award in this respect is a very serious financial loss. The net result also is that an elastic source of revenue for us has been replaced by a relatively frozen devolution from the Centre. This is a loss which this Government can ill afford to bear and yet it had to agree to it, the Commission's recommendations being considered as an Award to be accepted by all.

10. It is significant to note, however, that the Government of India in spite of having virtually compelled us to accept the recommendations of the Commission as an award, are themselves having second thoughts on the Commission's recommendations relating to the terms and conditions on which Central loans are disbursed to the States. This part of its recommendations would have benefitted us as also other States. I hope that the Government of India having treated the recommendations as an Award, will not now modify that part of the recommendations which affects them.

11. The Revised Pension Rules did not admit of Pension, the grant of death-*cum*-retirement gratuity to the family of a Government servant who dies while in service with less than five years' qualifying service. This benefit has been now extended by Government to the families of all Government servants who die while in service with less than five years' qualifying service at a sliding scale indicated below :—

Completed years of service.	Death gratuity.
0	... Nil.
1	... 2½ months' pay.
2	... 5 months' pay.
3	... 7½ months' pay.
4	... 10 months' pay.

The rate of earned leave for Class IV Government servants was 1/22 of duty for the first 10 years, 1/16 of duty for the next 10 years and 1/11 of the period spent on duty thereafter. The rate of earned leave for Class I, Class II and Class III Government servants is 1/11 of the period spent on duty throughout the period of service. Consistent with our aim to remove disparities in the conditions of service between Class III and IV servants, the rate of earned leave for Class IV Government servants has been brought on par with other Government servants, viz., 1/11 of duty throughout the period of service.

With effect from 1st April 1957 the dearness allowance to employees drawing pay up to Rs. 50 has been increased from Rs. 35 to Rs. 40 per month. The benefit has also been extended to primary school teachers.

Abolition
of Mahar
Vatons.

12. In the field of land reforms, it has been Government's policy to abolish inams of all kinds. The question of abolition of inams of inferior servants including Mahars has been carefully considered by Government and it has now been decided to do away with the system of hereditary village servants and to appoint stipendiary persons to render the services that are at present rendered by the hereditary inferior village servants. This is to be achieved by a phased programme. In the first phase, it is proposed to make a beginning with inferior village servants in Marathwada and Kutch during the next year. A provision of Rs. 5 lakhs is proposed for the purpose in the next year's budget.

Administra-
tion of Sales
Tax.

13. The general sales tax is the largest single source of taxation revenue levied by the State Governments in India. In the Bombay State we have made all efforts to increase administrative efficiency and to check evasion of tax. Whereas at the end of the financial year 1952-53, the total number of dealer-years pending assessment were 3,69,797, at the end of the financial year 1956-57, as a result of measures of vigilance and administrative efficiency, we have been able to reduce the number of dealer-years pending assessment to 73,235. Further, it may also be noted that while the number of dealers in default in respect of quarterly returns was about 44 per cent. in 1952-53, this has now been brought down to only 5 per cent. We have taken special enforcement measures in the cities of Bombay, Ahmedabad and Surat to reduce evasion of the tax. I think it would be correct to say that the most important single cause of our financial success and viability is the efficient administration of all our taxation measures, specially the Sales Tax.

14. A separate Vigilance Section in the Finance Department, with two sub-offices at Rajkot and Nagpur, has been set up. This section is, at present, concentrating particularly on two problems about which Government has been feeling very anxious, viz., final settlement of pending pension cases and the disposal of old outstanding audit inspection reports and audit objections. Incessant efforts are being made to tackle them from all possible directions, by adopting suitable measures. Training of clerks attached to different Collectorates and important Departments in pension rules and procedure has been undertaken and it is proposed that all cases of pension arising in the Districts will be routed through these trained clerks.

Vigilance
Section in
Finance
Department.

As regards the budgetary irregularities which are usually reported in the Audit Reports on the annual Appropriation Accounts, this section has issued a detailed Memorandum containing elaborate instructions for the guidance of the estimating and controlling officers, describing therein the various types of budgetary irregularities, the causes normally responsible for their occurrence and the precautions required to be taken by the estimating and controlling authorities to avoid them.

The Vigilance Section is undertaking inspection of all important Government Offices in the State. It is to be hoped that as a result of its efforts, the accounting and budgetary procedure of the State Departments would show considerable improvement.

15. A notable event during the current year concerning the food and agricultural situation in the country was the publication of the Report of the Asoka Mehta Foodgrains Enquiry Committee in November 1957. One of the major findings of the Committee is that the key to the successful implementation of the Development Programme of an under-developed country like ours is the management of the food problem not merely in relation to its production potential or

Food and
Agricultural
situation.

output trends, but also its consumer costs from time to time in different parts of the country. Since the per capita availability of foodgrains both in 1954 as well as 1957 was 18·1 and 18·0 ozs. per day and yet prices in the latter year have been higher than in the former, our food problem is not just a problem of output or production potential, but also that of marketable surplus, its periodical flow to areas of demand, the purchasing power in the hands of the community, the propensity to consume various types of foodgrains and stock-keeping habits and practices of the farmers, purchasers, middlemen and the consumers at large. Amidst the dynamic changes in these various factors, the most strategic points of the pendulum of food and consumer costs of living are seasonal agricultural conditions, facilities of water supply, techniques of cultivation and climatic environmental conditions in the main four pockets of the scarcity areas of the country. One of these is extensively located in our State, viz. the millet growing areas of parts of Saurashtra and Northern Gujarat in Western India and the Maharashtra Desh and Marathwada on the Deccan Plateau. Conditions of rainfall and its spread over during the current year, particularly in parts of Saurashtra and Northern Gujarat, have not been favourable. The following table indicates the total output of cereals in the component areas of the Bombay State and the output of millets and coarse grains for each of the years 1953-54 to 1957-58 :—

Year	Millets including coarse grains (in lakh tons)	Total cereals (in lakh tons).
1953-54	48	70
1954-55	52	75
1955-56	41	62
1956-57 (latest revised)	46	68
1957-58 (rough estimates)	45	65

It would be seen from the above data that while the population every year increased at the rate of between 1.2 to 1.5 per cent., the output both of cereals as a whole, and particularly of millets, has declined compared to the peak level reached in 1954-55. The food problem in the Bombay State therefore remained difficult in 1957-58 and would require the most careful watching next year.

16. Faced with the difficult food situation, particularly with the knowledge that our State even in normal years has a deficit of over a million tons, the Government of India cordoned off parts of our State in respect of the movement of wheat and rice and this shutting off from the surplus areas of the country has fallen rather heavily on us. It has, therefore, been found necessary to introduce in Greater Bombay distribution of wheat and rice through a system of modified rationing by issue of family cards with effect from 5th January 1958. As the supply position of wheat is satisfactory, no card is required for purchasing wheat. Austerity measures have also been undertaken to conserve rice which is in short supply. The supply of foodgrains will require the most careful attention particularly in the matter of coarse grains and rice. As a result of our special plea, the Government of India have allotted a monsoon reserve quota of 12,000 tons for supply to Ratnagiri District and other inaccessible areas. For our own part we have instructed the Collectors and the Deputy Commissioners to make all available arrangements for storage of foodgrains required for purposes of sale at fair price shops. Three hundred and fifty-seven godowns have so far been opened in the State. In cities like Bombay, Ahmedabad and Nagpur, Food Advisory Committees have been set up and the utmost vigilance is being kept so that we may tide over the current year and the next without undue hardship. I am glad to say, that in spite of the fact that scarcity has overtaken us in parts of Saurashtra and Northern Gujarat as well as some villages of the Ahmednagar District and that

conditions akin to scarcity prevail in some villages of Poona and Nasik districts, the situation is well under control and all necessary relief measures have been quickly and adequately taken.

Revised
Estimates
for 1957-58.

17. The Budget Estimates for the current year as presented in March last showed a revenue deficit of Rs. 2·37 crores while the final budgetary position as mentioned by me in my budget speech in June last disclosed a deficit of Rs. 3·17 crores. As against this, the revised estimates for the current year as framed on the basis of the first eight months' actuals reveal a revenue surplus of Rs. 5·57 crores. The following table gives the position (i) as in March last at the time of presentation of the Budget, (ii) as modified in June last and (iii) and as it exists under the eight monthly revised estimates :—

(Figures in crores of Rupees).

	Budget estimates as presented in March 1957.	Modified estimates as mentioned in the Budget speech in June 1957.	8-monthly revised estimates.
	Rs.	Rs.	Rs.
Revenue Receipts ...	106·32	109·44	117·34
Revenue Expenditure ...	108·69	112·61	111·77
	—2·37	—3·17	+5·57

It will be seen that the receipts have gone up by Rs. 7·90 crores as compared to the modified estimates while the expenditure has gone down by Rs. 84 lakhs. The main increase in receipts is under 'Other Taxes and Duties' (Rs. 9·10), 'Union Excise Duties' (Rs. 3·29 crores) and Forests (Rs. 1·28 crores), which is counter-balanced by fall under 'Receipts on account of Community Development Projects, National Extension Service and Local Development Works' (Rs. 2·39 crores), Grants-in-aid from Central Government (Rs. 1·39 crores), 'XXXVI-Miscellaneous Departments'

(Rs. 1.07 crores), and 'XLVI-Miscellaneous' (Rs. 62 lakhs). The increase under 'Other Taxes and Duties' is mainly under 'General Sales Tax' (Rs. 8.04 crores) of which Inter-State Sales Tax levied from 1st July 1957 accounts for Rs. 1.54 crores. The increase under 'Union Excise Duties' is based on the intimation received from the Government of India which takes into account the award of the Second Finance Commission. The revised estimates of Rs. 6.48 crores under this head includes an amount of Rs. 3 crores on account of the State's share in Additional Excise Duties on tobacco, mill-made textiles and sugar levied by the Government of India in lieu of sales tax. Though the State is getting its share from these duties, there is no corresponding reduction this year under Sales Tax as the intra-State sales tax on the said three commodities, for practically all the four quarters, will be received by us.

The reduction of Rs. 84 lakhs in expenditure is made up of reductions under certain heads which are partly counterbalanced by increases under other heads. The main reductions are under 'Community Development Projects, National Extension Service and Local Development Works' (Rs. 2.93 crores), 'Miscellaneous' (Rs. 1.59 crores), 'Medical' (Rs. 63 lakhs), and 'Industries' (Rs. 61 lakhs) while the main increases are under 'Education' (Rs. 2.67 crores), 'General Administration' (Rs. 98 lakhs) and 'Civil Works' (Rs. 65 lakhs).

18. Against the total Capital Expenditure of Rs. 46.51 crores inclusive of supplementary demands presented in June Session, as mentioned in my budget speech in the June last, the revised estimate comes to Rs. 40.56 crores. The fall is mainly due to slower tempo of expenditure on irrigation schemes (Rs. 99.14 lakhs), Electricity Schemes (Rs. 1.98 crores), and reduced expenditure on buildings (Rs. 1.41 crores).

19. I will now turn to the Budget for the next year. The estimates for 1958-59 show a revenue deficit

Capital
Expenditure
1957-58.

Budget
Estimates for
1958-59.

of Rs. 2.01 crores without any change in existing taxation as shown below :

		(In crores of Rupees.)
Revenue Receipts	...	120.00
Revenue Expenditure	...	122.01

Deficit	...	2.01

There is an increase of Rs. 2.66 crores in receipts and of Rs. 10.24 crores in expenditure as compared to the revised estimates of the current year.

The next year's estimate of Rs. 14.43 crores under Union Excise Duties includes Rs. 10.84 crores as our full year's share in additional Excise Duties in lieu of Sales Tax. The increase under 'Income Tax' (Rs. 61 lakhs) is based on the latest intimation received from the Government of India while the increase of Rs. 76 lakhs under 'Taxes on Railway Fares', is due to the full year's receipts on account of surcharge on Railway fares levied with effect from 1st October 1957. The increase under 'Medical' (Rs. 87 lakhs), 'Education' (Rs. 69 lakhs), 'Agriculture' (Rs. 89 lakhs) and 'Industries' (Rs. 60 lakhs), are generally due to larger grants from the Government of India in respect of Plan and Centrally sponsored schemes. The increase of Rs. 10.24 crores in expenditure is spread over a number of heads and is generally due to larger provision for both Plan and Centrally sponsored schemes. Important provisions on expenditure side include an amount of Rs. 22.97 crores for 'Education', Rs. 10.36 crores for 'Medical and Public Health', Rs. 12.71 crores for 'Police', Rs. 8.60 crores for 'General Administration' and of Rs. 9.95 crores for Debt Charges.

20. The next year's estimate for Capital expenditure including the expenditure met from the State Road Fund, but exclusive of expenditure on State Trading Schemes, comes to Rs. 48·23 crores. This figure does not take into account the sum of Rs. 21·36 crores provided under Loans and Advances. The important items under the Capital Section are a provision of Rs. 17·39 crores for Irrigation Schemes, Rs. 8·50 crores for Koyna Project and Rs. 14·50 crores for Roads and Buildings. The Capital expenditure will be met from Loans from Central Government, from our share in Small Savings, by a withdrawal from the Fund for Development Schemes and from other earmarked funds like Port Development and Reserve Funds, Milk Fund, State Road Fund, Sugarcane Cess Fund, etc. Attempts will be made to meet part of the balance from open market borrowing in consultation with the Government of India. Important items under Loans and Advances are a provision of Rs. 5·32 crores for Loans to the Electricity Board, of Rs. 1·99 crores for Industrial Housing and of Rs. 1·55 crores for Low Income Group Housing Schemes. Another item calling for special mention is the provision of Rs. 3·04 crores for the repayment of the Bombay Government Loan, 1958.

Capital
Expendi-
ture
1958-59.

21. I would now briefly review the progress already achieved and outline the programme chalked out for the coming year in some of the important sectors of development.

Agriculture,
Irrigation
and National
Extension
Service and
Community
Development
Projects.

In the Second Five-Year Plan of the Bombay State estimated to cost Rs. 350·28 crores, we have made a provision of about Rs. 191 crores, or 55 per cent. for schemes of Agriculture and Community Development as well as for multi-purpose, major, medium and minor irrigation schemes, as would directly benefit agricultural output. We have a target of additional potential foodgrains production programme of 15 lakh tons. To facilitate this programme, an aggregate provision of

Rs. 35·8 crores has been made during the year 1958-59 consisting of Rs. 22·1 crores for schemes of Agriculture and Community Development and of Rs. 13·7 crores for schemes of major and medium irrigation.

22. In accordance with the recommendations of the Mussorie Conference of Food and Agriculture Ministers, the agricultural production programme of the Bombay State was further reconsidered by a Cabinet Sub-Committee. The recommendations of the Sub-Committee which have been accepted by Government include the following :—

(1) Construction of 35,000 new wells and repairs to 28,000 old wells by the end of the Second Plan period with the assistance of loans as well as subsidies. It has been decided that Tagavi loans up to Rs. 2,500 and subsidy equal to 25 per cent. of the cost of the proposal for each well, subject to a maximum of Rs. 500 should be granted to the cultivators for new wells. For repairs to old wells, a loan up to Rs. 1,000 per well will be admissible.

