

CONSTITUENT ASSEMBLY OF INDIA

REPORT
OF
LINGUISTIC PROVINCES COMMISSION



1748

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TO

THE HON'BLE THE PRESIDENT,
CONSTITUENT ASSEMBLY OF INDIA,
NEW DELHI.

SIR,

We, the Commissioners appointed for the purpose of inquiring into and reporting on the desirability or otherwise of the creation of the proposed Provinces of Andhra, Karnataka, Kerala and Maharashtra, and fixing their boundaries and assessing the financial, economic, administrative and other consequences in those Provinces and in the adjoining territories of India, beg to submit the following Report. It will be seen that our Report is unanimous without a dissenting minute.

INTRODUCTION

2. By a notification dated June 17, 1948, we were appointed to report on the question of formation of the Provinces of Andhra, Kerala, Karnataka and Maharashtra; the financial, economic, administrative and other consequences thereof; and their approximate boundaries. The recommendation made by the Drafting Committee of the Constitution which led to our appointment, and our terms of reference are reproduced in Appendix I.

2A. Our first meeting was held on July 19, 1948, at Council House, New Delhi, when a questionnaire was settled and issued to the public. This is reproduced in Appendix II. During the last week of August a few witnesses were examined by us in New Delhi and in the beginning of September we started on a tour lasting twenty-six days, in which a large number of witnesses were examined at Vizagapatam, Madras, Madura, Mangalore, Calicut and Coimbatore. This was followed by another tour in the last week of October lasting over a fortnight in which also a very large number of witnesses were examined at Nagpur, Hubli, Poona and Bombay. Altogether about 1,000 written memoranda were received and the oral evidence of over 700 witnesses was recorded during the inquiry. The last meeting of the Commission, in which all the Associate members were also present for final consultation, was held in Council House, New Delhi, on November 20 and 21. This report was signed on 10th December 1948.

3. The inquiry thus made was a highly controversial one. On all the important issues, which required consideration, there were two sides and on some issues more than two. Yet there was no agreed presentation of the case even on behalf of any particular side and the individual variations in the case of each side unnecessarily lengthened the work and made it perplexing. There was this additional disadvantage that the Provincial Governments, who usually furnish disinterested and independent evidence in such inquiries, being, as at present constituted, composite Governments drawn from all parties to the controversy, decided to remain neutral and did not offer their usual co-operation. Nevertheless sufficient material came before us to enable us to form a definite opinion upon the essential merits of the controversy.

CHAPTER I

The Linguistic Provinces

4. The existing provinces of Madras, Bombay, Central Provinces and Berar, and the Indian States of Hyderabad, Travancore, Cochin, Mysore and Kolhapur have within their borders extensive areas, in which a large majority of the people speak Tamil, Telugu, Malayalam, Kannada, Marathi, Gujarati or Hindi languages. These ancient languages are endowed with rich literature and the persons, who speak them, possess certain social or cultural characteristics, which distinguish them from their neighbours, who do not speak their language. At one time, in more or less distant past, the areas in which these languages were spoken bore other names and also formed sovereign states. Thus Andhra, Kerala, Karnataka, Maharashtra, Tamil-Nad and Gujarat are the ancient names of the areas and states in which Telugu, Malayalam, Kannada, Marathi, Tamil and Gujarati languages were respectively spoken. Vidarbha is the ancient name for modern Berar. But the geographical boundaries of these linguistic areas have not remained constant and history has recorded many changes in them. And these ancient names can now be applied only in a general way to the homelands of the people, who spoke these languages, or to areas now existing in which these languages are largely spoken.

5. The formation and growth of the existing provinces of India is a part of the general history of the rise to power of British dominion in this country. From small beginnings in the coastal towns of Calcutta, Bombay and Madras, the British rule went on expanding and adding territory after territory, which were transformed into administrative provinces without any rational or scientific planning. The provinces thus formed have resulted in bringing together under one administration people speaking different languages and occasionally they have also separated people speaking one language under different administrations. Yet these heterogeneous provinces have played an important part in building up Indian unity and in bringing together diverse elements to work in common, which but for them would have remained apart.

6. The British policy of integrating India underwent a change soon after the beginning of this century. For one reason or another thereafter the disintegration of provinces was taken in hand and the North-Western Frontier Province, Assam, Bihar, Sind and Orissa were successively carved out from the older provinces of which they formed parts. And both the Mont-Ford Report and Simon Report are at one in condemning the existing provinces and in advocating their re-formation on a linguistic basis.

7. The demand for linguistic provinces has an early association with the struggle for Indian independence. Since 1921 the Congress has discarded British administrative provinces for its work and has created provinces, many of which are more or less linguistic, though not all, e.g., Maharashtra, Vidarbha, Bombay, Ajmer etc. In 1928 the Nehru Report fully endorsed the Congress view and strongly emphasised the desirability of creating these linguistic Provinces. And since then the Congress has included in its election manifesto the formation of linguistic provinces as one item of its programme and various Congress legislatures have passed resolutions in support of the demand. And lastly on November 27, 1947, in the Constituent Assembly the Prime Minister on behalf of the Government accepted the principle underlying the demand for linguistic provinces.

8. But these pledges can only be redeemed in the set-up of new circumstances, which at present exist in this country. Indian nationalism is yet

in its infancy. India has, in the words of its Prime Minister, just survived a major operation. It is in the midst of an undeclared war with Pakistan. It has still to settle its refugee problem and the problem of feeding its teeming millions and as a result of British withdrawal it is working and must work for some time to come with a depleted and over-strained administration. And, as if these anxieties were not sufficient, India is about to experiment under the new Constitution with autonomous states and adult franchise without the cementing force of a national language to take the place of English.

9. The evidence given before us is largely influenced by all or some of the considerations stated above. There is a general recognition that India should have a strong Centre and a national language. The evidence largely preponderates in favour of the view that the residuary powers must vest in the Centre, which must possess over-riding powers as well. On the question of national language the evidence is somewhat divided. The minority favours the retention of English or making Hindi take the place, which English now occupies; the majority, however, favours the mother-tongue being made the regional language with Hindi as a second language for inter-provincial purposes and English as a third language for foreign business and intercourse.

10. It is generally recognised that before any linguistic area can claim to be formed into a province it must satisfy certain tests, and conditions and failure to comply with them would be a good ground for refusing the demand. The area needs to be geographically contiguous and it cannot be formed into a province with pockets and corridors of other languages intervening. Likewise it has to be financially self-supporting so as not to be a drag on the Centre for its subsistence. It should also be administratively convenient and should possess within itself capacity for future development. And within its own borders and amongst the people speaking the same language there must be a large measure of agreement in regard to the formation of the new province. And a new province cannot be forced by a majority upon a substantial minority of people speaking the same language.

11. Subject to the remarks made above the evidence given before us brings out two sharply conflicting views in regard to the formation of these linguistic provinces and the time and circumstances in which they should be formed.

12. The case for the formation of linguistic provinces rests upon two alternative grounds: upon the theory that these linguistic groups are sub-nations and as such contracting parties to the constitution from which the Federation and the Centre derive their existence and power; alternatively it rests upon the unwieldy size of the existing provinces, their heterogeneous composition and the administrative advantage, which may result from bringing together people speaking one language, in imparting education and in the working of courts, legislatures, governmental machinery and democratic institutions.

13. The case against the formation of these linguistic provinces rests upon the intolerance which they breed against the minority speaking a different language in the same province, the inter-provincial isolation and antagonism which they bring into existence, the parochial patriotism which they emphasise as against the growth of the nascent national feeling and lastly the bitterness which is likely to be generated as a result of marking off the boundaries of these provinces between rival claimants and the allotment of the capital cities of Madras and Bombay.

14. The arguments in favour of the immediate formation of linguistic provinces are that on account of Congress pledges the demand has got deep down into the masses and its postponement is creating bitterness, impatience and frustration and the country cannot settle down to constructive work till the demand is conceded, and that the Constitution will start on a faulty basis without the linguistic provinces being put in its Schedule.

15. The arguments in favour of its postponement are that the country is not yet free from the dangers of external aggression, that it is in the grip of an economic crisis of great magnitude, that Indian States have not yet been properly integrated, that the Government is pre-occupied with more urgent problems, that the country cannot at this moment bear the financial and administrative strain which these new provinces will put upon it, and that it does not possess the necessary peaceful atmosphere in which new provinces can be scientifically and properly planned and a new map of India rationally drawn up.

CHAPTER II

The Linguistic Areas and their Boundaries

ANDHRA

16. The geographically contiguous area, which is claimed as Andhra Desh and in which Telugu is alleged to be largely spoken, is a long and wide stretch of country bounded on the east by the Bay of Bengal, on the west by Hyderabad and Mysore States, on the north by Central Provinces and Orissa and on the south by the Tamil portion of Madras called Tamil-Nad. It comprises eight districts of Hyderabad, one district and one town of Mysore, eleven districts of North Madras, the city of Madras and portions of three districts of South Madras or Tamilnad, and portions of two districts of Central Provinces, and one entire district and a portion of another district of Orissa. But this Andhra Province can only be and is a distant ideal as it is generally conceded that the breaking up of Indian States or their territory for the present is not a matter of practical politics.

17. The Andhra, which is claimed as capable of immediate realisation, comprises eleven districts of north Madras, (1) Vizagapatam, (2) East Godavari, (3) West Godavari, (4) Kistna, (5) Guntur, (6) Bellary, (7) Anantpur, (8) Cuddapah, (9) Kurnool, (10) Nellore, and (11) Chittoor, with the city of Madras, and portions of the three Tamil districts of Chingleput, North Arcot and Salem in south Madras and with the southern portions of Chanda and Bastar in C. P. and with Koraput district and a portion of Ganjam district in Orissa on the north. This includes roughly an area of 88,000 square miles and a population of 20 millions, but it excludes about 10 million Telugus living in Hyderabad and Mysore States and 4 to 5 millions in Tamilnad.

18. The eleven districts of North Madras, which would go to form the proposed Andhra Province, are divided into two groups of five districts each, called Coastal districts and Rayalaseema, with the eleventh district of Nellore, more allied to Rayalaseema but partaking of the characteristics of both the groups. The five Coastal districts, also called Delta districts *viz.*, Vizagapatam, East Godavari, West Godavari, Kistna and Guntur, are economically, educationally and politically more advanced. They are the surplus districts of the province in food-grains. They contain the only University and Medical College of Telugu people and all important political thought and leadership of the Telugus emanate from this Centre. The Rayalaseema, which comprises the four Ceded districts of Bellary, Anantpur, Cuddapah and Kurnool, and Chittoor are backward districts with undeveloped natural resources and often harassed by famine. They are also largely bilingual districts under the influence of Kannada and Hindustani on the borders of Mysore and Hyderabad and Tamil on the borders of Tamil-Nad. In manners, customs, traditions and general outlook on life also the two groups differ and, in a general way, though in a less intensified form, the distrust and apprehension of domination and exploitation, which exist in a Telugu mind against the Tamil, find their counterpart in the Rayalaseema mind against the Coastal districts.

19. In order to secure the co-operation of Rayalaseema in the formation of the proposed province of Andhra an agreement was made between Rayalaseema and the Ceded districts by which certain concessions were made to Rayalaseema in regard to its development, its voting strength in the legislature and facilities for University education. This agreement, which is dated November 16, 1937, is popularly known as Sri Bagh Pact and is reproduced in Appendix III. According to this agreement Rayalaseema has a right to demand equal seats in the legislature, to secure priority for its irrigational schemes and to have the

choice of locating the High Court or the Capital within its borders and to have a University centre at Anantpur. Eleven years have passed since this pact was signed, but the differences between the Coastal districts and Rayalaseema still remain unbridged and the pact still stands as a witness to these differences and to the failure to settle them.

20. A great deal of controversy exists as to the present attitude of Rayalaseema in regard to the formation of the proposed Andhra province. A statement was produced before us signed by twenty out of twentyfive Rayalaseema M.L.As in which the demand for a separate province was opposed as being wholly misconceived and inopportune and its acceptance, if unavoidable, was made conditional upon the literal enforcement of the Sri Bagh Pact. Three of these signatories later on appeared before us, withdrew their uncompromising opposition and showed willingness to accept the demand if made conditional upon the enforcement of the Pact.

21. There can be no doubt that one section of Rayalaseema opinion is definitely opposed to the formation of the proposed Andhra province. The Rayalaseema districts being mostly bilingual, this section does not want these to be broken up into Kannada, Tamil, and Telugu areas. Rayalaseema being close to Madras it does not want to be cut away from that city. Rayalaseema being educationally, politically and economically backward, it apprehends coastal domination and exploitation in services, legislatures, and in developmental schemes. And altogether it sees a better chance for the future development of Rayalaseema in an undivided Madras than in a divided Madras after the separation of Andhra, Kerala, etc.

22. Equally clearly another section of Rayalaseema opinion is willing to throw in its lot with the Coastal districts in forming the new province; it is prepared to take the risk even if the Sri Bagh Pact is not enforced. It considers its power will be more effective in a smaller and divided province than in a larger and undivided one.

23. We are not in a position to judge the relative strength of these opinions, nor is it necessary to do so. It must, however, be accepted that, in 1937, when the Sri Bagh Pact was made, Rayalaseema was not willing to form a separate Andhra province except on certain terms and conditions incorporated in the Pact. It was conceded before us by the leaders of the Coastal districts that the Sri Bagh Pact still stood and that they were prepared to honour it and to give it a statutory force. It follows, therefore, that if for any reason a statutory guarantee cannot be given to Rayalaseema in regard to the Pact, the consent of Rayalaseema in regard to the formation of the new province would remain wanting.