(2) Installation of pumping sets on wells which have good water supply and are located on the banks of perennial rivers must be stepped up. The Second plan target has been raised from 7,500 pumping sets to 15,000.

(3) Measures should be taken to ensure that water from projects which have already been constructed is utilised as fully as possible. Further, to induce cultivators to use irrigation water certain concessions in irrigation rates should be given for a limited period of years for irrigation works which have been completed or are in progress. As the Hon'ble Members are aware, this has already been done.

(4) Completion of the programme to establish during the year 1958-59, a Taluka Seed Farm in each of the Talukas of the State, so as to ensure adequate supply of nucleus seeds. During the year 1957-58, about 166

Talukas will be covered and the balance of 284 Talukas in the State will be provided with seed farms in 1958-59. A total provision of Rs. 91.5 lakhs has been made in the budget on this account. Further, the scheme of soil conservation and the new method of paddy cultivation will be intensified and extended to all the component areas next year. The total area suitable for such method of paddy cultivation in the State is 7 lakh acres and of this, about 1.7 lakh acres has been covered so far.

23. In the ultimate analysis, agricultural ^{Irrigation.} production, given supply of seeds and manure, has a functional and causative relation with facilities of water supply. Conditions in Bombay State in this respect are far from satisfactory. While the area under irrigation in relation to total sown area is 17.5 per cent. for the country as a whole, the proportion of area irrigated in the State is only 5.5 per cent. of the sown area. Since over 94.5 per cent. of the total area under cultivation is dependent on the monsoon, our Grow More Food efforts by supply of seeds, manure, wells, fertilisers, land development and even land reforms, will not substantially augment the output and make us self-sufficient in food supply, so long as vagaries of nature determine the quantum of production. Under the Second Five-Year Plan, we have, therefore, made a provision of over Rs. 92 crores on schemes of multi-purpose, major, medium and minor irrigation. Of this, budget provision of Rs. 18.4 crores has been made in 1958-59 on irrigation schemes. Of the six major irrigation projects carried over from the First Five-Year Plan period in the old Bombay State areas excluding Karnatak, the Ranand Tank, the Radhanagari (Irrigation Part), and the first stage of the Gangapur Project have been practically completed. The Kakrapar, Mahi and Ghod projects are in full swing. The Ghod project is expected to be completed during the Second Five-Year Plan period. An important policy now adopted is to phase these projects so as to reap the benefits as we progress with the construction. As far as possible, the linking of canals with the fields

is also being ensured so that water supply can be speedily used. In addition to the spill over works, the Second Five-Year Plan of the former Bombay State also includes 16 new major and medium irrigation projects. Of these the Vir, Mula and Khodiar projects have been administratively approved and a start on construction has been made. The Gangapur project has also been technically cleared for its second stage. In addition, 16 irrigation schemes for the permanent improvement of scarcity areas estimated to cost Rs. 9.9 crores, of which Rs. 3 crores were spent in the First Plan and on which an expenditure of Rs. 1.53 crores has been incurred in 1956-57, are also in full swing and are expected to be completed by the end of the Second Plan.

No major irrigation projects were provided in the First Five-Year Plan of Vidarbha. For the Second Five-Year Plan, the former Madhya Pradesh Government had provided a sum of Rs. 2.5 crores. The Planning Commission has agreed that this provision may now be increased to Rs. 5 crores. Four medium projects, viz. Bagh, Itiadh, Dinanadi, and Katepurna will be undertaken because of the additional provision, while work is already in progress on the Bor and Nalganga projects. The projects in Vidarbha will add 3.56 lakh acres under irrigation in those areas. It may be mentioned that the Planning Commission has not agreed to make this increased provision of Rs. 2.5 crores by enlarging the Plan of the new Bombay State and we have taken up the matter with the Commission. Meanwhile, the increased provision of Rs. 75 lakhs for Irrigation made for Vidarbha areas next year has been accommodated within the Plan phasing of the old Bombay State.

In addition to the Purna project which is the most important, estimated to cost Rs. 5.5 crores with an irrigation potential of 1.6 lakh acres in Marathwada area, projects costing Rs. 6.9 crores with a Second Plan provision of Rs. 3.6 crores estimated to irrigate 1.2 lakh

acres will be undertaken. Of the spill over works, the Bensura and Khesapur projects are nearly completed; while work is in progress on four others and two more projects have been administratively approved.

In Kutch, a programme of irrigation works estimated to cost Rs. 108 lakhs for which a Second Plan provision of Rs. 49 lakhs has been made, will be undertaken. Of the projects in hand, plans and estimates of the Gajansar project and Rudramata Tank have been approved.

Of the 13 spill over irrigation works in Saurashtra, 6 have been practically completed and work is in progress on the remaining. There are in all 15 new irrigation projects provided in the Second Plan of Saurashtra at an ultimate estimated cost of Rs. 13.6 crores and a Second Plan provision of Rs. 7.5 crores. Of this, work on the Shetrunji is in full swing and in view of the rapid progress on the dam work an additional allotment of Rs. 40 lakhs has been sanctioned during the current year. Six other works, viz., Bhadar, Fulzar, Sakroli, Demi, Bhogawo-II and Limbdi-Bhogawo, are at various stages of progress.

24. The scope of the co-operative movement is no longer restricted to the field of agricultural credit. The movement has been extended to the other sectors of the rural economy, particularly in the fields of marketing, processing, housing, cottage and small scale industries. The schemes included in the Second Five-Year Plan pertaining to the Co-operative movement have been based on the recommendations of the All India Rural Credit Survey Committee, which have thrown considerable financial and administrative responsibility on Government. In order to implement these recommendations particularly in the field of agricultural credit and with a view to strengthening the integrated co-operative rural credit, Government contributed during the year 1956-57 an amount of Rs. 58.12 lakhs to the share capital of 181 co-operative

institutions including 2 Apex Banks and 9 District Central Co-operative Banks. This year it is proposed to contribute Rs. 1.5 crores towards the share capital of co-operative credit institutions. Next year, it is proposed to contribute an amount of Rs. 1.25 crores. It will thus be seen that from year to year the financial base of the rural economy is being considerably strengthened. Further, in the field of long term credit the uneconomic branches of the Land Mortgage Banks are proposed to be subsidised.

The Bombay State Warehousing Corporation has been established during the year and is expected to have a net-work of warehouses all over the State during the course of the Plan period. Government is contributing this year Rs. 15 lakhs towards the share capital of the Corporation. It is also proposed to contribute Rs. 5 lakhs during the next year. Closely connected is the problem of co-operative marketing for which Government proposes to organize new marketing Societies and open branches of existing Societies in major and important minor marketing centres so as to bring within the fold of co-operative marketing at least 30 per cent. of the marketable agricultural produce. It is intended to start 60 warehouses by the State Warehousing Corporation during the remaining Five-Year Plan period.

Out of the 18 Co-operative Sugar Factories registered in the State, 17 have obtained the necessary licences under the Industries (Development and Regulation) Act, 1951. Nine of these have gone into production with a total crushing capacity of 8,400 tons per day. Government has so far contributed an amount of Rs. 1,67,99,750 to the share capital of the 17 Co-operative Sugar Factories and has guaranteed or has agreed to guarantee jointly with the Government of India on 50 : 50 basis, a total amount of Rs. 7,16,50,000 to be obtained as loans by 14 Co-operative Sugar Factories from the Industrial Finance Corporation of India. In order to enable some of the

Co-operative Sugar Factories to bridge the gap between their estimated block capital account and their total resources, Government has also guaranteed an amount of Rs. 1,16,94,000 obtained as medium term loan by them from the Central Financing Agencies.

25. The development of Power Projects included in the Plan is making satisfactory progress. The work on Koyna Hydro-Electric Project is progressing almost according to schedule. Government has taken suitable steps to assure a fair deal to the population that will be displaced from the valley, and suitable measures are being taken as advised by the Koyna Rehabilitation Committee constituted for advising Government in the matter. Government has also appointed a Rehabilitation Officer for the work of rehabilitation. A Resettlement Committee has also been constituted to advise the Rehabilitation Officer in the implementation of the programme of resettlement of the persons affected by the Project.

26. Government attaches great importance to the rapid industrial development of the State. With this end in view, arrangements to prepare a Master Plan for further industrialisation of the State are taking shape. Some specialised staff will be appointed to assist the Director of Industries in collecting and scrutinizing the data and for carrying out spot investigations for the preparation of the Master Plan. With a view to establishing a plant for the manufacture of pig iron in the Chanda District in Vidarbha which contains valuable deposits of iron ore and deposits of coal and limestone which may be capable of being utilised for the manufacture of pig iron, it is proposed to carry out pilot plant tests with the help of the National Metallurgical Laboratory at Jamshedpur. Government also proposes to provide for a scheme to supply water to the industrial concerns in the area near Porbundar which are in need of regular water supply for their proper functioning and growth. With a view to bringing about planned development of

industries, it has been decided to establish 16 industrial estates in the State. An Industrial Estate at Rajkot has already been established and the scheme for the establishment of Industrial Estates at Baroda, Udna, Kurla, Hadapsar and Kolhapur has already been approved by the Government of India who have sanctioned a loan of Rs. 15.14 lakhs for the purpose. The survey of the land for the establishment of an industrial estate for heavy industries at Atale near Kalyan is completed. A tentative lay out is prepared and the proceedings for acquisition of land are in progress. The scheme for the establishment of industrial estates at Malegaon, Karad, Nagpur, Amravati, Nanded, Ahmedabad and Bapiti Road are under preparation and are likely to be taken up during the next year.

27. Government also attaches great importance to the resuscitation of Cottage and Small Industries. As the House is aware, the Cottage Industries have always occupied an important place in India's industrial structure. Village Industry is the source of subsidiary income to the Indian cultivator and a source of employment to the landless labourer. The main stress in Government policy has been on offering training to artisans in the use of improved tools and equipment, conducting research in village and cottage industries, organisation of industrial co-operatives and encouragement of non-official agencies like the Bombay Village Industries Board and the Saurashtra Khadi and Village Industry Board. It is hoped that the development of Cottage Industries will prove an effective antidote to the problem of unemployment.

The Cottage Industries Department has been placed under the administrative control of a fullfledged head of Department who is designated as Director of Cottage Industries.

The most important industrial co-operative societies having employment potential are the Handloom Weavers Co-operative Societies and the Forest

Labourers' Co-operative Societies. To both these types of societies, financial, technical and other assistance is being made available. In this connection it may be added that the starting of Forest Labourers' Societies has helped to a great extent in ameliorating the conditions of the Adivasis and the backward classes.

28. Nationalised passenger transport now covers ^{Road Transport.} over 94 per cent. of the road mileage in the former Bombay State, 15·8 per cent. in Vidarbha, 95 per cent. in Kutch, 47·1 per cent. in Saurashtra and 55·5 per cent. in Marathwada. The total aggregate road mileage operated by nationalised transport in the State at present is 59,883. Nationalisation of passenger transport will be carried forward during the next year.

29. Including National Highways, Central Road ^{Roads.} Fund Works, Express Highways, West Coast Works, Centrally aided Roads and Works in the State Plan, the aggregate programme of roads and bridges envisaged in the new State is Rs. 41·27 crores for the period of the Second Plan. Of this provision, programme for an expenditure of Rs. 13·23 crores will be undertaken in 1958-59 of which a Budget provision of Rs. 4·2 crores on National Highways will be included in the Central Budget and over Rs. 9 crores in the State Budget. The aggregate Second Plan programme envisages construction and improvement of 4,723 road miles and construction of 166 major bridges and causeways. During 1956-57, 854 road miles were constructed and improved and 18 bridges completed. During 1957-58, 1,000 road miles will be improved and constructed while 10 bridges are expected to be completed. Over and above this, 22 bridges are under construction. During the next year, apart from the completion of the left over works of the current year, 1200 miles of roads will be constructed or improved and 50 bridges will be taken up for construction.

An additional provision of Rs. 75 lakhs has been made in the budget for roads in Vidarbha, over Rs. 36 lakhs on account of roads in scarcity areas and

over Rs. 38 lakhs on account of new roads. As in the case of Irrigation this provision also has been accommodated within the Plan phasing of the former Bombay State.

Education.

30. Amongst the States in India Bombay State is one of the foremost in the progress of Education. In the areas which form part of the new State the number of educational institutions increased from 41,605 in 1949-50 to 64,030 by 1955-56 at the end of the First Plan and to 70,687 in 1957-58. The number of pupils in these institutions has increased from 42.8 lakhs in 1949-50 to 59.6 lakhs by the end of 1955-56 and to 69.4 lakhs in the current year. There has thus been an expansion of 62 per cent. in educational development on the whole compared to 1949-50. The following table indicates the growth in the number of pupils under instruction during each of the years 1949-50, 1951-52, 1955-56, 1956-57 and 1957-58 :—

Year.	Primary.	Secondary.	Higher.	Special.	Total.	Per-centage 1949-50 =100.
1949-50	34,72,419	5,30,232	53,483	2,50,432	42,76,566	100.00
1951-52	36,88,567	5,93,316	66,673	2,93,312	46,41,868	108.54
1955-56	46,13,543	7,78,541	1,00,279	4,71,830	59,64,193	139.46
1956-57	50,59,590	7,80,034	1,11,678	4,00,054	64,47,356	150.76
1957-58	54,44,295	8,54,527	1,21,309	5,20,431	69,40,562	162.29

Government has already applied during the current financial year the old Bombay rates of dearness allowance paid to Primary Teachers to other component areas of the State at an annual cost of Rs. 1.27 crores. It is also proposed to give the following

revised uniform basic scales of pay for the Primary Teachers of the entire State :

- (i) Rs. 40 per month for untrained teachers,
- (ii) Rs. 50—1½—65—2½—90 for one year trained teachers.
- (iii) Rs. 50—1½—65—2½—100 for two years trained teachers.

The above uniformity in the basic scales of pay will mean an extra burden of the order of Rs. 1 crore during the next year of which 50 per cent. will be shared by the Government of India. Secondary education as well as technical education are making progress according to the schedule laid down in the Plan. A proposal to establish a University for Marathwada has been accepted and the necessary legislative proposals will be placed before the House during the current session. A notable feature this year is the decision to introduce National discipline scheme in educational institutions for which financial provision of Rs. 5 lakhs has been made in the budget proposals.

31. The number of Hospitals and Dispensaries in the State has increased from 1,595 in 1955 to 1,938 at the end of 1957 with the total bed strength increased in the latter year to 19,138 from 18,237 in 1955. For providing medical relief to the rural areas 8 Cottage Hospitals, 475 Subsidised Medical Practitioner Centres, 353 Village Aid Centres and 32 Special Dispensaries are functioning. The reconstruction programme of the J. J. Group of Hospitals is making headway and a provision of Rs. 18.2 lakhs has been made in the Budget for this purpose.

6 Ayurvedic dispensaries in Saurashtra, 8 in Vidarbha and 3 in Marathwada will be established next year.

There are already 7 Medical Colleges under Government and 2 Colleges run by the Bombay Municipal Corporation. The total admissions in the

First year of these Colleges has been increased to 742 pupils. The Medical College at Aurangabad is being developed. In addition to these Colleges there are 2 Dental Colleges, viz., Sir C. E. M. Dental College and Hospital and the Nair Dental College and Hospital, and it is proposed to increase admissions to the C. E. M. Dental College from 60 to 100 during the next year.

For imparting instruction and to serve as demonstration to rural training in public health, there were hitherto only two health units—one at Sirur in the Poona District and the other at Saoner in Nagpur district. Three more units have now been established at Bawla, Palghar and Padra. For the isolation and treatment of infectious diseases in the rural areas there were only two mobile hospital units in the Bombay State with an additional half equipped unit. One more mobile hospital unit will be added in 1957-58 by the end of the year to function in Marathwada and Vidarbha. An additional unit will also be established during the next year.

The Second Plan provides for 130 primary health centres of which 50 have been provided by the end of 1957-58 and 27 more will be established in the next year. The anti-malaria measures are being conducted through 24 health units and 4 D. D. T. units. In addition, 6 units are working to irradiate filaria.

Housing.

32. A Cabinet Sub-Committee has been reviewing the housing problem in the State with a view to draw up a phased comprehensive programme to accelerate the pace of construction. Meanwhile Government has constructed in the State 33,113 tenements, 2,505 shops and 13 school buildings for displaced persons. Loans have also been granted to individuals and Co-operative Societies for construction of 1,268 tenements. For the general population, particularly industrial workers and low income group

population, the progress of housing construction is as follows :—

Area.	No. of tenements completed at the end of December 1957.	No. of tenements under construction.
(a) Industrial Housing—		
Former Bombay area ...	12,831	12,800
Saurashtra ...	1,649	1,385
Vidarbha ...	1,730	2,720
Marathwada ...	1,490	1,490
	17,700	18,395
(b) Low Income Group Housing ...	1,926	2,306
(c) Rental Housing ...	.....	700

Including housing for displaced persons, Government housing construction is thus responsible for setting up 57,739 tenements and work is in hand on 21,401 tenements. When these latter are completed, Government would have provided accommodation for a population of 3,56,130 at the rate of 4.5 persons per family to a tenement. Since the urban population has increased several times more within the last few years, and since we have a backlog of unsatisfied wartime demand for housing in urban areas, particularly in the industrial cities, the achievement, though substantial in monetary terms, may appear modest in relation to demand. It is hoped that the industrial employer would actively co-operate in this task. In addition to the provision for housing, a programme of slum clearance estimated to cost Rs. 4.29 crores has been taken in hand since the current year and an aggregate provision of Rs. 1.50 lakhs has been made in the budgets of the current year and the next.

Increased grants to Village Panchayats and Local Bodies.

33. A special feature of the next year's budget is the increased provision for grants to village panchayats and other local bodies. It is the intention of Government to make every village a self-contained unit able to cater to the essential civic needs of its people. To this end, it is, however, necessary to provide them with an assured source of income. At present there is no uniformity in the grants payable to village panchayats in the different component parts of the new State. Government has therefore decided to adopt uniform rates throughout the reorganised State. The village panchayats will get grants ranging from 25 per cent. to 30 per cent. of land revenue realised in their respective areas. Extra provision of Rs. 62·70 lakhs is made in the next year's budget for this purpose. It is intended that village panchayat secretaries throughout the State will hereafter be appointed and paid for by Government and also trained at Government cost. Audit of village panchayats will also be conducted by Government. An additional provision of Rs. 37·30 lakhs is proposed in the next budget for the pay of village panchayat secretaries and their training and for the audit of village panchayat accounts. Government has also decided to bring about uniformity in grants payable to District Local Boards in the different areas of the new State. It has, therefore, been decided that District Local Boards in old Bombay areas and Kutch, Janapada Sabhas in Vidarbha, District Boards in Marathwada and District Panchayats in Saurashtra should be paid a grant equal to five per cent. of the land revenue collected in the area of the particular body. Government has also decided to pay to these bodies 2 per cent. of forest revenue as in the case of old Bombay State. An extra provision of Rs. 32 lakhs is proposed in the next year's budget for the payment of the above grants. Government has also decided that District Local Boards, Janapad Sabhas and Municipalities in the entire new State should be paid dearness allowance grants according to old Bombay State practice, i.e. 50 per cent.

of the expenditure incurred by them on payment of dearness allowance to their staff. The decision has necessitated an extra provision of Rs. 67 lakhs in the next year's budget. It is hoped that such increased financial assistance from Government will materially help the said Local Bodies in the State in carrying out their functions.

34. All activities concerning social welfare ^{Social Welfare.} including Backward Class welfare and rehabilitation have now been brought under one department. The welfare extension projects continued to make progress under the State Social Welfare Board and there has been a good deal of expansion in their activity. As against the current year's provision of Rs. 5 lakhs, a sum of Rs. 9.2 lakhs is being provided for the next year.

Welfare and education of the physically handicapped through Government as well as voluntary agencies continues and two schools for the blind, deaf and dumb are being opened in Vidarbha. Under the correctional administration, problems of juvenile delinquency and beggars are being tackled. A special drive was launched and 430 leper and 312 disabled and infirm beggars in Bombay City have been provided with institutional care. Children's Act has been extended to Nagpur and Aurangabad. Certified schools and Remand Homes have been opened. Similarly, the Beggars Act is proposed to be extended to Poona and Ahmedabad cities. Two State Homes and six District Shelters under the Moral and Social Hygiene and aftercare programme have already been opened. One more State Home and eight more District Shelters will soon start functioning. This activity will further be expanded next year for which a provision of Rs. 7 lakhs is made. Training-cum-production centres will be attached to the State Homes in order to afford permanent rehabilitation of the inmates. During 1958-59, the entire budget provision of Rs. 31 lakhs would be utilised for the expansion and enlargement of activities under various categories of social work.

The Backward Classes who constitute nearly one-fourth of the total population of the State, continue to receive special attention from Government. The total provision proposed in the next year's budget for various schemes for backward classes welfare amounts to over Rs. 4.80 crores, which include an amount of Rs. 1 crore for schemes in the State Plan and an amount of about Rs. 66 lakhs for Centrally sponsored schemes for which the entire finance is provided by the Government of India. The schemes undertaken during the current year will be continued with increased tempo during the next year and in addition several new useful activities will be undertaken, e.g. establishment of a model colony for Scheduled Tribes, provision of housing sites for Scheduled Castes, grant of legal aid to Scheduled Castes, extension of legal aid to Scheduled Tribes and Vimukta Jatis in the component units, subsidy in the form of additional rent to caste Hindu landlords for taking Harijans as their tenants; encouragement of inter-caste marriages between caste Hindus and Harijans; overseas scholarships to backward classes students and development of backward class hostels.

Small
Savings.

35. I would now turn to a matter which is of vital importance to the successful implementation of our Plan, viz. Small Savings. During the current financial year the Government of India have changed the basis of sharing net collections of Small Savings with the State Governments and we shall now be getting 2/3rds of the net collections in our State every year. The States' share, moreover, will be paid every month or every quarter as desired by the State Governments according to the latest available monthly and quarterly estimates of net collections. In the current year, therefore, we shall receive not merely the State's share of small savings against our net collections in 1956-57 on the basis of the old formula of sharing, but also 2/3rds of the net collections during the year 1957-58. The aggregate State share thus expected to be received

in 1957-58 from Small Savings is estimated at Rs. 13 crores.

During the current year there has been a general decline in net collections of Small Savings for the country as a whole and also in our State, compared to the net collections during the last year. This decline is due to a variety of reasons which I shall not go into here. It, however, indicates the necessity for our undertaking all possible measures, administrative and organisational, to make Small Savings a mass movement. Since the beginning of 1957, the State Government has been taking energetic measures to popularise the Scheme by making it widely known throughout the State and arousing the interest of our rural areas in the movement which was confined to, more or less, urban areas so far. Only recently we have celebrated a "Savings Fortnight" in the State which has helped to arouse public consciousness in the movement, to intensify the collection drive and to increase the number of agents. The momentum thus given to the movement would be of material assistance in giving an impetus to collections. I am glad to be able to report that according to information received, the total collections during the "Savings Fortnight" have amounted to about Rs. 2 crores and an equal amount has been promised. The recent concession of allowing hypothecation of the Savings Certificates should act as an incentive to larger collections. The Directorate of Small Savings has been concentrating on publicity measures and to interest women, students and labour as well as agriculturists in the movement. To secure the non-official co-operation, Advisory Committees have been set up in each district and even in talukas, and in every Division with the apex Advisory Council of Small Savings for the whole State with the Chief Minister as its Chairman. Organisation of a mass movement will require patience, faith in the cause, wide publicity and active public co-operation. For the movement to succeed, we require spontaneous mass support so that it may become not merely

a campaign for plan resources but also a campaign for cultivating the habit of thrift as a national character. Small Savings is not a movement of the Government imposed on the people, nor are collections for it a contribution, donation or gift. Small Savings basically is a movement of the people, for the people by the people ; and once we all recognise this fact, the realisation of the target that we have set before us should not be difficult in the long run. I would earnestly commend the cause to the honourable Members of the House and through them to all sectors of the public.

Delegation
of Financial
Powers.

36. Time and again, Government is confronted with the question of avoiding administrative delays. In order to minimise these the posts of Commissioners have been revived. In the interest of decentralisation of administration so as to facilitate quick decisions and avoidance of duplication of work, it has been accepted in principle that many more powers might be delegated to the Heads of Departments and Offices. In line with this decision, orders have already been issued delegating more financial powers to Heads of Departments and Offices. It is hoped that with the delegation of these powers to the Commissioners and other local officers administrative delays will be reduced in future.

Spending
Capacity.

37. Against the target expenditure of Rs. 350.28 crores of our Second Five-Year Plan the expenditure in 1956-57 is estimated at Rs. 44.45 crores only, largely due to the transitional effects and difficulties of re-organisation. Against the Plan provision of about Rs. 73.5 crores during the current financial year the revised estimates indicate that an expenditure of not more than Rs. 65 crores is likely to be incurred. Since we are now stepping up Plan expenditure to Rs. 76.8 crores during the next year and larger provisions will be made in the rest of the Plan period thereafter, it is indispensable that we develop our spending capacity to the fullest extent of the task before us. Various

factors generally come in the way of spending capacity and create a gap between the budgeted provision and actual Plan expenditure. Briefly these are (1) time lag in communicating sanctions of the budgeted provisions to all the spending officers right down to the district and taluka levels, (2) time lag in getting projects cleared with administrative and technical sanction at the Secretariat in this Government and with the corresponding Ministries of the Government of India in cases where Central assistance is received, (3) difficulties of getting requisite technical personnel, and (4) difficulties of getting constructional materials like iron and steel, cement as well as machinery, some of which has to be imported. These problems are under review by the Government at various levels. The recent decision to delegate financial powers to Heads of Departments and offices in a larger measure than before should also help to improve matters. The organisation and methods section in the Secretariat and the vigilance sections in the Public Works and the Finance Departments have in hand some of these problems and I hope ways and means will be found to fully utilise both man-power and materials according to the resources provided in the budget and the time schedule laid down in the Plan.

38. The budgetary position for 1958-59 which I have indicated shows a deficit on revenue account of Rs. 2.01 crores. In order to balance the revenue budget and to augment our resources to meet the increased expenditure under various developmental heads for the fulfilment of our Second Five-Year Plan, we are committed to an additional taxation target of Rs. 24 crores in the new State. It has been found necessary to provide for a Plan expenditure of about Rs. 76.8 crores in the next year which includes an expenditure on revenue account of Rs. 21.57 crores. Our normal revenue expenditure after the reorganisation of the State has also increased by about Rs. 5 crores which is accounted for by Rs. 3 crores on account of integration

Additional
Taxation
Measures.

of services and increase of Rs. 5 in dearness allowance to employees getting a salary up to Rs. 50 per mensem ; Rs. 1.27 crores on account of increase in dearness allowance by Rs. 5 granted to primary school teachers in the former Bombay State areas as well as to those in other component areas, and extension of the former Bombay State rates of dearness allowance to primary teachers in the other component areas and Rs. 0.67 crores for giving dearness allowance grants to municipalities and other local bodies according to the practice prevalent in the former Bombay State. The amount of Rs. 5 crores mentioned above is exclusive of a liability of Rs. 1 crore on account of revision of pay-scales of primary school teachers.

39. To meet the deficit and to augment the existing resources during 1958-59, I propose the following measures of additional taxation or those for unification of taxes in the component areas of the State. The Bills relating to these taxation measures will be placed before the House.

40. I propose a levy of a tax on all passengers and on luggage carried by stage carriages at such rates as would yield an amount equal to ten per cent. of the inclusive amount of fares payable to the operator of a stage carriage, except where such stage carriage plies exclusively within a Municipal area. From the tax assessed as above, I expect an aggregate revenue of Rs. 180 lakhs during 1958-59.

41. We have in the new State a variety of taxes levied at different rates in the different component units. Now that the transitional period immediately after reorganisation is over, it is necessary to unify the tax-laws as has been done in the case of services, pay-scales and dearness allowances, because differences in tax rates within a single State raise difficulties of tax administration and also lead to differential burdens being put on different areas which is not equitable.

Before dealing with measures of unification of taxes, I would like to mention that wherever the existing taxes in the component areas were found to be invidious, Government has decided either to abolish or to modify them. In pursuance of this policy, in the Marathwada area, sales tax which was being levied at 3 per cent. on cereals and pulses and paddy under the Hyderabad General Sales Tax Act has been abolished. Similarly, sales of fresh fruits which were subject to a multi-point tax in that area have also been exempted. It has further been decided that flour including Ata, Maida, Suji and Bran should also be exempt from sales tax in Marathwada. Government also proposes to abolish the levy of agricultural income tax in Marathwada and the tax on trade, professions, callings and employment in Vidarbha from the 1st April 1958.

In Vidarbha and Marathwada Sales Tax is being levied on cotton at 2 per cent. Government has decided to reduce the rate to 1 per cent. as in the former Bombay State areas.

42. I propose to unify taxes throughout the State generally along the lines and at the rates these taxes are being levied in the former Bombay State areas as under :—

- (a) taxes on motor vehicles ;
- (b) taxes on motor spirit including high speed diesel oil used as fuel ;
- (c) taxes on the consumption of electrical energy ;
- (d) duty on entertainment ; and
- (e) stamp duty on non-judicial instruments.

Advantage is also being taken of the amendment in the taxation laws to express the rates of taxes in terms of new coinage. Of the total aggregate target additional taxation of Rs. 24 crores, a target of Rs. 12 crores or nearly 50 per cent. has to be fulfilled by the former Bombay State areas excluding Karnatak. Unification

of taxation does not mean some additional taxation only in component areas other than the former Bombay State areas. I also propose changes in some of the above taxes within the former Bombay State areas as well.

43. The unification of taxes on various categories of motor vehicles envisages levy of taxes on motor vehicles at the rates at present operative in the former Bombay State areas. Unification of motor vehicles taxation is expected to yield an annual revenue of Rs. 15 lakhs.