24. One section has asked us to hold on the evidence given before us that, even if the Pact cannot be enforced, Rayalaseema is willing to trust the Coastal districts and is prepared to form the province without the Pact. But we find ourselves unable to do so, because this controversy in our opinion can only be set at rest by a plebiscite or by an election issue and cannot be satisfactorily determined by a tribunal upon statements made before it by a few witnesses of each side.

25. Some of the Coastal leaders have asked us to recommend that Government might bring about reconciliation between the two groups so that the new province could be formed by consent. The terms of the Pact cannot be fitted into the Draft Constitution and are unlikely to be enforceable under any new Constitution which we can foresee. What steps the Government can take to bring about the compromise we do not know. We ourselves tried to effect a compromise but failed. It is possible that the Government may succeed where we failed and we gladly bring the matter to their notice. But till such

an agreement is reached, the conclusion is inevitable that a substantial section of Rayalaseema is opposed to the formation of Andhra province and one essential condition for the creation of such a province is wanting.

26. It is also not quite easy to mark off the boundaries of the proposed Andhra Province. On the south, west and north some of its areas are claimed by Tamil-Nad, Karnataka and Orissa respectively, and Andhra, in its turn, claims in these directions certain areas from those claimants as also from the Central Provinces. These disputed areas are markedly bilingual and it is not an easy matter to break them into parts and to allot them to separate linguistic areas. First of all, the language and race statistics of these areas are not available beyond the census of 1931 and even in regard to the correctness of 1931 figures there is some justifiable controversy. Secondly, it will require extensive labour and investigation to locate those areas, which are geographically contiguous, and which, with due regard to administrative convenience, could be broken up and attached to any new province.

27. The Andhra-Orissa dispute on the north has a special feature of its own. It was once the subject of an inquiry by the Government and was settled, but the settlement did not satisfy either party and the dispute still persists and is likely to continue.

28. The province of Orissa, as it exists today, includes two districts of Ganjam and Koraput, which adjoin and are to the north of the Andhra district of Vizagapatam. These two districts at one time formed parts of Ganjam and Vizagapatam districts, respectively, of the province of Madras and were border districts between Old Orissa and Madras and were largely bilingual having a large population of Oriyas and Telugus.

29. When the Government decided to form an independent province of Orissa it also decided to separate Oriya and Telugu areas of old Ganjam and Vizagapatam districts and to bring the Oriya areas into Orissa and the Telugu areas into Madras, and for this purpose a Boundary Commission was appointed, which is known as O'Donnel Commission after the name of its President. On the basis of the Report of this Commission, with certain important modifications, the Orissa Order in Council of 1936 was made as a result of which very large portions of the old Ganjam district and the Agency tract of Vizagapatam district were transferred to Orissa and came to be known as Ganjam and Koraput districts of Orissa province. The remaining portion of the old Ganjam district, which was not separated from Madras, is now incorporated in Vizagapatam district.

30. The Telugus now claim back from the Ganjam district of Orissa a coastal belt about forty miles long and ten to fifteen miles broad by the side of the Bay of Bengal, which includes the sea-coast towns of Gopalpur and Chatarpur and the inland town of Berhampur and the area shown as Berhampur B and Chatarpur B and south-eastern portion of Chikiti and Jarda Zamindari in O'Donnel's Report. They further claim the plains portion of the Parlakimedi Estate, including the town of Parlakimedi, and the entire Koraput district, which comprises the Jeypore impartible estate and Pottangi taluk of O'Donnel's Report.

31. The Oriyas, on the other hand, claim back from the Telugus a small south-eastern corner of Berhampur B and Sompeta B and Tekkali taluk of O'Donnel's Report from the old Ganjam district, which are now included in Vizagapatam district, and portions of Palakonda, Paravatipur, Salur, Viravalli, Srungavarapukota Agencies and portions of Gunipur (Kunrupam estate) and Padwa B (Hill Magdole estate) of O'Donnel's Report, which was formerly and even now included in the Agency portion of Vizagapatam district.

32. The Orissa claim against Andhra is not included in our terms of reference and the Andhra claim against Orissa, though covered by the reference, cannot be properly considered as the Orissa Government has not been associated with this inquiry and no Associate member from Orissa has worked with us. We are not in a position to check the truth of the charges of maltreatment, which the Telugu minority has levelled against Orissa, nor do we know what changes have come about in the ratio of population and in administration in these two districts since they were separated from Madras in 1936. One thing, however, is certain that the Telugus, who have been transferred to Orissa, are very unhappy and their condition is the best illustration of the spirit of intolerance, which Linguistic Provinces breed and of the danger which lurks behind them.

33. The Telugus also claim in the north some portions of Chanda and Bastar in the Central Provinces, the latter being also counter-claimed by Orissa and Maharashtra. In the south Tamil-Nad claims some Taluks from the Chittoor district of Andhra, and the latter claims some Taluks from Chingleput, North Arcot and Salem districts of Tamil-nad. The southern boundary of Andhra affects the city of Madras and, if the southern line is drawn according to the Telugu claim, the city of Madras falls within the Telugu area and, if it is drawn according to Tamil claims, the city falls in Tamil area.

34. In the west of Andhra the boundary dispute is between Karnataka and Andhra in regard to the districts of Bellary, Anantpur and Kurnool. Many years ago Congress had given an Award, which is generally known as Kelkar's Award, by which the three Taluks of Adoni, Alur and Rayadrug of Bellary were allotted to Andhra and the remaining portion of the district of Bellary, including the town of Bellary, was allotted to Karnataka. But neither party is satisfied with the Award and lays claim to the entire district or a greater portion of it. Karnataka also claims portions of Anantpur and Kurnool districts.

35. These disputes were presented before us with the idea that we might recommend them for determination by a Boundary Commission, which is contemplated in the terms of reference by which we were appointed. No attempt was made to place facts and figures before us upon which a satisfactory decision could be reached in regard to these disputed matters and within the time at our disposal it was not possible for us by our own independent investigation to come to any satisfactory finding, so that they must stand over for the present. But they clearly emphasise the difficulty which lies ahead in forming linguistic provinces, and the heat and controversy, which they will generate and the time and trouble which will be necessary for undertaking this work.

36. The eastern boundary of the proposed province of Andhra is the Bay of Bengal. Its western boundary is in dispute and may be a line drawn through Bellary and Anantpur districts outskirting Mysore State till it touches the southern boundary of Andhra, which also is disputed, or may be a curved line starting from Pulicut Lake in the east or from foot of Chingleput district and traversing through Chittoor, Chingleput, North Arcot and Salem districts. The northern boundary is also in dispute and may be the present boundary of Orissa and Central Provinces or it may be a line drawn from some point near Nishikulya River in Orissa up to the south of Indrawati in Central Provinces curving through portions of present Ganjam and Koraput districts of Orissa and of Bastar and the Chanda district of Central Provinces as the future Boundary Commission may decide.