44. Motor spirit at present is being taxed under Sales Tax at the rate of 6 annas per gallon in the former Bombay State areas, Kutch and Saurashtra ; at 12½ per cent. of the sale price of petrol in Vidarbha and at 4 annas per gallon in Marathwada. I propose that motor spirit may be taxed uniformly in all areas by the State Government taking powers to levy the tax up to a maximum of 20 per cent. *ad valorem*. The actual quantum of the tax which will be levied on Motor Spirit which includes petrol, aviation spirit and high speed diesel oil, will be prescribed by Rules. The levy would be at different rates on the three types of motor spirit. Hitherto, high speed diesel oil has been taxed under the General Sales Tax Act in all areas except Marathwada where it is taxed under the Special Act relating to taxation of motor spirit. Now it will be taxed in all the areas under the Motor Spirit Taxation Act. The unification and additional taxation on motor spirit which includes high speed diesel oil as mentioned before used as fuel, is expected to bring in an additional revenue of about Rs. 30 lakhs.

45. Stamp duties may be broadly classified as judicial stamps used in litigation in the Law Courts and non-judicial instruments used for other purposes. So far as unification of stamp duty on judicial instruments used in Law Courts is concerned, Government has decided to appoint a Committee to go into the

question. Unification of non-judicial stamp duties, however, can be undertaken without much difficulty and a Bill will, therefore, be moved generally applying rates of taxation on non-judicial instruments at rates prevailing in the former Bombay State. At present the Indian Stamp Act with amendments in its application to former Bombay State, Vidarbha and Saurashtra, is in force in these areas. The Central Act is applicable to Kutch while Marathwada is governed by the Hyderabad Stamp Act. It is now proposed to enact a self-contained Bill applicable to the whole State to provide for rates of stamp duty on instruments other than those falling under entry 91 in List I of the Indian Constitution and also to include in it the surcharge leviable under the Bombay Increase of Stamp Duties Act, 1943. On conveyances, the present rates of stamp duty are as follows:—

Type of Instrument.	<i>Ad valorem</i> Rate of duty.
1. Movable property of any kind ...	2½ per cent.
2. Rural Immovable Property ...	2½ per cent.
3. Urban immovable properties other than those in the areas of Greater Bombay, Ahmedabad, Poona, Surat, Sholapur, Thana, Nasik, Kalyan, Baroda and Kolhapur.	3 per cent.
4. Urban immovable properties in the cities of Ahmedabad, Poona, Surat, Sholapur, Thana, Nasik, Kalyan, Baroda and Kolhapur ...	4½ per cent.
5. Urban immovable properties in Greater Bombay.	6 per cent.

I propose that the present rates in the former Bombay State on the instruments of conveyance of urban and rural movable property and rural immovable property

may be applied uniformly throughout the State. So far as urban immovable property is concerned, while the rate of 6 per cent. will be levied in Greater Bombay as at present, I propose that the rate of $4\frac{1}{2}$ per cent. *ad valorem* on instruments of immovable property transactions at present applied to the cities of Ahmedabad, Poona, Surat, Sholapur, Thana, Nasik, Kalyan, Baroda and Kolhapur may also be applied to the cities of Nagpur, Dhulia, Akola, Amraoti, Jalgaon, Jalna, Aurangabad, Rajkot, Bhavnagar and Jamnagar. The rate of 3 per cent. on conveyances of immovable property in other urban areas may be applied to all urban areas throughout the State. These changes, along with unification of stamp duties on other non-judicial instruments, are expected to bring in an additional taxation revenue of about Rs. 25 lakhs in 1958-59.

46. I propose that the rates of duty on the use of electrical energy on industrial power, power used for commercial purposes and for domestic consumption at present applied in the former Bombay State areas may be extended to all the component units subject to the present concession in various areas continuing for the time being. This unification measure is expected to bring in an additional revenue of about Rs. 25 lakhs.

47. In consonance with the recommendations of the Taxation Inquiry Commission, entertainment duty in the former Bombay State since 1st April 1957, is being levied on a percentage basis including the duty at the following rates :

Area	Value of admission including rate of entertainment duty		Entertainment duty. <i>ad valorem</i>
(a) Areas of the Municipal Corporation of Greater Bombay, Poona and Ahmedabad.	Re. 0-5-0		20 per cent.
	Over Re. 0-5-0	}	25 per cent.
	Upto Rs. 1-5-0		
	Over Rs. 1-5-0		33½ per cent.
(b) All other areas ...	Upto Rs. 1-5-0		20 per cent.
	Over Rs. 1-5-0		25 per cent.

I propose that the rates of taxation on admission to places of entertainment other than the Race Course at present applied to Greater Bombay, Ahmedabad and Poona may also be made applicable to all cities in the State with a population of 1 lakh and over. It is expected that these changes in the entertainment duty would bring in an additional revenue of Rs. 25 lakhs.

48. The aggregate effect of the additional taxation measures proposed by Government would be to bring in an additional revenue of about Rs. 3 crores in 1958-59 as follows :—

	Rs.
Tax on Passenger fares	180 lakhs.
Tax on Motor Vehicles	15 lakhs.
Tax on motor spirit and diesel oil used as fuel	30 lakhs.
Stamp duty on instruments used for non-judicial purposes	25 lakhs.
Tax on consumption of electrical energy	25 lakhs.
Duty of entertainment tax	25 lakhs.
	<hr/>
Total	300 lakhs.

49. The legislative measures for unification of taxation of motor vehicles and motor spirit also provide for the setting up of a State Road Fund for the entire State of Bombay and earmarking to the same revenue from motor vehicles tax, less cost of collection, as well as 50 per cent. or more of the revenue from taxes on motor spirit and diesel oil, less cost of collection. In view of this, of the aggregate additional taxation revenue of Rs. 300 lakhs, Rs. 75 lakhs is likely to be earmarked for the State Road Fund to enable the road programme to be expedited and will thus not be available for balancing the Revenue

budget. The balance of additional taxation of Rs. 225 lakhs will thus convert the budget deficit of Rs. 201 lakhs at existing rates of taxation in 1958-59 on revenue account into a nominal surplus of Rs. 24 lakhs.

50. So far as unification of Sales Tax Laws and procedure is concerned, the House is already aware that the subject has been referred to a Committee appointed by Government. It is expected that the Committee's report will be available to Government at the end of June 1958. It is, therefore, not possible to take into account the financial implications of the unification of Sales Tax Laws at this stage. The same is the position with regard to unification of Judicial Stamp Duties. Government would undertake consequential legislation when the reports of the two Committees referred to above are received and considered by it.

Ways and
Means.

51. At the end of the year 1956-57, there was a balance of Rs. 43.97 crores inclusive of the amount invested in treasury Bills. During the current year I expect an over-all surplus of Rs. 1.38 crores on the basis of the revised estimates made up as follows :—

	(In crores of Rupees.)
Revenue Surplus	... + 5.57
Net Capital expenditure (i.e. including recoveries on capital account which are taken in reduction of capital expenditure)	... - 37.00
Betterment under Debt Heads inclusive of loans received from the Central Government and open market borrowing	... + 32.81

	+ 1.38.

The year is thus expected to close with a balance of Rs. 45.35 crores (Rs. 43.97 crores plus 1.38 crores). Excluding the amount of Rs. 6.50 crores which is expected to be invested in long dated securities, etc., during the current year, the closing balance at the end of the current year will be Rs. 38.85 crores which is inclusive of the amount invested in treasury Bills.

The next year's estimates reveal an over-all deficit of Rs. 20.26 crores after taking into account Government's taxation proposals, as follows :—

	(In crores of Rupees)
Revenue Surplus	+ 0.24
Net capital expenditure (i.e. including recoveries on capital account which are taken in reduction of capital expenditure)	... - 39.49
Betterment under Debt Heads inclusive of loans received from the Central Government but without taking into account open market borrowing	... + 18.99
	<hr/> - 20.26 <hr/>

The year 1958-59 is thus expected to close with a balance of Rs. 18.59 crores inclusive of the amount invested in treasury bills. This will, however, increase to the extent of our estimated open market borrowing viz., Rs. 10 crores.

52. I may here refer to a small change in the White and Blue books that have been presented to the House. In the past, statements showing summary of revenue and expenditure of the State used to be given in the White Book. These statements are now included in a separate booklet called "Financial Statement (Budget) of the Government of Bombay for the year 1958-59" (Green Book). The Introductory Note of the Finance Secretary, the major head-wise figures, the schedule of demands for grants, statements

of outstanding debt, etc., which in the past were incorporated in the Blue Book also now find place in the new publication. The new booklet will serve as a handy publication showing the budgetary position of the State in a nut-shell.

In the past, copies of my budget speech were being supplied in Hindi and regional languages to the Hon'ble Members desirous of having them. From this year, in addition to the budget speech, translations of the White, Blue and the Green Books for 1958-59 in Hindi, Marathi and Gujerati will be made available to such Hon'ble Members as desire to have them. It is hoped that this change will enable a wider circle of the House and the public to understand and study the budget literature.

**Appendix to
the Speech.**

53. With the increase in the size of the State as well as its budget the nature of our socio-economic and financial problems has become complex. It is necessary, therefore, to take a review of the budget in the background of basic statistical data of the new State. I have, therefore, appended to my speech essential statistical data which will assist a critical analysis of the Budget.

Conclusion.

54. Sir, before concluding, I would like to do a little loud thinking as to the future role which Finance should play in a progressive welfare State. The success of the First Five-Year Plan laid the foundations for a more ambitious Second Plan, pledged to increase the National Income, provide more avenues of employment and lead the country to a socialistic pattern of Society. We, in Bombay State, did not lag behind and what is more, by a careful husbanding of our resources and wise management of our finances, have built up a prosperous economy which augurs well for the future. We have to march from one success to another ; fortunately we have the means to do so. To this end I feel that a new orientation in our financial policy has become essential. Time has come when we should change

over from orthodox finance to welfare finance; in other words, we should utilize our accumulated reserves to create more physical assets, more wealth and more amenities in the State which will help in augmenting our resources for spending on welfare activities and thus increase the prosperity of our masses, particularly of the rural areas. With this object in view, I am tentatively visualising the creation of sizeable earmarked funds for the developmental activities of the State in various fields. We already have such earmarked funds, e.g. the Famine Fund, the State Road Fund, the Sugarcane Cess Fund, the Milk Fund or the Port Development Fund. I am merely visualising the extension of the scope of such Funds. The advantage of an earmarked fund is the facility of evolving a suitable time programme of implementing a desired objective without the risk of lapsed grants. As I said, this is just loud thinking and no concrete shape has been given to the proposal in the present budget. The objects and conditions attaching to the formation of such earmarked funds, the budgetary procedure and the terms and conditions subject to which they will be expended over a period of years will have to be carefully worked out and meticulously laid down in order that the money is spent wisely and on the principle of self-help, as far as possible. In the general discussion on the budget I shall very much value suggestions from the Honourable Members of the House so that Government may come to some definite conclusions on the subject and put concrete proposals before the House in the form of Supplementary Demands in its next Session. In other respects too, I am thinking of radically re-organising my department so that delays in issuing sanctions are minimised and Development Departments are encouraged to increase their activities and spending capacity by a wider delegation of financial powers, decentralization and other means.

55. Sir, I will not take any more time of the House which has shown me the kind indulgence of listening patiently for so long. My only excuse,

however, is that this is an occasion when Government has to fully explain to the House, and through it to the People, its policies and programme committed as it is to achieving the ideal of a welfare State within the time schedule laid down. Let us hope that with the united efforts of us all, we shall march to our goal steadily but surely. In the end, I would appeal to all sections of the House to give their whole-hearted co-operation to Government in the noble task of nation-building to which it has set itself.

JAI HIND.

APPENDIX TO THE BUDGET SPEECH
GENERAL REVIEW OF BUDGETARY
POSITION

1957-58 and 1958-59 (Budget) with Statements showing the financial position and the Socio-Economic Indicators of the Progress of the Component Areas of the Reorganized Bombay State, from 1949-50 to 1957-58

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STATEMENT I

**The General Budgetary Position, 1957-58 (BUDGET), 1957-58
(REVISED ESTIMATES), 1958-59 (BUDGET).**

The White and Blue books of the annual State Budget do not readily indicate the exact Budget surplus or deficit in the economic sense of the difference between all current receipts and current expenses. This is because the Budget financial statements are maintained on a cash basis and include within them financial transactions of statutory and non-statutory funds. At times, the full measure of activities cannot be had because some items of expenditure are shown by way of deduct entries whereby they are met by recoveries equivalent or otherwise. In the statements given in this Appendix, therefore, budgetary data have been recast.

2. The Budget surplus or deficit in any given year has been shown by indicating the difference between :—

(A) Aggregate current annual expenditure on—

(i) revenue account,

(ii) capital account,

(iii) expenditure on activities other than monetary transactions financed from funds as well as by grant of loans and advances not included in (i) and (ii) above, and

(B) The aggregate current annual receipts from—

(i) Revenue through State share in Centrally collected taxes like :—

(a) Taxes on incomes other than the corporation tax,

(b) State share in Union Excise Duties,

(c) State share in Estate Duty,

(d) State share in tax on railway passenger fares, and

(e) State share in Motor Spirit duty given as grants from Central Road fund.

To this, in the Revised estimates for 1957-58 and Budget estimates of 1958-59 are added

(f) State share in the additional Union Excise Duties given as compensation in replacement of the State Sales Taxes on Mill-made Textiles, Sugar and Tobacco including Tobacco products.

(ii) State tax revenue from taxes levied by the State Government like Land Revenue, State Excise, Judicial and non-Judicial Stamp Duties, Tax on motor vehicles, the Entertainment Duty, the cess on Sugarcane, the Electricity Duty, tax on Prize Competitions, Sales Tax on motor spirit, the General Sales Tax etc.

(iii) Fees and other current non-tax receipts in the revenue account.

(iv) Central grants separately for Plan schemes and for outside the Plan schemes.

(v) Central loans for Plan schemes and for outside the Plan schemes as well as State share in Small Savings given as Central loans.

(vi) Open market borrowing and

(vii) Recoveries of loans and advances, as well as use of current accretions to statutory and non-statutory funds.

The gap or deficit, if any, between current receipts and expenditure is met by, withdrawals from funds and balances.

3. Statement I indicates the general budgetary position in the aggregate of both of revenue and capital accounts. The statement shows that the size of the State Budget has expanded from Rs. 190.9 crores according to the Budget estimates of 1957-58 for the reorganized State to Rs. 204.3 crores during the next year 1958-59. Over the last 20 years, the size of the Budget of the Government of Bombay has grown by 17 times from about Rs. 12 crores in 1937-38 to nearly Rs. 204 crores by 1958-59 though the population has grown only 2½ times from 2.1 crores in 1937-38 to 4.82 crores in 1951-52. The increase in the size of the Budget has not been due to the four-fold increase in prices alone. It reflects more largely the impact of the development programme and efforts made to mobilize resources for the same from time to time during the last 10 years.

More than the revenue, the impact of budgetary trends on the economy of the State may be measured by the effect of the expenditure activities. The *per capita* expenditure in the new State would increase from Rs. 39.57 nP. in 1957-58 to Rs. 42.33 nP. in 1958-59. Of this total expenditure of Rs. 42.33 nP. Rs. 27.37 nP. would be spent in the revenue account largely on recurrent activities and Rs. 14.96 nP. *per capita* on activities of capital formation.

The Budget of 1957-58 indicates an aggregate deficit on revenue and capital accounts taken together of Rs. 17 crores; the revised estimates however indicate a net surplus on revenue and capital accounts taken together of Rs. 1.38 crores. The Budget of 1958-59 indicates a deficit of Rs. 10.26 crores.