KERALA

37. The geographically contiguous area in which Malayalam language is largely spoken is a narrow strip of country on the Western Coast of India lying between Cape Comorin on the south and North Kanara on the north and the

Arabian Sea on the west and the Western Ghats on the east. And it comprises the Indian States of Travancore and Cochin and the Malabar district of Madras Province, Kasargod Taluk of South Kanara district and Gudalur of Nilgiri district. It also includes the small French Settlement of Mahe and two Union islands, Lacadive and Amandive, as also Anjengo, including Than-kasseri on the Travancore Coast, now part of Tinnevely district. It roughly occupies an area of 21,000 sq. miles and is inhabited by 13 million people.

38. At one time there was a strong movement afoot to bring this area under one administrative province called United Kerala. Recently this movement has received a set-back and it is not for us to say whether it is temporary or permanent. The movement undoubtedly represents the aspirations of a large number of Malayalam people, and if it cannot immediately fructify it is only because Travancore and Cochin States are not yet fully ready to join it. This has brought into existence another proposal for the formation of a smaller Kerala province without Travancore, Cochin and Mahe, but with the Union areas stated above with the addition of Coorg, the Tulu taluks of South Kanara and the Ootacamund taluk of Nilgiris, west of the watershed of the Ghats. It is claimed that this province roughly gives an area of 8,500 sq. miles with a population of four million and eight hundred thousand people.

39. As to the formation of this smaller province there exist two opinions in Malabar. One opinion does not regard this province as practicable and will wait till Travancore and Cochin are ready to join it. The other opinion favours the formation of an immediate smaller province to be expanded later on when Cochin and Travancore are ready to merge in it.

40. The larger province or United Kerala is not immediately practicable on account of the want of consent of Travancore and Cochin States. Apart from the difficulty of uniting two viable autonomous Indian States with Union districts, the Travancore State is burdened with a Tamil problem in its southern territory, which may become troublesome in the event of the formation of a Malayalam linguistic province. The process of unification of Kerala will, therefore, require both time and some difficult adjustment and must wait.

41. The smaller province has not been sufficiently canvassed to elicit that amount of public support, which is necessary for the formation of a new province. Its advocates desire to bring it into existence not strictly on linguistic grounds but as a matter of administrative convenience. It is said that Malabar is an over-populated district at the tail-end of Madras, deficit in food grains, neglected and undeveloped in the warring politics of Andhra and Tamil-Nad and unable to secure its rights or its development in the United Madras. It is claimed that a maritime province between the Arabian Sea and the Ghats comprising the Union districts of Malabar, South Kanara, Coorg, Nilgiris, and portions of Coimbatore will be linguistically compact and culturally homogeneous and administratively convenient.

42. But such a province does not fall within the ambit of a linguistic province, which we are required to consider. Coorg, South Kanara, Nilgiris and Coimbatore are hotly contested linguistic areas claimed by Karnataka and Tamil-Nad. And it is not possible in this inquiry to dispose of them on purely non-linguistic considerations. It is not disputed that the proposed area standing by itself, cannot support a Province on principles, which are universally accepted, and that the question of formation of Kerala Province without Travancore and Cochin can only arise when Andhra or Karnataka or both are separated from Madras leaving Malabar attached to Tamil-Nad. Even then a one-district province is hardly a practicable proposition and must be rejected on financial and administrative grounds.

KARNATAKA

43. The present homeland of the Kannada language is Mysore State and the Union districts of Dharwar and Bijapur, where it is spoken by seventy to eighty per cent of the people. But Kannada is also the majority language of two other Bombay districts, *viz.*, North Kanara and Belgaum, and of one Madras district, *viz.*, Bellary, where it is the language of 54·9, 64·6, and 55·0 per cent of the people respectively. Kannada is also the majority language in some of the merged Deccan States, in some portion of Kolhapur State, in the small State of Sandur, and in some taluks or portions of taluks of two Union districts of Bombay, *viz.*, Satara and Sholapur, and of six districts of Madras, namely, South Kanara, Nilgiris, Coimbatore, Anantpur, Salem and Kurnool, and of the small province of Coorg and lastly of three districts of Hyderabad State. The area specified above is sufficiently large and populous to make a well-sized province. But it is not an easy matter to make it.

44. Almost half the Kannada-speaking people live in Mysore State. More than half are to be found in Mysore, Sandur, Hyderabad, Kolhapur and the merged Deccan States and the province of Coorg. And the remaining population, which is to be found in the Indian Union outside the autonomous State, is split up in the three provinces of Bombay, Madras and Coorg. And the Madras districts of South Kanara and Bellary are separated by long distances from each other and impassable rivers and mountains from the Kannada-speaking districts of Bombay.

45. If Mysore had been willing to join the Union it could easily have formed a nucleus round which the Kannada-speaking districts of Madras and Bombay could be brought together and reared into an administratively convenient Province. It would have also solved the problem of the small province of Coorg, which has been carrying on a difficult and isolated existence and which is ready to merge in Mysore State but is not prepared to merge in Karnataka province composed exclusively of Union areas. But the Mysore State does not appear to be yet ready to merge itself in Karnataka Province and we cannot say whether public opinion or Government policy is prepared to merge Union territory in the Indian States.

46. If a Karnataka Province is to be formed by piecing together Kannada-speaking merged Indian States and the Province of Coorg and the Kannada-speaking districts of Bombay and Madras it will have to face enormous difficulty. More than half the merged Deccan States are predominantly Maharashtrian. The districts of North Kanara and Belgaum in Bombay contain strong Maharashtrian minorities. In the South Kanara district of Madras Kannada is spoken only by 17·8 per cent of the people and in Bellary district Telugu population is over thirty per cent mostly concentrated in the taluks of Adoni, Alur and Raydrug.

47. South Kanara, Coorg and Nilgiris present difficult problems. In South Kanara the northern taluk Coondupur is predominantly Kannada and the southern taluk Kasargod is predominantly Malayalee. The middle taluks are Tulu-speaking, Tulu being the dialect of over forty per cent people. In Coorg out of a total population of one lakh and sixty-three thousand (1,63,000), forty-four thousands five hundred and eighty-five (44,585) are Coorgies and Nilgiris has a strong element of Badaga population. All these three areas are counter-claimed by Malayalees and one of these *viz.* Nilgiris, by Tamils also. And though it is true that Kannada is the Court language of South Kanara and of Coorg it will not be an easy matter to divide these areas on a linguistic basis without taking into account the wishes of the Tulus, Coorgis and Badagas.

These areas adjoin Mysore as also Malabar but their greatest affinity is with Mysore and it is not easy to say whether without Mysore they would like to merge in a Karnataka province or not.