STATEMENT I.
General Budgetary Position

Serial No.	Items.	Budget Estimate, 1957-58.			Revised Estimates, 1957-58.			Budget Estimates, 1958-59.		
		Amount	Per cent. to the total	Per Capita	Amount	Per cent. to the total.	*Per Capita	Amount	Per cent. to the total	*Per Capita
(1)	(2)	(3)			(4)			(5)		
		Rs. in lakhs.	Rs. nP.	Rs. in lakhs	Rs. nP.	Rs. in lakhs	Rs. nP.			
I Receipts on Revenue Account—										
	(a) Due to Unification and Addition Taxation.	....	....	....	....	....	....	3,00	1.5	0.62
	(b) Revenue at current rates of Taxation and other receipts.	1,19,14	68.5	24.69	1,21,84	66.9	25.25	1,29,31	65.6	26.79
	Total—I ..	1,19,14	68.5	24.69	1,21,84	66.9	25.25	1,32,31	67.1	27.41
II Receipts on Capital Account—										
	(a) Capital Section of Account..	48,78	28.0	10.70	54,15	29.8	11.21	54,84	39.4	11.36
	(b) Loans and Advances recovered by the State Government.	6,05	3.5	1.25	6,04	3.3	1.25	6,89	3.5	1.43
	Total—II ..	54,83	31.5	11.35	60,19	33.1	12.46	61,73	32.9	12.79
	Grand Total (Receipts) I and II ..	1,73,97	100.0	36.04	1,82,03	100.0	37.71	1,94,04	100.0	40.20

*Per Capita based on the 1951-52 population.

STATEMENT I—contd.

Serial No.	Items.	Budget Estimate, 1957-58.			Revised Estimates, 1957-58.			Budget Estimates, 1958-59.		
		Amount	Percent to the total.	Per Capita	Amount	Percent to the total.	Per Capita	Amount	Percent to the total.	Per Capita
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Rs. in lakhs.		Rs. nP.	Rs. in lakhs.		Rs. nP.	Rs. in lakhs.		Rs. nP.
III	Expenditure met from Revenue ...	1,22,32	64.0	25.24	1,16,27	64.4	24.09	1,32,07	64.7	27.37
IV	Expenditure on Capital Account—									
	(a) Capital Section of Account. Major Heads 68 to 85-A.	46,61	24.4	9.65	39,86	22.0	8.26	48,21	23.5	9.99
	(b) Obligatory Debt—Services (Net).	.....	.....	.....	6,47	3.6	1.34	2,66	1.4	0.54
	(c) Loans and Advances granted by the States Government.	22,06	11.6	4.58	18,05	10.0	3.74	21,36	10.4	4.43
	Total—IV ...	68,67	36.0	14.23	64,38	35.6	13.34	72,23	35.3	14.96
	Grand Total (Expenditure) III and IV ...	1,90,99	100.0	39.57	1,80,65	100.0	37.43	2,04,30	100.0	42.33
	Surplus (+) or Deficit (—) ...	—17,02		—3.58	+1,38		0.28	—10.26		—2.12

STATEMENT II.

Receipts and expenditure on Revenue Account.

The receipts on revenue account may be broadly grouped into—

- (a) Receipts by way of taxation, and
- (b) Receipts other than those derived by taxation, i.e. receipts from fees and other charges, net receipts of commercial enterprises and Central grants for Plan as well as for outside the Plan activities.

Statement II indicates that, as a result of the Budget of 1958-59, the tax revenue will increase from 76.7 crores budgeted in the current year to Rs. 89.96 crores as budgeted for the next year. Tax revenue accounts for 64.4 per cent. of the revenue in 1957-58 (budget), and 68.1 per cent. of the revenue in 1958-59.

The tax revenue per capita in the Bombay State with the additional taxation in 1958-59 would be Rs. 18.68 nP., compared to Rs. 18.47 per capita in 1957-58 (Revised Estimates).

The expenditure on revenue account may be broadly classified into—

- (a) Development expenditure, i.e. expenditure which directly aids the Socio-Economic life of the people and
- (b) Non-development expenditure or expenditure which is required to meet the primary and protective functions of the State.

Under non-development is included expenses of the Government on (i) *Administrative charges*, i.e., cost of Civil Administration, Ministerial Establishments, Secretariat Departments, Offices of the District Collectors, expenditure of emergency character like famine relief as well as cost of collection of taxes (ii) *Obligatory charges*, i.e. expenses by way of interest and payment of instalments on the public debt and provision for pension and superannuation charges; and (iii) *Security services* or expenditure for the maintenance of peace and security, Police, Jails and Convict Establishments as well as the Judiciary.

The development expenditure includes expenditure on social services like Education, Medical and Public Health facilities as well as expenditure which helps economic life such as assistance to agricultural and industrial pursuits, the construction and maintenance of roads, major, minor or medium irrigation works, State enterprises and power projects etc. It is obvious from the above description of items included under what is called development expenditure and what has been termed as non-development expenditure that the two are complementary to each other. Without the

satisfactory maintenance of law and order, efficient administration or punctual repayment of Government financial liabilities, no development work worth its name can be expected. An adequate performance of the protective functions of the State alone can create the necessary peaceful environment for the development of social and economic output activities. With the advance of socialism and the growing popular ideals of the Welfare State, however, it may be expected that the proportion of expenditure required to meet the primary and protective functions called non-development expenditure to the total expenditure would progressively decrease so that more and more resources can be diverted to what is called development expenditure that directly helps socio-economic life and assists the improvement in the standard of life of the common man enjoined by the directive principles of State policy laid down in the constitution.

The total expenditure of the Bombay State in 1953-59 has been estimated around Rs. 204 crores; of this, only Rs. 55 crores or 26·7 per cent. is non-Developmental while the Development Expenditure is Rs. 149 crores or 73·4 per cent. Thus of the total per capita expenditure of Rs. 42·33 n.P., Rs. 11·31 nP. would be non-development and Rs. 31·02 per capita would represent development expenditure.

Of the total expenditure of about Rs. 204·30 crores, an expenditure of Rs. 132·07 crores will be incurred on the revenue account. The expenditure of Rs. 132·07 crores in 1958-59 indicates an increase of Rs. 9·75 crores over the Budget estimates of the current year. Within the revenue account the development expenditure is 62 per cent. and the non-development expenditure 38 per cent.'

STATEMENT II.
Receipts and Expenditure on Revenue Account.

Serial No.	Items.	Budget Estimates, 1957-58.			Revised Estimates, 1957-58.			Budget Estimates, 1958-59.		
		Amount.	Percent to the total.	Per Capita	Amount.	Percent to the total.	Per Capita	Amount.	Percent to the total.	Per Capita.
1	2	3			4			5		
		Rs. in lakhs		Rs. nP.	Rs. in lakhs.		Rs. nP.	Rs. in lakhs.		Rs. nP.
I. Receipts on Revenue Account—										
	(a) Tax Revenue ..	76,76	64·4	15·90	89,16	73·1	18·47	89,96	68·1	18·68
	(b) Non-Tax Revenue ..	42,38	35·6	8·79	32,68	26·9	8·78	42,35	31·9	8·77
	Total, I ..	119,14	100·0	24·69	121,84	100·0	25·25	132,31	100·0	27,41
II. Expenditure on Revenue Account—										
	(a) Development Expenditure ..	74,67	61·0	15·47	70,07	60·3	14,52	81,66	62·0	16·93
	(b) Non-Development Expenditure.	47,65	39·0	9·87	46,20	39·7	9·57	50,41	38·0	10·44
	Total II ..	122,32	100·0	25·34	116,27	100·0	24·09	132,07	100·0	27·37
	Surplus (+) or Deficit (—)	—318	....	—0·65	+5,57	....	+1·16	+24.	....	+0·04

STATEMENT III

Classification of Receipts on Revenue Account.

The taxation revenue forms 68·1 per cent. of the total revenue composed of 14·5 per cent. by way of State share in Centrally collected taxes such as taxes on incomes other than the Corporation Tax (12·29 crores), State share in Union Excise Duties (3·6 crores), State share in the tax on railway passenger fares (1·6 crores), Grants from the Central Road Fund (1·02 crores) and Estate Duty (0·32 crores). To this, may be added the share of Rs. 10·8 crores or 8·1 per cent. in the revenue which represents compensation to the State Government as State share in additional Union Excise Duties in replacement of the State Sales Tax on mill-made textiles, sugar and tobacco including tobacco-products.

If the latter change did not occur, the State Tax Revenue i.e. revenue from taxes imposed by the State Government may be said to have increased from Rs. 68·6 crores in 1957-58 (Revised Estimates) to Rs. 70·1 crores in 1958-59 (Budget). As a matter of fact, the State Government has incurred a loss of Rs. 4 crores in the existing present income from sale tax because of the Finance Commission's Award on the State share in the additional Union Excise Duties.

2. While tax revenue represents 68·1 per cent. of the annual receipts on Revenue Account, revenue from commercial enterprises accounts for 6·7 per cent. or Rs. 8·88 crores. Of this, Rs. 4·94 crores comes from forests. Against the revenue of Rs. 1·4 crores from the irrigation works, the State Government has to pay from the expenditure met from revenue a sum of Rs. 2·62 crores as interest on works for which capital accounts are kept. Irrigation as a commercial enterprise, therefore, involves the State Government in a loss of Rs. 1·2 crores per annum. The State Government also receives from the statutory corporations interest or dividend Rs. 38 lakhs from the Bombay and Saurashtra Road Transport Corporations, Rs. 54 lakhs from the Bombay Electricity Board, while the Aarey Colony gives a net receipt of Rs. 15 lakhs. The activities of the Bombay Housing Board financially do not yield any profit mainly because industrial housing has to be subsidised and also because the overhead expenses of the Board have to be partly subsidised because all the full economic rent cannot be levied on the tenants.

3. From fees and other charges, a revenue of Rs. 21·4 crores or 16 per cent. is expected to be derived in 1958-59 (Budget) compared to Rs. 15·8 crores in 1957-58 (Budget). These receipts depend for their magnitude on the expenditure on development activities,

4. Grants from the Central Government account for an aggregate revenue of Rs. 12.1 crores or 8.3 per cent. of the total revenue. Of the total grants, Rs. 6.5 crores are received for the Plan expenditure in the Revenue Account of Rs. 21.57 crores.

It has been indicated in the Budget Speech that over the decade 1952-53 to 1961-62, while the First and Second Finance Commissions' Awards have increased Central devolution by way of shared taxation and grants-in-aid of an aggregate sum of Rs. 500 crores to the State Governments, Bombay State alone has not received any financial benefit out of the two Awards in spite of its exceeding the Plan target of additional taxation.

STATEMENT III
Receipt on Revenue Account.

Serial No.	Items.	Budget Estimate, 1957-58			Revised Estimates, 1957-58.			Budget Estimates, 1958-59.		
		Amount.	Percent. to the total.	Per Capita	Amount.	Percent. to the total.	Per Capita	Amount	Per cent. to the total.	Per. Capita
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
		Rs. in lakhs.		Rs. nP.	Rs. in lakhs.		Rs. nP.	Rs. in lakhs.		Rs. nP.
I. Tax Revenue...										
	(a) Centrally collected Taxes—									
	(i) Excise Duty in replacement of States Tax.	.....	.....	.....	8,00	2.5	0.62	10,83	8.1	2.24
	(ii) Others	17,97	16.1	3.72	20,55	16.9	4.26	18,72	14.5	73.94
	(b) (i) State Taxes	58,79	48.3	12.18	65,61	53.7	13.59	57,29	43.1	11.88
	(ii) Additional Taxes	.....	.....	.....	.....	.....	.....	8,00	2.4	0.62
	Total, I	76,76	64.4	15.90	89,16	73.1	18.47	89,96	68.1	18.68
II. Non-Tax Revenue—										
	(a) Receipt from Commercial Enterprises.	7,61	6.4	1.58	8,95	7.3	1.85	8,88	6.7	1.84
	(b) Fees and Other charges—	15,87	13.3	3.29	13,77	11.3	2.91	21,35	16.9	4.42
	(c) Central Grants—									
	(i) Plan	6,49	5.5	1.35	6,41	5.3	1.33	6,50	4.9	1.35
	(ii) Others	12,41	10.4	2.57	8,35	2.1	0.69	5,62	3.4	1.16
	Total, II	42,88	25.6	8.79	32,68	26.9	6.78	42,85	31.9	8.77
	Grant Total, I and II	119,14	100.0	24.69	121,84	100.0	25.25	1,32,81	100.0	27.41

STATEMENT IV.

Expenditure on Revenue Account.

The conceptual difference between the Development and Non-Development Expenditure has already been indicated in the notes on Statement II.

2. The development expenditure may be broadly grouped into (a) expenditure on Social Services which includes the development of facilities provided by the Government in the spheres of social life such as education, medical, public health, labour welfare etc. and (b) expenditure on Economic Services which represents what directly aids activities of production, distribution, exchange and consumption of goods and services produced within the State, such as agriculture, veterinary, co-operation, industries including small-scale and cottage industries, irrigation, power supply, etc.

Within the revenue Account, the expenditure on Social Services amounts to Rs. 42.8 crores or 32.3 per cent. of the expenditure on Revenue Account in 1958-59 (Budget) while the Economic services are granted an expenditure of Rs. 38.9 crores or 29.7 per cent. The per capita expenditure on Social Services amounts to Rs. 8.56 nP. and that on Economic Services Rs. 8.07 nP.

It may be noted, however, that though the expenditure on Social services in the Revenue Account exceeds that on Economic services, much the larger part of expenditure on the capital account is on Economic Services. Taking the revenue and capital accounts together, while the aggregate expenditure on economic services amounts to Rs. 101.48 crores or Rs. 21.05 nP. per capita of the population, that on Social Services amounts to Rs. 48.16 crores or Rs. 9.97 nP. per capita. Within the Revenue Account, each group of Social Services and Economic Services may be classified under (a) Committed expenditure or expenditure at the levels of welfare reached in 1955-56, (b) Plan expenditure or the expenditure on State Plan schemes which seek to raise these levels, (c) expenditure on Centrally sponsored schemes, i.e. the expenditure provided within the Central Plan which also raise these levels, and (d) supplementing (a), (b) and (c) above, expenditure on new activities outside the Plan as have been found necessary for purposes of adjustment in the original Plan as are allowed for in the Plan Report itself under annual phasing and flexibility.

3. It will be seen from Statement IV that in the Revenue Account, committed expenditure amounts to Rs. 47.3 crores or 35.7 per cent. of the total expenditure in 1958-59, Plan expenditure amounts to Rs. 21.6 crores or 16.4 per cent., expenditure in the Central Plan comes to Rs. 3.3 crores or 2.5 per cent. and expenditure outside these categories amounts to Rs. 9.3 crores or 6.1 per cent.

4. The non-development expenditure amounts to Rs. 50.4 crores or 38.0 per cent. of the expenditure on revenue account composed of (a) Rs. 23.9 crores or 17.8 per cent. on administrative charges or the salaries and allowances at the Secretariat and in the offices of the District Collectors including Ministerial establishments, (b) obligatory debt service charges of Rs. 9.94 crores or 7.5 per cent. of the expenditure paid by way of interest and instalment of public debt, and (c) security services of Rs. 16.5 crores or 12.4 per cent. incurred by way of expenditure on Police, Jails and Convict Settlements as well as the Judiciary. It will be seen from the table that Government has kept a strict control over expenditure on administrative charges as well as security services.

5. The expenditure on debt service charges has increased from Rs. 8.5 crores in 1957-58 (Budget) to Rs. 9.94 crores in 1958-59 (Budget). This, however, does not represent the full measure of expenditure on debt service charges. A sum of Rs. 2.66 crores on debt service charges has been transferred to the Capital account as expenditure on the increase of the public debt during the Second Plan. Taking this into account, it may be stated that the expenditure on debt service charges has increased from Rs. 8 crores in 1957-58 to Rs. 12.60 crores in 1958-59. About 2/3rds of the public debt is owed to the Government of India. For loans from the Government of India granted to the end of 31st March 1956, the Finance Commission has recommended as follows :—

(a) With effect from 1st April 1957, in respect of loans made to the States for the rehabilitation of displaced persons and relief by them, the States be allowed to pay to the Union only the amounts of principal and interest collected, including arrears, if any;

(b) no modification be made in the rate of interest or terms of repayment of interest-free loans; and

(c) of the remaining loans—

(i) the balances on 31st March 1957 of all loans carrying interest at three per cent. or more per annum and repayable on or after 1st April 1977, be consolidated into one single loan at 3 (three) per cent. per annum repayable on 31st March 1987;

(ii) the balances on 31st March 1957 of all loans carrying interest at 3 (three) per cent. or more per annum and repayable on or before 31st March 1977 be consolidated into one single loan at 3 (three) per cent. per annum repayable on 31st March 1972;

(iii) the balances on 31st March 1957 of all loans carrying interest at less than three per cent. per annum and repayable on or after 1st April 1977 be consolidated into one single loan at 2½ (two and a half) per cent. per annum repayable on 31st March 1987; and

(iv) the balances on 31st March 1957 of all loans carrying interest at less than 3 (three) per cent. per annum repayable on or before 31st March 1977 be consolidated into one single loan at 2½ (two and a half) per cent. per annum repayable on 31st March 1972.

If the Government of India implement this recommendation, there would be a benefit to the Bombay State of about Rs. 2 crores per annum as savings in debt service charges composed of Rs. 70 lakhs for interest payment and Rs. 130 lakhs for principal instalments. The Government of India has not yet accepted all these items, though all the States have implemented the Award on all other matters including the Government of Bombay, inspite of its losses in sales tax recommendations.

STATEMENT IV.
Expenditure on Revenue Account.

Serial No.	Items.	Budget Estimates, 1957-58.			Revised Estimates, 1957-58.			Budget Estimates, 1958-59.		
		Amount	Per cent to the total	Per Capita	Amount	Per cent. to the total	Per Capita	Amount	Per cent. to the total	Per Capita
1	2	3			4			5		
		Rs. in lakhs.	Rs. nP.	Rs. in lakhs.	Rs. nP.	Rs. in lakhs.	Rs. nP.			
I	Development Expenditure—									
	1. Social Services—									
	(a) Committed Expenditure ...	26,27	21·7	5·50	25,44	21·9	5·27	28,83	21·7	5·97
	(b) Plan expenditure ..	6,18	5·1	1·28	5,46	4·7	1·13	10,34	7·8	2·14
	(c) Non-Plan expenditure ...	19	0·2	0·04	18	0·1	0·04	1,33	1·0	0·28
	(d) On centrally Sponsored Schemes.	82	0·6	0·17	78	0·7	0·16	2,27	1·8	0·47
	Total ..	33,76	27·6	6·99	31,86	27·4	6·60	42,77	32·3	8·56

2. Economic Services—

(a) Committed Expenditure ..	13,70	11.2	2.84	13,11	11.3	2.72	18,53	14.3	3.84
(b) Plan	12,78	10.4	2.65	11,29	9.7	2.34	11,23	8.5	2.34
(c) Non-Plan	4,93	4.0	1.02	4,72	4.1	0.98	8,11	6.1	1.67
(d) Centrally Sponsored Schemes.	9,50	7.8	1.97	9,00	7.8	1.88	1,02	0.8	0.22
Total ..	40,91	33.4	8.48	38,21	32.9	7.92	38,89	29.7	8.07
Total, I ..	74,67	61.0	15.47	70,07	60.3	14.52	81,66	62.0	16.93

II Non-Developmental Expenditure—

(a) Administrative charges ..	23,83	19.5	4.94	22,80	19.6	4.72	23,98	18.1	4.97
(b) Obligatory Debt Services ..	8,50	7.0	1.76	8,74	7.5	1.81	9,94	7.5	2.06
(c) Security Services ..	15,32	12.5	3.17	14,66	12.6	3.04	16,49	12.4	3.41
Total II ..	47,65	39.0	9.87	46,20	39.7	9.57	50,41	38.0	10.44
Grand Total, I and II ..	1,22,32	100.0	25.34	116,27	100.0	24.09	1,32,07	100.0	27.37

STATEMENT V.

Taxation.

Of the 17 various measures of taxes and cesses open to the State Governments, the Government of Bombay can rightly claim to have fully exploited 15 taxes except (i) the tax on agricultural income which though levied in Marathwada is insignificant as an important source of revenue and (ii) the tax on trades, professions and callings which is levied only in Vidarbha. The sales tax on foodgrains, maida etc. in Marathwada has been abolished and the sales tax of 2 per cent. on cotton in Marathwada and Vidarbha has been reduced to 1 per cent. Further, Government has also decided to abolish the tax on Agricultural Incomes in Marathwada and the tax on Trades, Professions, Callings, and Employment in Vidarbha as these taxes exist only in these regions, respectively.

During the First Five Year Plan the Government of Bombay had a taxation target of Rs. 23.5 crores which was more than fulfilled by the levy of additional taxation of Rs. 28 crores. For the Second Five Year Plan the new State has an aggregate taxation target of Rs. 24 crores. Of this Rs. 12 crores will be derived from inter-State Sales Tax during the Plan period while the State Government has imposed additional taxation so as to yield a sum of Rs. 3 crores in 1958-59.

Among the taxes, the General Sales Tax is the most important, yielding a revenue in 1958-59 of Rs. 32.6 crores of which Rs. 10.83 crores comes as compensation by way of state share in the Union Excise Duties. The Government of Bombay after experimenting with all the different systems of sales tax like single point, multi-point and two-point has improved upon administration and efficient collection of the tax under the two-point system. The revenue from the General Sales Tax has increased from Rs. 1 crore in 1946-47, Rs. 11.9 crores in 1951-52, Rs. 30.5 crores in 1957-58 and to Rs. 32.5 crores in 1958-59. As a result of the Finance Commission Award, about 40 per cent. of the revenue now stands more or less frozen and incapable of elastic expansion. This is a serious limitation to the further growth of this most important single source of State Tax revenue. The problem of unification of sales tax throughout the State is at present under examination by the Sales Tax Enquiry Committee.

Land Revenue accounts for Rs. 13.2 crores or 11.7 per cent. of the tax revenue. During the last 20 years there has been little change in the incidence of land revenue except in Saurashtra.

2. Inclusive of the revenue from the Nasik Distillery, the revenue from State Excise has gone down from Rs. 173 lacs in the revised estimates of 1957-58 to Rs. 117 lacs in 1958-59 mainly because of further stages in the progress of the introduction and extension of prohibition to the parts of Vidarbha and Marathwada not so far covered.

Of the aggregate revenue of Rs. 5.57 crores from Stamp Duties, about Rs. 3.8 crores represent revenue from non-judicial stamps and about Rs. 1.8 crores from Court Fees. As a result of unification of stamp duties in 1958-59, the revenue from stamp duty will go up to Rs. 5.82 crores. The question of unification of court fees is being referred to a Committee.

From the users of roads by vehicles mechanically propelled, the Government of Bombay derives a revenue of Rs. 3.7 crores by way of taxes on the registration of motor vehicles and Rs. 2.3 crores from the sales tax on motor spirit used as fuel. As a result of unification of taxation the revenue from the tax on motor vehicles will increase to about Rs. 3.8 crores and with the inclusion of high speed diesel oil as motor spirit and unification of sales tax on motor spirit the tax on fuel used by vehicles will yield a revenue of Rs. 258 lacs. Of the aggregate tax of Rs. 6.41 crores on users of roads by vehicles mechanically propelled a sum of Rs. 4.11 crores will be transferred to the State Road Fund for the construction of important roads. In addition to the normal users who own or possess vehicles, passengers of stage carriages outside those that ply solely within municipal limits will now contribute a sum of Rs. 1.80 crores by way of the tax on passengers fares and on luggage.

3. The revenue from admissions to the race course and places of entertainments has grown at the existing rates of taxes from Rs. 2.7 crores in 1957-58 to Rs. 2.95 crores in 1958-59 (budget) largely because of the implementation of the percentage rates of taxes on admissions to the places of entertainments other than the race course as recommended by the Taxation Enquiry Commission to the former Bombay State Areas. During the next year as part of the unification of taxation proposals it has been envisaged that rates of taxation on admissions to places of entertainments other than the race course of the former Bombay State will be extended throughout the State and the rates of taxation at Greater Bombay will be applied to all the cities with a population of one lac and over. As a result, the revenue from the entertainment duties will increase from Rs. 2.95 crores to Rs. 3.20 crores.

It is also proposed to unify the taxes on the various uses of electrical energy subject to the present concessions being continued for the time being. The revenue from the electricity duty will

be expanded from Rs. 2·8 crores in 1957-58 to Rs. 3·1 crores in 1958-59. This will further increase to Rs. 3·35 crores as a result of the unification proposals.

4. The Urban Immovable Property Tax yields a revenue of 1·8 crores. Though the Taxation Enquiry Commission has recommended that this tax should be foregone by the State Government and passed on to the local authorities in the course of five years, implementation has been postponed in view of the financial needs of the State Government and also in view of the fact that the Government of Bombay in its budget has increased the grants to the local authorities from an annual sum of Rs. 17·8 crores in 1957-58 to Rs. 21·2 crores in 1958-59. This has happened because of the development of Panchayats in the component units along the lines of the former Bombay State areas and grants on account of dearness allowance to the staff of local authorities also on the same lines. The former Hyderabad State gave no grant to the District Local Boards in Marathwada. The situation has now changed because the District Local Boards will not merely be given assignments of land revenue and forest revenue but also other grants for expenditure on roads, dispensaries, etc. The grants to the local authorities would account for 16·5 per cent. of the annual expenditure met from the revenue in 1958-59, compared to 14·5 per cent. in 1957-58 (budget estimates).

The revenue from the cess on sugar cane though envisaged at an annual sum of Rs. 60 lacs only in the financial forecast of the Second Five Year Plan prepared in 1955-56 has actually increased to Rs. 89 lacs in 1957-58 and is expected at Rs. 100 lacs in 1958-59 mainly because 9 co-operative sugar factories have in the meantime gone into production. In view of the increase in the revenue from the cess on sugar cane the State Government has stepped up expenditure on roads financed from this cess fund which will improve communications in the sugar cane factory areas.

But for the Finance Commission's Award, and the Inter-State Sales Tax exclusion from the State Compensation, the revenue from Inter-State Sales Tax would have been an annual sum of Rs. 6 crores instead of a sum of Rs. 3 crores per annum only as budgeted in 1958-59.

STATEMENT V.
Receipts and Expenditure on Revenue Account.

Serial No.	Receipts. Items.	Budget Estimate 1957-58.			Revised Estimate 1957-58.			Budget Estimate 1958-59.		
		Amount	Percent to the total.	Per Capita	Amount	Percent to the total.	Per Capita	Amount	Percent to the total.	Per Capita
1	2	3			4			5		
		Rs. in lakhs.		Rs. nP.	Rs. in lakhs.		Rs. nP.	Rs. in lakhs.		Rs. nP.
	<i>Tax Revenue.</i>									
1	Share in Central Taxes	17,97	16.1	3.72	20,55	16.8	4.26	29,67	22.6	6.15
2	Land Revenue	13,19	11.1	2.73	13,05	10.7	2.70	13,26	11.7	2.73
3	State Excise	1,62	1.4	0.34	1,55	1.3	0.32	99	0.7	0.20
4	General Sales Tax	24,50	20.6	5.08	32,55	24.6	6.75	21,66	16.3	4.49
5	Stamps	5,08	4.3	1.05	5,47	4.5	1.13	5,82	4.2	1.20
6	Registration	47	0.4	0.10	58	0.5	0.12	58	0.4	0.12
7	Taxes on vehicles	3,37	2.8	0.70	3,79	3.1	0.78	3,85	2.8	0.79
8	Other Taxes and duties*	10,56	7.7	2.18	11,62	11.6	2.41	14,13	9.4	2.96
	<i>Non-tax Revenue.</i>									
9	Forest	3,64	3.1	0.75	4,97	4.1	1.03	4,94	3.7	1.02
10	Receipts from Commercial Enterprises.	4,26	3.3	1.31	3,98	3.2	0.82	3,94	3.0	0.82
11	Central Grants	18,90	15.9	4.32	9,96	7.3	2.02	12,12	8.3	2.51
12	Fees and Other Charges	15,87	13.3	2.41	13,77	11.3	2.91	21,35	16.1	4.42
	Total	1,19,14	100.0	24.69	1,21,84	100.0	25.25	1,32,31	100.0	27.41

*For Detail of "Other Taxes and Duties"—Please see P. 64.

†The amount of Central Grants in 1958-59 compared to 1957-58 is lower because of the abolition of (i) Grants to Saurashtra for Primary Education and (ii) the interim Award Grants of Rs. 130 lakhs.

STATEMENT V—contd.

Serial No.	Receipts Items.	Budget Estimate 1957-58.			Revised Estimate 1957-58.			Budget Estimate 1958-59.		
		Amount.	Percent to the total.	Per Capita	Amount.	Percent to the total.	Per Capita	Amount.	Percent to the total.	Per Capita
1	2	3			4			5		
		Rs. in lakhs.		Rs. nP.	Rs. in lakhs.		Rs. nP.	Rs. in lakhs.		Rs. nP.
	Deficit (—) or Surplus (+)	...	—3.18	—0.65	5.57		+1.16	+24		+0.04
*Details of Other Taxes and duties.										
	Entertainment Tax ..	..	1.92	0.39	2.30		0.47	2.55		0.53
	Betting Tax ...	..	82	0.18	70		0.16	92		0.22
	Electricity Duty ..	..	2.81	0.58	3.05		0.63	3.10		0.64
	U. L. P. Tax ..	..	1.59	0.33	1.63		0.34	1.74		0.36
	Motor Spirit Sales Tax ..	..	2.14	0.44	2.28		0.47	2.58		0.52
	Tax on Passenger Fares ..	..	....	....	....		....	1.80		0.39
	Cess on Sugarcane ..	..	89	0.18	1.00		0.21	1.00		0.21
	Prize Competition ..	..	....*	....*	28		0.05*	*
	Sales tax on intoxicants ..	..	39	0.08	40		0.08	45		0.09

*Negligible.

STATEMENT V—contd.