48. Confined to Union territory, in two districts of Bombay alone, viz., Dharwar and Bijapur, the Kannada language has got an absolute majority. In two other districts of Bombay, viz., North Kanara and Belgaum, and in one district of Madras, viz. Bellary, and the Province of Coorg it has only got a bare majority, while in the remaining districts of Bombay and Madras it can lay claim only to some Taluks and small portions of some Taluks. And the greatest difficulty in the matter is that it will not be administratively convenient to bring together under one administration Bellary and South Kanara districts or the Kannada portions of Coimbatore, Nilgiris and Salem districts of Madras or these Madras districts and the Kannada-speaking districts of Bombay, as some of these districts will be inaccessible to each other without the help and intervention of Mysore State.

MAHARASHTRA

49. The province of Maharashtra, as visualised by its advocates, will have an area of 13,34,66 sq. miles, with a population of 2,86,17,607 and a revenue of Rs. 37,45,14,000. It will comprise twelve districts of the existing Bombay province, eight districts of C. P. & Berar, some areas from the border districts of Belgaum, North Kanara, Nimar, Chhandwara and Balaghat, portions of seventeen merged Deccan States and of the merged State of Bastar, the Kohlapur State, five districts of Hyderabad State, and the Portuguese possession of Goa. Geographically, this new province will be divided into two regions of eastern and western Maharashtra, and will unify the three historic and ancient territories of Konkan, Desh or Deccan, and Vidarbha.

50. Desh or Deccan, which includes the seven above-the-ghat districts of Nasik, Poona, Satara, Sholapur, Ahmednagar, and East and West Khandesh, is the homeland of Marathi language and culture and has a homogeneous political outlook and aspiration. Konkan, which includes below-the-ghat taluks of Thana district, Bombay City and suburban districts, Ratnagiri and Colaba and extends up to South Kanara, has a dialect of its own called Konkani. The central portion of Konkan, like Ratnagiri and Colaba, has not become thoroughly Maharashtrian in political outlook, language and culture. But its northern portion comprising coastal taluks of Thana, Bombay City and suburbs and the southern portion comprising North Kanara and Goa, still retain some of their special characteristics and are not yet fully ready to be assimilated. In the four districts of Berar, namely Akola, Amraoti, Buldana, and Yeotmal, which in some way correspond to ancient Vidarbha, and the four Marathi districts of C.P., namely, Nagpur, Bhandara, Chanda, and Wardha—all the eight passing under the name of Mahavidharbha—is spoken the Marathi language; but, for generations, the people here have lived a separate life of their own, which has given them characteristics and outlook different from Deccan Maharashtra.

51. The movement for the unification of Maharashtra is of very recent growth, and has not yet gained sufficient momentum to become a mass movement or to produce a substantially agreed demand. The Marathas are an able and virile people, and an invaluable asset to the Hindu race and culture. They form 53 per cent of the population in the province of Bombay, and 35 per cent. in the province of C. P. & Berar, and are able to hold their own in any struggle for political power. But, unfortunately, the Poona school of thought, which is also the dominant school of thought in Maharashtra, does not see eye to eye with the rest of India as to the future destiny of this country or with regard to the part which Indian provinces should play in the evolution of the

Indian nation; and the desire for a Samyukta Maharashtra is the natural expression of their ideology, and the real or imaginary apprehensions of Gujarat, and Mahakoshal domination are its natural allies.

52. Of all the units which will go to form a Samyukta Maharashtra, Mahavidarbha was the first to come into the field with a claim for a separate province of its own. This movement arose in Berar and was mainly sponsored as a counter-claim against the claim of the Nizam to absorb Berar in Hyderabad.

53. In August 1947, the political leaders of Berar and Deccan came to an agreement, commonly called the Akola Pact, reproduced in Appendix IV, by which it was contemplated to bring into existence a United Maharashtra with two sub-provinces of Vidarbha and Desh, with a further provision that, if a united Maharashtra was not capable of realisation, the province of Vidarbha alone might be formed. Under the impact of the movement for Samyukta Maharashtra, this Akola Pact has now been torn asunder and is disowned by all parties; and there are at present three schools of thought in Mahavidarbha in regard to its future. One wants a separate province of Mahavidarbha, the other is for making it a sub-province of a United Maharashtra, and the third is for complete merger with Maharashtra; but all desire to terminate the present relationship with Mahakoshal. We are satisfied that public opinion is still in the formative stage in Vidarbha and it does not yet know its own mind. In these circumstances it will not be possible to form a province of Maharashtra with Vidarbha.

54. Konkan, the second unit of Samyukta Maharashtra, presents a still more formidable difficulty in the way of unification of Maharashtra. The heart of Konkan is the city and port of Bombay, the gateway of India and in many ways its pride and its industrial and money market. Bombay is cosmopolitan and multi-lingual, and a discussion regarding its future we have reserved for a separate chapter. It refuses by a large majority of interests to fit into any linguistic province, and another sizeable portion of Konkan area, which has not yet been thoroughly Maharashtrianised, is dreaming of a province of its own and is not yet ready to walk into a Maharashtrian hegemony.

55. We are thus left with Desh, which no doubt whole-heartedly supports the movement for the unification of Maharashtra, and for this it has enunciated certain principles, which we find difficult to accept. One of these principles is that the entire territory of Samyukta Maharashtra is inviolate. The other is that all the groups speaking one language, irrespective of their special problems and individualities, must be welded together, thus leaving Bombay and Mahavidarbha no option in the matter of choosing their destiny. We do not think any linguistic majority has any right to force a province upon such substantial minorities as those of Vidarbha and Bombay in Maharashtra, and of Rayalaseema in Andhra.

56. It might be possible to form two separate Marathi speaking provinces, viz., (1) Mahavidarbha comprising eight districts from C.P.; and (2) The Deccan consisting of eleven districts from Bombay. The demand for the formation of Mahavidarbha is, however, strenuously opposed by the advocates of Samyukta (United) Maharashtra. Opinion in Mahavidarbha has not yet quite crystallized; one section wants a United Maharashtra, another a Sub-Province in Maharashtra, the third an altogether separate province. In these circumstances, it will not be safe to embark upon the formation of any Marathi speaking province at present.

THE CITY OF BOMBAY

57. The city of Bombay stands in special relation to Maharashtra, Gujarat, and to India as a whole. Originally a small fishing village inhabited by Koelis, a clan of fishermen, and subsequently a small Portuguese settlement, it has grown during the last one hundred and fifty years to be one of the

great cities of the world. In building up this great city, all communities, including the British, have taken their share; and, as a result, it has acquired a mixed individuality and is distinctly multilingual and cosmopolitan. Historically, it has never been a part of the Marhatha empire; but it is the heart of Konkan, and the Marathis regard Konkan as their main limb. Geographically, it is separate from Gujerat; but north Konkan adjoins Gujerat and is the borderland between Maharashtra and Gujerat, and has never been entirely free from Gujerati influence. Industrially and commercially, it is the hub of India's financial and industrial activity. And altogether it excites some of the deepest emotions in Marhatha and Gujerati hearts, and its future is the thorniest problem which the linguistic provinces are required to solve.