Serial No.	Expenditure Items.	Budget Estimate, 1957-58.			Revised Estimate, 1957-58.			Budget Estimate, 1958-59.		
		Amount.	Percent to the total.	Per Capita	Amount	Percent to the total.	Per Capita	Amount	Percent to the total.	Per Capita
1	2	3			4			5		
		Rs. in lakhs.		Rs. nP.	Rs. in lakhs.		Rs. nP.	Rs. in lakhs.		Rs. nP.
1	Direct Demands on Revenue ...	8,03	6.8	1.66	9,14	7.9	2.10	8,36	6.3	1.73
2	Tax Revenue transfer to earmarked Funds.	4,07	3.3	0.84	3,45	3.0	0.71	4,34	3.3	0.90
3	General Administration ...	7,11	5.8	1.47	7,98	6.9	1.65	8,60	6.5	1.78
4	Justice ...	256	2.1	0.53	2,59	2.2	0.54	2,67	2.0	0.55
5	Police ...	11,73	9.6	2.43	12,42	10.7	2.57	12,71	9.9	2.63
*6	Education and Scientific Department.	9,75	8.0	2.02	10,31	8.9	2.14	10,81	8.2	2.24
7	Medical and Public Health ...	9,22	7.5	1.91	8,13	7.0	1.68	10,28	7.8	2.13
8	Agriculture Veterinary and Co-operation.	6,02	4.9	1.25	5,75	4.9	1.19	7,37	5.6	1.53
9	Industries ...	2,18	1.8	0.45	1,42	1.2	0.29	2,24	1.7	0.46
10	C. D. P./N. E. S. L. D. W. ...	5,78	4.7	1.20	2,85	2.4	0.59	3,27	2.5	0.68
11	Civil Works ...	5,26	4.3	1.09	4,26	3.7	0.88	3,24	2.4	0.67
12	Grants and Assignment to local authorities ;...									
	(a) Municipalities ...									
	(b) District Local Boards ...	17,76	14.5	3.68	18,92	16.3	3.92	21,17	16.5	4.39
	(c) Panchayats, (d) Janapads ...									
13	Miscellaneous and Others ...	32,85	26.7	6.81	29,04	24.9	5.83	37,01	27.3	7.68
	Total ...	1,22,32	100.0	25.34	1,16,27	100.0	24.09	1,32,07	100.0	27.37

*Grants to Local Authorities shown in item 12 and excluded from Items 1 to 11.

STATEMENTS VI AND VII.

Receipts and Expenditure on Capital Account.

The Public Account in the Budget outside the Consolidated Fund Account shows transactions worth Rs. 430 crores to which may be added expenditure booked under the heads '68' to '85' of a sum of Rs. 35.1 crores. All these transactions, however, do not represent capital expenditure on capital formation i.e. on activities of construction of multi-purpose, major, medium and minor irrigation projects ; roads, ports and other means of communications ; construction of buildings for schools, colleges, hostels, dispensaries, medical colleges, and hospitals ; works for water supply and drainage and housing for industrial workers, low income group persons of Government employees ; construction of administrative buildings, factories, plants, machinery ; important mineral developments and generation of electrical energy etc.

2. The aggregate expenditure on activities of capital formation booked outside the revenue account which may be termed as capital account may be estimated at Rs. 72.23 crores. Of this expenditure, Rs. 50.8 crores is directly incurred by the State Government while a sum of Rs. 21.4 crores will be advanced as loans to individuals and institutions like Co-operative societies, the Bombay State Electricity Board, the Bombay Housing Board, the Bombay State Road Transport Corporation etc. Of this aggregate expenditure of Rs. 72.23 crores, a sum of Rs. 67.98 crores represents development expenditure and Rs. 4.25 crores represents non-development expenditure and included in the latter are debt service charges transferred to the capital account. Of the aggregate development expenditure of Rs. 67.98 crores, a sum of Rs. 55.2 crores will be spent on plan capital formation, Rs. 3.33 crores on capital formation in the Central Plan and the balance of Rs. 9.37 crores will be spent outside the Plan Capital formation including a sum of Rs. 5.5 crores on completion of committed works and a sum of Rs. 1.25 crores on the Reserve Bank Scheme of Development of Co-operative credit institutions as part of the implementation of the Rural Credit Survey Report. Of the aggregate expenditure of Rs. 72.23 crores, including loans and advances, a sum of Rs. 62.58 crores represents, capital formation on economic services and the balance of Rs. 9.7 crores consists of—

Rs. 5.4 crores capital formation for social services and

Rs. 4.3 crores on non-development expenditure.

3. The capital expenditure of Rs. 72.23 crores is envisaged to be met from the following sources :—

	(Rs. in lacs.)
(A) Surplus of revenue including receipts by way of additional or unification of taxes.	24
(B) Open Market Borrowing (Estimate)	10,00
(C) Small Savings	10,00
(D) Central Loans other than Small Savings	25,36
(E) Net Receipts from Funds and balances	9,48
(F) Recoveries of loans and advances	6,89
	61,97

This leaves a gap of Rs. 10.26 crores in 1958-59 against a budgeted gap of Rs. 17 crores in 1957-58 (Budget Estimates) and surplus of little over Rs. 1 crore in the Revised Estimates of 1957-58.

STATEMENT VI

Receipts and Expenditure on Capital Account.

Serial No.	Items.	Budget Estimate, 1957-58.			Revised Estimates, 1957-58.			Budget Estimates, 1958-59.		
		Amount.	Percent to the total.	Per Capita	Amount.	Per cent to the total.	Per Capita	Amount.	Percent to the total.	Per Capita
1	2	3			4			5		
		Rs. in lakhs.		Rs. nP.	Rs. in lakhs.		Rs. nP.	Rs. in lakhs.		Rs. nP.
I Receipts on Capital Account—										
	(a) Surplus of Revenue ..	—3,18	—6.1	—0.65	+5,57	2.6	+1.16	+24	0.4	0.04
	(b) Open Market Borrowing ..	6,00	11.6	1.24	6,60	18.2	1.37	10,00	16.1	2.07
	(c) Small Savings ..	9,00	17.4	1.86	13,02	19.8	2.70	10,00	16.1	2.07
	(d) Central Loans ...	23,67	45.8	4.90	24,88	35.5	5.16	25,36	46.1	5.25
	(e) Other not receipts excluding C. B. I. and 85-A.	10,11	19.6	2.10	9,65	14.7	2.00	9,48	15.3	1.99
	(f) Recoveries of Loans and Advances granted by the State Government.	6,05	11.7	1.25	6,04	9.2	1.23	6,89	6.0	1.42
	Total I ...	51,65	100.0	10.70	65,76	100.0	13.62	61,97	100.0	12.84

STATEMENT VI—contd.

Serial No.	Items.	Budget Estimates, 1957-58.			Revised Estimate, 1957-58.			Budget Estimates, 1958-59.		
		Amount.	Per cent to the total.	Per Capita	Amount.	Per cent to the total.	Per Capita	Amount.	Per cent to the total.	Per Capita
1	2	3		4		5				
		Rs. in lakhs.	Rs. nP.	Rs. in lakhs.	Rs. nP.	Rs. in lakhs.	Rs. nP.			
	Expenditure on Capital Account—									
	(a) Development Expenditure ..	44.42	64.7	9.20	38.29	59.5	7.94	46.62	64.5	9.66
	(b) Non-Development Expenditure.	2.19	3.2	0.45	8.04	12.5	1.66	4.25	5.9	0.87
	(c) Loans and Advances by the State Government.	22.06	32.1	4.58	18.05	28.0	3.74	21.36	29.6	4.43
	Total II ..	68.67	100.0	14.23	64.38	100.0	13.34	72.23	100.0	14.96
	Deficit (—) or Surplus (+)	—17.02		—3.53	+1.38		+0.28	—10.26		—2.12

STATEMENT VII
Expenditure on Capital Account.

Serial No.	Items.	Budget Estimate, 1957-58			Revised Estimates, 1957-58			Budget Estimates, 1958-59		
		Amount.	Per cent to the total.	Per Capita	Amount.	Per cent to the total.	er Capita	Amount.	Per cent to the total.	Per Capita
1	2	3			4			5		
		Rs. in lakhs.	Rs. nP.	Rs. in lakhs.	Rs. nP.	Rs. in lakhs.	Rs. nP.			
I—Development Expenditure.										
1 Social Services—										
	(a) Committed Expenditure ..	....	....	....	....	....	....	....	....	....
	(b) Plan Expenditure ..	3,58	5.1	0.74	3,15	4.9	0.65	4,65	6.4	0.96
	(c) Non-Plan Expenditure ..	1,28	1.9	0.28	90	1.4	0.19	49	0.7	0.10
	(d) On Centrally Sponsored Schemes.	....	....	....	....	....	....	25	0.3	....
	Total ...	4,82	7.0	1.00	4,05	6.3	0.84	5,39	7.4	1.11
2 Economic Services—										
	(a) Committed Expenditure ..	4	0.1	0.01	4	0.1	0.01	2,85	2.7	0.49
	(b) Plan Expenditure ..	34,60	50.4	7.17	30,63	47.6	0.48	35,62	45.8	6.77
	(c) Non-Plan Expenditure ..	3,21	4.7	0.68	2,31	3.6	0.27	2,42	7.4	1.11
	(d) On Centrally Sponsored Schemes.	....	2.5	0.38	....	1.9	0.27	25	1.2	0.18
	Total, (2) ..	39,60	57.7	8.20	34,24	53.2	7.10	41,23	57.1	8.55
	Total (I) ..	44,42	64.7	9.20	38,29	59.5	7.94	46,62	64.5	9.66

II—Non-Developmental Expenditure—									
(a) Administrative charges ..	1,77	2·6	0·37	1,27	2·0	0·26	83	1·2	0·17
(b) Obligatory Debt Services ..	....	....	....	6,47	10·0	1·34	2,66	3·6	0·54
(c) Security Services ..	42	0·6	0·08	30	0·5	0·06	76	1·1	0·16
Total, II ..	2,19	3·2	0·45	8,04	12·5	1·66	4,25	5·9	0·87
Total, I & II ..	46,61	67·9	9·65	46,33	72·0	9·60	50,87	70·4	10·53
III.—Loans and Advances Granted by the State Government—									
(a) Committed .. ..	....	....	....	....	....	....	2,62	3·6	0·54
(b) Plan	16,36	23·8	3·40	14,47	22·4	2·30	14,95	20·8	3·11
(c) Non-Plan	4,23	6·2	0·89	2,68	4·2	0·55	1,55	2·1	0·32
(b) for Central Sponsored Schemes.	1,42	2·1	0·29	90	1·4	0·98	2,24	3·1	0·46
Total, III ..	22,06	32·1	4·58	18,05	28·0	3·74	21,36	29·6	4·43
Grand Total, (I, II & III) ..	68,67	100·0	14·23	[64,38	100·0	13·34	72,23	100·0	14·96

STATEMENT VIII.

Total Expenditure on Revenue and Capital Account.

The aggregate expenditure of activities met from revenue and outside the revenue account may be estimated at Rs. 204.3 crores in 1958-59 which represents an increase of Rs. 14 crores over the budget of 1957-58 and addition of Rs. 25 crores over its revised estimates.

Of the aggregate expenditure of about Rs. 204.3 crores only Rs. 54.6 crores or 26.7 per cent. is non-developmental, including therein a sum of Rs 12.6 crores or 6.1 per cent. by way of obligatory debt service charges. The statement indicates that Government has kept control over the expenditure on administration as well as on security services.

Of the aggregate expenditure of Rs. 149.7 crores on developmental activities, Rs. 101.5 crores represent expenditure on economic activities that directly aid production, distribution, exchange and consumption of goods and will have a substantial impact of increasing the National Income immediately. The balance of expenditure of Rs. 48.2 crores will be incurred on Social Services like development of Medical and Public Health facilities Educational development and Housing facilities as well as welfare of backward classes. In course of time these will help in increasing the capacity of the citizens to raise the standard of life and are bound to increase the National Income as well.

In per capita terms Statement VIII shows that the Government of Bombay spends an annual sum of Rs. 42.33 nP. on the average citizen. Of these Rs. 21 per capita assist the citizen in augmenting the supply of goods and his activities of out put while Rs. 10 per capita add to his Social standing including his health and facilities of shelter. The balance of Rs. 11 per capita is required for primary and protective functions which keep the environment conducive to socio-economic development.

STATEMENT VIII.
Total Expenditure on Revenue and Capital Account.

Serial No.	Items.	Budget Estimate 1957-58.			Revised Estimate 1957-58.			Budget Estimate 1958-59.		
		Amount	Per cent. to the total	Per Capita	Amount	Per cent. to the total	Per Capita	Amount	Per cent. to the total	Per Capita
(1)	(2)	(3)		(4)			(5)			
I Development Expenditure—										
	1. Social Services—	Rs. in lakhs.		Rs. nP.	Rs. in lakhs.		Rs. nP.	Rs. in lakhs.		Rs. nP.
	(a) Committed Expenditure ...	26,57	13.9	5.50	25,44	14.1	5.27	28,23	14.1	5.97
	(b) Plan Expenditure ...	9,74	5.1	2.02	8,61	4.8	1.78	14,99	7.3	3.10
	(c) Non-Plan Expenditure ...	1,45	0.8	0.30	1,08	0.6	0.23	1,82	0.9	0.38
	(d) On Centrally Sponsored Schemes.	82	0.4	0.17	78	0.4	0.16	2,52	1.2	0.52
	Total—1 ...	38,58	20.2	7.99	35,91	19.9	7.44	48,16	23.5	9.97
	2. Economic Services—									
	(a) Committed Expenditure..	13,74	7.2	2.85	13,15	7.3	2.73	20,88	10.4	3.96
	(b) Plan Expenditure ...	47,38	24.8	9.82	41,92	23.2	8.68	46,85	21.5	9.11
	(c) Non-Plan Expenditure ...	8,14	4.2	1.68	7,03	3.9	1.46	10,53	4.0	2.78
	(d) On Centrally Sponsored Schemes.	11,25	5.9	2.33	10,35	5.7	2.15	1,86	3.5	0.40
	Total—2 ..	80,51	42.1	16.68	72,45	40.1	15.02	80,12	39.4	16.62
	Total—I ...	119,09	62.3	24.67	108,36	60.0	22.46	128,28	62.9	26.59

STATEMENT VIII—contd.

Serial No.	Items.	Budget Estimates 1957-58.			Revised Estimates 1957-58.			Budget Estimates 1958-59.		
		Amount. Rs. in lakhs.	Per cent. to the total.	Per Capita Rs. nP.	Amount. Rs. in lakhs.	Per cent. to the total.	Per Capita. Rs. nP.	Amount. Rs. in lakhs.	Per cent. to the total.	Per Capita. Rs. nP.
(1)	(2)	(3)	(3)	(3)	(3)	(3)	(5)	(5)	(5)	
II. Non-Development Expenditure—										
	(a) Administrative Charges ...	25,60	13.4	5.31	24,07	13.3	4.98	14,81	12.1	5.14
	(b) Obligatory Debt Services ...	8,50	4.5	1.76	15,21	8.4	3.15	12,60	6.1	2.60
	(c) Security Charges ...	15,74	8.2	3.25	14,96	8.3	3.10	17,25	8.5	3.57
	Total—II. ...	49,84	26.1	10.32	54,24	30.0	11.23	54,66	26.7	11.31
	Total—(I & II) ...	168,93	88.4	34.99	162,60	90.0	33.69	182,19	89.6	37.74
III Loans and Advances Granted by State Government—										
	(a) Committed ...	.....	.....	.....	.....	.....	.....	2,62	1.3	0.54
	(b) Plan ...	16,36	8.6	3.40	14,47	8.0	2.30	14,95	7.3	3.11
	(c) Non-Plan ...	4,28	2.2	0.89	2,68	1.5	0.55	1,55	0.7	0.32
	(d) For Centrally Sponsored Schemes.	1,42	0.8	0.29	90	0.5	0.89	2,24	1.1	0.46
	Total—III ...	22,06	11.6	4.58	18,05	10.0	3.74	21,36	10.4	4.43
	Total—(I+II+III) ...	190,99	100.0	39.57	180,65	100.0	37.43	204,30	100.0	42.33

STATEMENT IX.