58. Closely connected with the city of Bombay is the adjoining island of Salsette, forming part of Bombay suburban district towards which the city finds its natural extension. Already a slice out of it from Juhu to Ghatkoper has become a suburb and virtually a part of Bombay, and a scheme is under way for Greater Bombay which aims at including the whole of Salsette island and some areas even beyond it. During the last war, Bombay received a large influx of population, to which substantial additions were made, after the termination of the war, by the refugees from Burma and Sind. And this expansion is still continuing and is rapidly altering the original percentages of the languages spoken in Bombay. Already the balance has somewhat tilted against the Marhatas and there is every danger of their being swamped by the new population in the near future. And this has naturally created some anxiety in the mind of the Marhatas in regard to the future of Bombay.

59. The total population of Bombay in 1931 was 11,61,383 and in 1941, 14,89,883. Its area in 1931 was 24 square miles and in 1941, 30 square miles.

60. The present revenue of Bombay is Rs. 1,320 lakhs. The Bombay suburban district had an area of 154 square miles and a population of 1,79,524, in 1931, and ten years later in 1941 it had an area of 153 square miles and a population of 2,51,147. The main languages spoken in Bombay suburban district are Marathi, Gujerati, Western Hindi, Canarese, Rajasthani, Konkani, and others. And, of these, the Marathi and Konkani percentage of the languages spoken in the city of Bombay in 1931 was 51.1 and the suburban district 64.4 respectively.

61. The Maharashtrian claim for the inclusion of the city of Bombay in the linguistic province of Maharashtra is based on the grounds that, by adding Konkani to Marathi, the language percentage is raised to 51.1 according to 1931 Census and becomes the majority language of the city, that Bombay is a part of Konkan and as such a part of Maharashtra, and, lastly, that Bombay being merely a city and not capable of being absorbed in any other contiguous linguistic area cannot stand by itself and necessarily should become a part of the contiguous linguistic province of Maharashtra.

62. It is doubtful whether the Marhathi majority recorded in 1931 still subsists. Whether the language spoken by the lower strata of society in their homes in the four coastal Taluks of Umargaon, Dhanu, Palgarh and Bassein of North Konkan is basically Gujerati or Marhathi is another controversial matter. But even if we accept for the purposes of this inquiry that Maharashtra has a language majority of 51 per cent in the city, and that Bombay is not merely an island but is a part of Konkan and as such of Maharashtra, do these facts furnish any valid ground for the city being included in a linguistic province?

63. First of all, it is to be clearly understood that the city of Bombay taken by itself is not a unilingual area and cannot be classified as such in any sense of the word. This was apparently also recognised by the Congress Constitution of 1921 which labelled it Gujerati as well as Marathi. All the evidence before us is agreed that it would not be proper to call any area a unilingual

area unless the majority of the one language spoken in that area reaches at least 70 per cent. and any area below that should be considered as bilingual or multi-lingual, as the case may be. On this principle it is claimed by all the advocates of linguistic provinces that all border districts where the majority language is 50 to 70 per cent. may be treated as bilingual and broken up into bits up to villages and their population appropriated to contiguous linguistic areas. This is the way in which equities are proposed to be adjusted in bilingual areas between rival linguistic groups, who reside there.

64. If border districts, which are bilingual and which have developed an organism and an economic life of their own, are to be broken up to adjust the equities between rival linguistic groups, then we see no reason why capital cities, which have also developed an organism and an economic life of their own, should also be not disposed of in such a way that equities between all linguistic groups are properly adjusted. It is true that the city is a different kind of organism and cannot be conveniently broken up. But there are other ways of satisfying the claims of different parties, and there seems to be no principle upon which a present of the entire city should be made to one out of the many multilingual groups. It is on the strength of the principle referred to above that Andhra claims a share of, or a joint interest in, Madras, but Maharashtra inconsistently refuses to apply this principle to Bombay and claims the entire city for itself.

65. In all the non-Maharashtrian evidence that came before us there was practical unanimity that the city of Bombay should be formed into a separate province, either Centrally administered or with a Government of its own and in no case should it be placed under a unilingual Government. Some expert evidence was also led before us to show how the commercial and financial interests of the Bombay City and of India as a whole would be affected by a sudden change in the form of the government in Bombay. In the view which we have taken of the problem it is not necessary to express an opinion upon this claim and it remains to be considered at the proper time when the occasion arises to give a decision on the fate of Bombay.

66. We are of the opinion that bilingual or multilingual areas should be disposed of having regard to their own economic or administrative interests, and the principle on which linguistic provinces are to be formed has no application to them; and, unless it be in the interests of these areas themselves, they should not be broken up and allotted to various linguistic groups or to a single linguistic group. And the fate of these areas falls to be decided by the totality of circumstances in each case and not by the single consideration of language majority or the contiguity of the area to any unilingual area.

67. The best fortune that we can see for the city of Bombay is that it should continue as it is today, the meeting-place of all communities, their source of pride and affection and a convenient centre for their joint labour and enterprise. It will be incongruous to make this multi-lingual, cosmopolitan city the capital of a unilingual province.

68. The future of Bombay, therefore, seems to us by itself a very strong argument against the formation of linguistic provinces. And if these provinces are ultimately decided upon, we suggest that Bombay and possibly Madras should be kept wholly outside the vortex of linguistic politics and disposed of in the best way possible in their own interest and in the interests of the country as a whole and not on linguistic considerations alone.

THE CITY OF MADRAS

69. The city of Madras with its port is situated on the west coast of the Bay of Bengal. It occupied an area of 30 square miles in 1941, and its population, according to the Census of 1941, was 7,77,481, and its estimated population for 1948, according to the Monthly Bulletin of the Corporation of Madras

published in June 1948, is 9,83,087. It forms one of the twentyfive districts of the existing province of Madras and yields a revenue of rupees five hundred and eighty-nine lakhs.

70. Statistics of the languages spoken in the city of Madras were not recorded after the Census of 1931 and those of 1931 have now become somewhat out of date, and their accuracy is also challenged. In 1931 the total population recorded was 6,47,230, of which Tamils were 4,11,820 (63.6 p.c.), Telugus 1,24,649 (19.1 p.c.), Hindusthanis 62,651 (9.7 p.c.), Kannadas 4,539 (0.7 p.c.), and Malayalis 9,229 (1.4 p.c.). In Chingleput district which surrounds Madras, according to the Census figures of 1931, Tamils form 78 per cent. of the population and Telugus 19.3 per cent.; Telugus number 3,19,946 as against 12,90,877 Tamils; and in some villages of some taluks of the district Telugus form a majority and are interspersed throughout the district. In the adjoining districts of Chittoor and Nellore Telugu is the majority language of 73.4 per cent. and 91.7 per cent. of the people, respectively, and in the former district Tamil also is the language of 19.3 per cent. of the people and in some villages of some taluks it is also the majority language and is also interspersed throughout the district.

71. The city of Madras is the capital of the province. It is the centre of the social, political, educational, cultural, economic and industrial life of the entire Province and derives its sustenance and nourishment from the resources thereof and, in its turn, influences and determines the tone of activity of the Province in these fields. It is also substantially a cosmopolitan city built by the joint enterprise of all communities but mostly Tamil and Telugu. Both Tamils and Telugus have got very strong association with and attachment to Madras and it evokes very strong feelings and emotions in them.

72. The Telugus claim Madras on the ground that it falls within the Telugu area, they would like to draw the southern boundary of Andhra below Chingleput district so as to include Madras in it. They also claim it on the grounds that the villages surrounding it are Telugu villages and that the initial grant by which it came to be a British Settlement in the fifteenth century proceeded from a Telugu Raja or his Agent. It is said that it was at its inception a Telugu town and was subsequently built up by Telugu industry and patriotism.

73. The Tamils claim it on the ground that it was within the borders of Tamil-Nad as described in ancient books, that it contains at present a majority of Tamil population and it is surrounded at present by preponderatingly large Tamil areas.

74. These claims are challenged and counter challenged but in our opinion this is a fruitless controversy. Historical arguments on both sides may have some basis in facts but they are somewhat remote and the controversy can only be decided on existing facts. And on these facts the city of Madras cannot be taken exclusively either as a Telugu area or as a Tamil area and it can only be regarded as a multi-lingual and cosmopolitan city, though it may be a fact that Tamil is the majority language in the city and in the areas which surround it and this majority is not accidental or temporary and can be traced back at least to 1881, the earliest year for which Census figures are available. A city which contains so many associations of both the communities, which owes its life and existence to the joint devotion and patriotism of both the communities and of many other communities and which has assumed a cosmopolitan character in the course of several generations, cannot be disposed of, on mere linguistic considerations, in favour of one community without causing grave dissatisfaction and injustice to the other.

75. A number of suggestions were made to us in regard to the disposal of Madras, none of which is free from difficulty or commends itself to us. It is neither desirable nor practicable to divide the city physically into two parts north and south of river Cooum and allot the northern portion to Telugus and the southern portion to Tamils because it is not possible to bring out a purely Telugu area or a purely Tamil area either in the north or in the south of Madras. The social, political and industrial life is so inter-mixed in both sections of the city that it would retain its multi-lingual character even after separation and a physical partition of the town will not only destroy its organic character but also spell its ruin from every point of view.

76. Another suggestion was made by the Telugus that Madras should be made a joint capital of both Andhra and Tamil-Nad from where they should carry on their respective Governments. The details of this arrangement were not explained to us, and it is not easy to see how it can be fitted into the new constitution and worked without causing considerable administrative difficulties.

77. The third suggestion, which received wide support from the Telugus was that it should be made into a Chief Commissioner's Province either by itself or with the addition of a few villages from the surrounding districts on the model of the present Delhi Province. The case of Delhi is a special one in which a city of the Punjab possessing no special importance at the time, was for political reasons, raised to the status of the Capital of India. We do not know how Madras will fare after being torn from its present province with three rival capitals competing with it in Andhra, Tamil-Nad and Kerala. Such an experiment has never been tried before and its success may not be perfectly assured.

78. The difficulty in making a suitable provision for Madras presents itself as another strong argument against the formation of linguistic provinces. But if the formation of these provinces is inevitable, the city of Madras should also be treated as multi-lingual and cosmopolitan, like Bombay, though not quite to the same extent as Bombay, and should be disposed of on the considerations which we have stated while discussing the case of Bombay.

CHAPTER III.

Financial Position of the Proposed Provinces

(By Shri B. C. Banerji, I. A. & A. S., Secretary)

79. In this chapter is discussed in detail the financial position of the proposed provinces and the consequences that their creation is likely to produce on the adjoining territories. This is a matter of vital importance inasmuch as sound finances constitute the bedrock on which good and efficient administration rests. In fact no administration can be secure and stable unless it is broad-based upon strong financial foundations.

80. It is just as well to state at the outset that there are certain factors, which have brought in an element of uncertainty in the calculations of the financial consequences of the creation of the new provinces. The boundaries of the new provinces have not yet been finally fixed, and until they are determined it is not possible to estimate the financial consequences with the precision that one might desire. Another element of uncertainty is furnished by the consideration that much will depend on the decision as to whether the cities of Bombay and Madras will be allowed to form parts of some Province or other or constituted into separate Provinces. As the revenue collected in each of these cities is very large the decision regarding its future position is bound to have financial consequences, which cannot be ignored. Nor can one ignore the probable effects of the introduction of Prohibition Policy in the various Provinces. As far as Andhra, Tamilnad and Kerala are concerned, the position is quite clear inasmuch as the Prohibition Policy has been introduced *in toto* there. No definite information is, however, available as to whether the Prohibition Policy will be pushed to the extreme or slowed down in Maharashtra, Karnataka, Gujarat and Hindi C.P. In the circumstances it must be said that the financial estimates relating to the proposed provinces leave some room for adjustment.

81. It may be mentioned here that in the examination and assessment of the financial position of the proposed provinces, three years' average of revenue and expenditure has been taken as the basis of calculation for it is thought that three years' average is a safer guide in such matters than the figures of one year, which may contain abnormal items. It is true that the years 1945-46 and 1946-47 are not quite normal years for budgetary purposes and that some items of an extraordinary nature of both revenue and expenditure occurred in those years. But special or extraordinary items of revenue and expenditure are almost a common feature of a governmental budget and some item or other of this nature will be found in the budget of almost every year. Certain items of receipts, such as Excise revenue and grants for Post-war Development Schemes have, therefore, been omitted from the calculations, as, for reasons recorded elsewhere, these are not likely to recur in the immediate future. Certain items of expenditure, such as those relating to Post-war Development Schemes, have also been similarly excluded from consideration.

82. It was contended by some in Madras that Civil Defence expenditure should also be left out of account. It would however appear that such a contention is based on misconception. Civil Defence expenditure fell broadly under 4 sections—(1) A.R.P. Measures, (2) War Police, (3) Food supply for Defence Services, and (4) Miscellaneous items such as Civil Representatives of the Army, A.R.P. training schemes, Cadet Training Schools etc. The expenditure recorded under section (1) was pooled and divided in accordance with a slab system under which the Central Government met an increasing proportion of expenditure after certain limits. The expenditure under item (2) was borne by the Central Government subject to special allocation, while that under item (3) was fully borne by the Central revenues. The Provincial revenues were debited with the entire cost of item (4) only. In other words, Civil Defence ex-

penditure was to a large extent reimbursed to the Provincial Government by the Central Government. Besides, if Civil Defence expenditure has been included in the calculations of Expenditure, the receipts also have been included in Revenue. Moreover, it is not correct to say that Civil Defence expenditure has ceased altogether. It will appear from the Budget Memorandum of the Government of Madras for 1948-49 that it continues in the shape of expenditure on Home Guards, Special Police, etc., the only change being that, instead of the expenditure being shown under G4-B Civil Defence, it appears under 29-Police. As already stated, items of a special or extraordinary nature do appear in the Budget Estimates almost every year and cannot be eliminated altogether. It is, therefore, difficult to support the view that the item of Civil Defence expenditure should be omitted from the calculations altogether.