Development Expenditure on Plan.

Out of the total allocation of Rs. 350·28 crores made available for the Second Five-Year Plan of the Bombay State an expenditure of Rs. 44·45 crores was incurred in the year 1956-57; the preliminary revised estimate for the year 1957-58 being Rs. 65 crores. It is proposed to allocate Rs. 76·78 crores for the development programme of the year 1958-59.

STATEMENT IX.

Head of Development	Second Plan Provision.	Expenditure in 1956-57	Preliminary Revised Estimates, 1957-58	Proposals for 1958-59
I. Agriculture and Community Development.	86,75.22	882.45	15,44.27	22,10.00
II. Irrigation and Power ...	13,659.17	1,820.01	2,732.47	2,752.00
III. Industry and Mining ...	1,318.97	180.61	238.74	180.00
IV. Transport and Communications.	2,924.41	688.55	505.00	781.00
V. Social Services—				
(1) Education ...	2,294.04	136.84	300.32	434.00
(2) Health ...	2,749.05	306.87	469.45	550.00
(3) Housing ...	1,735.97	292.51	357.21	389.00
(4) Other Social Services and Scientific and Industrial Research.	1,713.10	87.81	352.95	382.00
Deduct for Abu Taluka ...	-41.55	.....	.....	.....
	850,28.89	4,445.15	6,500.41	7,678.00

STATEMENT X.

**Socio-Economic Indicators of the progress of the reorganized
Bombay State areas during and since the year
1949-50 to 1957-58 (estimated).**

The new Bombay State consists of five component units, namely, Kutch, Saurashtra, the former Bombay State areas, Vidarbha and Marathwada. In all these areas even prior to reorganization, Post-War reconstruction and Five-Year Plan activities were undertaken and the reorganization carries forward the stages of progress reached. Statistical data given in the statement indicate the continuity of progress since 1949-50.

The Socio-Economic indicators in the different areas of the reorganized State during the period of 9 years from 1949-50 to 1957-58 show that—

I. There has been (a) a 17.4 per cent. increase in the production of cereals and millets,

(b) an increase of 95.4 per cent. in the production of cotton from 11 lac bales to about 21 lac bales,

(c) an increase of 35 per cent. in the production of sugar-cane from about 5 lac tons to 7 lac tons, and

(d) an increase of 41.4 per cent. in the production of tobacco from 4 lac tons to nearly 6 lac tons.

The increase in the production of commercial crops has given a diversified pattern to the agricultural output augmenting thereby the monetary incomes of the cultivators.

II. There have been increased efforts on a substantial scale for democratic decentralization of welfare efforts through the means of the Community Development Projects and National Extension Service Programme. Starting in 1952-53 with a population covering 13 lacs, the programme now in 1957-58 benefits a population over 10 or 11 times as much. The percentage of rural population covered has increased from 3.84 per cent. in 1952-53 to 38.9 per cent. in 1957-58.

III. A further development has taken place in that the population covered by Co-operative Societies has been increased from 20 to 35 per cent. and the working capital of the societies had reached a level of Rs. 185 crores by 1956-57.

IV. The number of passengers carried by Nationalised Transport has been increased from about 14.6 crores in 1955-56 to over 21 crores in 1957-58 and the annual income of the Nationalised undertakings of the new State has increased from Rs. 9.2 crores in 1955-56 to about Rs. 13 crores in 1957-58 while the capital investment amounts to Rs. 17 crores.

V. Planning basically depends for its success on enlightened public opinion. This requires increased educational facilities. Compared to 1949-50 there has been a 70 per cent. increase in the number of institutions and 62 per cent. increase in the number of pupils. In 1957-58 about 69·4 lac pupils were under instruction; of whom about 48 lacs i.e. 10 per cent. of the total population of the new State, being at the lower primary stage in the age-group of 7-11 years. The target of compulsory education generally comes to 14 per cent. of the population at School.

VI. The number of hospitals and dispensaries in the State has gone up by 24 per cent. The number of beds in Hospitals and Dispensaries increased from 18,237 in 1955 to 19,438 in 1957, i.e. by 6 per cent.

VII. There are over 11,492 factories in the new State in which are employed 10·27 lac persons. There has been a continuous growth in the industrial production in the State compared to 1956. In 1957, the production of soda ash has increased by 20 per cent., that of sulphuric acid by 25 per cent., of power-driven pumps by 25 per cent., bicycles by 20 per cent., cement by 25 per cent. and salt by 20 per cent. compared to the year 1956; while the production of cloth has been maintained at the high level of about 3,600 million yards or 67 per cent. of mill cloth production in India as a whole.

In 1950, partly as a result of failure of the monsoon and also due to cyclone there was acute power shortage in the Eombay region. However within the last 7 years 1950 to 1957, the generation of electrical energy has more or less been doubled in the various component parts of the State, i.e. from 1·6 billion units to 3·2 billion units. The consumption has been also increased from 1·4 billion units to 2·8 billion units. This increase in power development has naturally assisted the industrial production in our State at a high level.

VIII. For the Second Plan, the State has a programme of construction and improvement of 4,723 road miles and 166 bridges. Of this programme 854 miles of roads and 18 bridges were completed in 1956-57, and 1000 miles of roads and 10 bridges will be completed in 1957-58 and 81 bridges are under construction.

Barely 10 per cent. of the National income is utilised for expenditure in the public sector and within these limited means radical improvement in the standard of life must be expected within limitations. All the same, one can confidently state that in the Bombay State the foundations for substantial progress have already been laid.

STATEMENT X.

Socio-Economic indicators of Progress in Reorganised Bombay State 1949-50, 1955-56, 1956-57, 1957-58 Estimated.

1	Year 1949-50.	Year 1955-56.	Year 1956-57.	Year 1957-58.	Percentage increase/over 1949-50 of 1957-58.	Remarks.
1	2	3	4	5	6	7
I—POPULATION, LITERARY AND VITAL STATISTICS.						
(1) Death rate per thousand of the Population ...	... Not available.	Not available.	14.2	13.1	.....
(2) Birth rate per thousand of the population ...	... Do. ..	Do. ..	31.7	30.1	.....
(3) Infant mortality per 1,000 live Births ...	... Do. ..	Do. ..	100	100	....
II. AGRICULTURE.						
(1) Production of cereals and Millets (000 tons) ...	... 55,46	61,85	68,53	65,12	17.4	
(2) Production of Cotton (000 bales) ...	... 10,64	19,14	22,84	20,81	95.4	
(3) Production of Groundnut (000 tons) ...	... 10,66	10,42	14,34	11,26	5.6	
(4) Production of Sugarcane (000 tons) ...	... 4,98	7,31	6,21	6,74	35.1	
(5) Production of Tobacco (000 tons) ...	... 4,23	6,18	6,66	5,98	41.4	

STATEMENT X—contd.

	Year 1949-50.	Year 1955-56.	Year 1956-57.	Year 1957-58.	Percentage increase over 1949-50 of 1957-58.	Remarks.
1	2	3	4	5	6	7
III. COMMUNITY DEVELOPMENT PROGRAMME.						
(1) No. of Blocks of C. P. A. Pattern .. ..	.....	1,33,25	1,76,25	2,45,00	....
(2) No. of Villages covered .. ..	....	1,33,56	1,81,13	2,12,81	....
(3) Area covered (Square miles)	3,87,11	5,18,08	6,05,93	6,05,93	....
(7) Population covered (in '000) .. ..	....	89,50	1,17,83	1,34,84	....
IV. CO-OPERATION.						
(1) Percentage of population covered by the movement ..	20	31	37	....	85.0	
(2) No. of members of the Co-operative Societies in the State ('000) ..	....	3,257	38,12	....	....
(3) Working Capital (Rs. 000) .. ..	....	14,17,41,33	1,85,02,12	....	....
V. ROADS AND ROAD TRANSPORT.						
(1) Route Milage of Extra-Municipal Roads .. ..	....	9,12	9,97	....	....
(a) Cement Concrete .. ..	....	32,57	33,46	....	....
(b) Asphalt .. ..	....	1,42,45	1,44,97	....	....
(c) Water Bound Mucadum .. ..	....	1,84,14	1,88,40	....	....
(d) Gravel or Kankar or Murum .. ..	....	83,54	89,42	....	....
(e) Kutcha Road .. ..	....	70,32	72,73	....	....
		1,53,86	1,62,15			
Grand Total		3,38,00	3,59,55			

(2) Number of major bridges constructed	..	..	....	28	18	10	....
(3) Number of Motor Vehicles registered for purposes of Taxation ('000).	....	....	....	....	95	100	....
(4) Number of Passengers carried in ('000) by the—							
(a) Bombay State Transport Corporation	..	..	....	13,98,09	16,04,30	18,39,76	....
(b) Saurashtra State Transport Corporation	..	..	....	50,75	89,39	92,12*	....
(c) Kutch State Transport Corporation	..	..	....	16,60	17,12	N. A.	....
(d) Provincial State Services, Nagpur	..	..	....	....	.. ..	84,61*	....
(e) State Transport, Marathwada	..	..	....	....	....	61,48*	....
(5) Capital invested (in lakhs of Rs.) in—							
(a) Bombay State Road Transport Corporation	..	..	....	....	13,26.44	15,12.56	....
(b) Saurashtra State Road Transport Corporation	..	..	....	19.81	66.28	87.40	....
(c) Kutch State Road Transport Corporation	..	..	....	20.32	22.88	27.34	....
(d) Provincial Transport Services, Nagpur	..	..	....	25.19	25.19	45.21	....
(e) State Transport, Marathwada	..	..	....	....	....	N. A.	....
(6) Total gross Revenue (in lakhs of Rs.) in—							
(a) Bombay State Road Transport Corporation	..	..	....	8,09.80	9,09.47	1,019.00	....
(b) Saurashtra State Road Transport Corporation	..	..	....	31.24	55.41	94.95	....
(c) Kutch State Road Transport Corporation	..	..	....	19.32	22.12	22.98	....
(d) Provincial Transport Services, Nagpur	..	..	....	43.11	49.75	67.93	....
(e) State Transport, Marathwada	..	..	....	....	27.39	75.17	....
Total	..	..	....	9,03.47	10,64.14	12,65.93	....

*Information is for the period from April to November 1957.

STATEMENT X—contd.

	Year	Year	Year	Year	Percentage increase over 1949-50 of 1957-58	Remarks.
	1949-50.	1955-56.	1956-57.	1957-58		
1	2	3	4	5	6	7
(7) Total Expenditure (in lakhs of Rs.) of the—						
(a) Bombay State Road Transport Corporation	769·76	849·35	955·39	.....
(b) Saurashtra Road Transport Corporation	20·88	33·75	82·05	.....
(c) Kutch Road Transport Corporation	17·22	20·20	21·56	.....
(d) Provincial Transport Services, Nagpur	30·06	40·01	57·88	.....
(e) State Transport Marathwada	23·72	74·07	....
Total	967·03	11,90.95	....

VI. EDUCATION.

(1) Number of Primary Schools	31,668	43,078	45,442	48,731	69.90 per cent increase in the number of educational institutions and 62.29 per cent increase in the number of Pupils attending these institu- tions.
(2) Number of pupils in all Primary Schools	..	..	34,72,419	46,13,543	50,59,590	54,44,295	....
(3) Number of Secondary Schools	...	..	1,788	2,368	2,220	2,358	....
(4) Number of pupils in Secondary Schools	...	..	5,30,232	7,78,541	7,86,034	8,54,527	.....
(5) Number of Colleges (Arts and Sciences)	...	..	119	174	202	211	.....
(6) Number of students in Colleges	..	..	53,483	1,00,279	1,11,678	1,21,309	....
(7) Number of University Depts. and Research Institutions	..	..	80,30	18,112	19,072	19,387	....
(8) Number of Scholars in all University Depts. and Research Institutions.	..	..	2,20,432	4,71,830	4,90,054	5,20,431	.....

VII. PUBLIC HEALTH.

(1) (a) Number of Hospitals and Dispensaries	..	..	....	1,595	1,736	1,750	....
(b) Bed strength	..	..	....	18,237	....	19,138	....
(2) Number of patients treated—							
(a) Indoor	..	..	....	....	8,97,00	10,76,400	....
(b) Outdoor	..	..	....	....	1,68,22,000	1,98,73,000	....

VIII. INDUSTRIES.

(1) Number of Working Factories	..	..	....	....	10,831	11,492	....
(2) Total Number of persons employed (in '000) in the factories	..	..	....	....	1,014	1,027	....
(3) Industrial Production—							
(a) Cotton Yarn (Mill made) in million lbs.	..	..	....	....	870	908	....
(b) Cotton Cloth (Mill made) in million yards	..	..	....	....	3,592	3,595	....
(c) Woollen fabrics ('000 yds.)	..	..	....	....	3,364	2,578	....
(d) Vanaspati (Tons)	..	..	....	....	88,063	88,860	....
(e) Soda Ash (Tons)	..	..	....	....	84,234	1,04,892	....
(f) Caustic Soda (Tons)	..	..	....	....	7,641	8,602	....
(g) Sulphuric Acid (Tons)	..	..	....	....	34,245	48,000	....
(h) Power driven pumps ('000)	..	..	....	....	24·0	30·0	....

STATEMENT X—concl'd.

	Year 1949-50.	Year 1955-56.	Year 1956-57.	Year 1957-58.	Percentage increase over 1949-50 of 1957-58.	Remarks.
1	2	3	4	5	6	7
(l) Glass ware (including Scientific and excluding thermos flask) in Tons.	26,000	31,700	....
(j) Sugar ('000 Tons)	240	241	....
(k) Bicycles	1,50,924	1,82,000	....
(l) Cement ('000 Tons)	669	838	....
(m) Salt (in lakhs of B. Mds.)	517	602	....
IX. ELECTRICITY.						
1) Total installed capacity of generating units in million K. W. Hours.	1,667.27	.. ..	....	3,260.77	95.5	
(2) Total consumption of electricity in million K. W. Hours	.. 1,417.73	....	....	2,834.00	100.0	
X. LIVE-STOCK AND AGRICULTURAL IMPLEMENTS.						
(1) Total livestock (in '000)	37,073	....	....
(2) Total Poultry (in '000)	10,759	....	....
(3) Ploughs (wooden)	2,70,812	....	....
(4) Ploughs (Iron)	3,87,469	....	....
(5) Tractors	3,118	....	....

Blank space indicates that the data are not available.