83. It may be added here that the calculations have been based entirely on the figures supplied by the Finance Departments and the Accountants General of the Provinces concerned. These figures have been subjected to a test-check by the Secretary, who has consulted officers of the Finance Departments of the Governments concerned whenever necessary. Slight alterations and corrections have also been made here and there.

84. The calculations of the financial consequences have been made on the assumption that the smallest unit or division would be a whole district. If, however, it so happens that a district is partitioned and some of its talukas given to another district, slight readjustments of financial figures will be necessary.

85. In the matter of apportioning revenue and expenditure, as far as possible, between Andhra and Tamilnad the principle of division on population basis has been adopted. It will be readily conceded that any division on area basis will not yield satisfactory results as Tamilnad has a smaller area but a bigger population whereas Andhra has less population with a larger area. Nor will any division on the basis of the number of districts in each province be fair and equitable inasmuch as transactions of receipts and expenditure occur at times in the treasuries of districts other than those to which they relate. The Government of Madras have accepted the basis of population in framing their estimates of Revenue and Expenditure of Andhra and it will be agreed that in the circumstances of the case division on population basis is a suitable guide. The principle of division followed in the other cases has been explained in the relevant paragraphs.

86. As regards the question of division of assets and liabilities, it is thought that as a general rule, it should be affected on the basis of location, that is to say, those assets which are situated in an area included in a particular province should be allocated to that Province, the liabilities attaching to the assets being also taken over by that province. It is, however, quite conceivable that such a principle of division may fail to do equal justice to the two parts separated from each other, for it may be found that according to this principle of division a disproportionately larger number of assets are allotted to one province, which thereby gains at the expense of the other. To hold the scales even between the separating parts it may be necessary to adopt some other means of division. One such way would be to evaluate the assets at their market price and divide them between the two separating parts on population or revenue basis and compensate the losing province by payment in each.

87. As regards Provident funds of Government servants, the responsibility for their payment may be accepted by the Governments under whom they may be serving on the date of separation. This will obviate the difficulties and complications that the adoption of any other principle would involve. Individual cases where the application of this principle may present difficulty should be decided on their merits.

88. With regard to the pensionary liabilities a more or less similar line of action may be adopted. Each Government may undertake to continue to make payment of those pensions, which were being drawn at the treasuries within its jurisdiction and were on the date of separation borne on the books of those treasuries for payment. As regards pensions sanctioned after the date of separation, the liability should be taken over by the government, which sanctions the pensions or under whose administrative control the sanctioning authority happens to be.

89. A word of explanation may be added with regard to the Overhead charges. These include charges relating to the Head of a province and his personal staff, the Council of Ministers, the Secretariat and the Legislature, the Heads of Departments and their establishments, the setting up of new institutions etc., and such incidental charges as the creation of a new province will necessarily involve. Rough and ready estimates of these charges have been made on the basis of the Bombay, Madras or the C. P. & Berar scales of pay etc., as the case may be.

90. The following paragraphs contain a detailed examination of the financial position of the proposed provinces and adjoining territories. A Financial Appendix containing Statements giving details regarding revenue and expenditure, etc. is annexed.

ANDHRA

91. The case of Andhra may be taken first. It will be seen from Statement I that the average annual revenue for the three years from 1945-46 to 1947-48 of the 11 Telugu districts, as they are now, amounts to Rs. 1653.79 lakhs or, say Rs. 1654 lakhs. Adding to this figure a sum of Rs. 110 lakhs, being the increase in revenue due to enhancement of the rates of Sales Tax, the total comes to Rs. 1764 lakhs. The adoption of the Prohibition Policy has, however, to a considerable decrease in Excise revenue, and it has been calculated that its extension to the remaining districts of the Province will, as far as the Telugu districts are concerned, result in a further decrease of Rs. 493 lakhs. Deducting this amount, the total of revenue comes to Rs. 1271 lakhs only. Besides, there has been an average annual receipt of Rs. 64 lakhs on account of Post-war Development Schemes. This amount should be deducted from the total revenue as this is an extraordinary item which may not recur in future and its inclusion would not make the budget quite normal. The average annual revenue, therefore, may reasonably be taken as Rs. (1271—64) 1207 lakhs.

92. As regards expenditure, it will appear from Statement I that the average of the actuals for 1945-46, 1946-47 and 1947-48 for the Telugu districts comes to Rs. 1684.82 lakhs. To this amount should be added a sum of Rs. 70 lakhs, being the increase in expenditure caused by the enhancement of dearness and house-rent allowances and another sum of Rs. 32 lakhs on account of staff for the enforcement of Prohibition Policy. The Government of Madras do not expect this year, and perhaps for some years to come, any grant from the Government of India for the Post-war Development Schemes, not to talk of an increase in grant, which they originally anticipated. It was, therefore, suggested by the Government of Madras that in respect of Post-war Development Schemes no amount on account of receipts or expenditure should be taken into account as far as the years immediately ahead were concerned except to the extent of the commitments already made. As, however, these commitments relate to schemes, which are not likely to take long to complete, it is considered proper to leave them out of consideration altogether. But the 'Overhead-Charges', that is to say, charges which the creation of a new province necessarily involves, must be added. According to the calculations based on Madras scales of pay, etc., these charges would come to Rs. 150.00 lakhs, but as a portion of it has already been included in the calculation of the share of unallocated items of expenditure,

a sum of Rs. 75.70 lakhs only should be added. This would bring the total of expenditure to Rs. 1862.52 lakhs, leaving a gap of Rs. 665.52 lakhs between revenue and expenditure. This, however, does not complete the picture. It must be remembered that if Andhra is not to have Madras as its capital, it must build a new capital of its own. According to rough calculations made by the Chief Engineer, P.W.D. (General), Madras, the approximate cost of construction of a new Capital based on 1948-49 rates would come to Rs. 997.17 lakhs or Rs. 10.00 crores in round numbers. The interest charges on this capital expenditure at the rate of 4 per cent would amount to Rs. 40.00 lakhs and the maintenance charges of the buildings on the basis of 2 per cent (1½ per cent for annual repairs and ½ per cent for special repairs) to Rs. 20.00 lakhs. In other words, a sum of Rs. 60.00 lakhs, should be added to the total of Rs. 1862.52 lakhs shown above, thereby bringing the grand total of expenditure to Rs. 1922.52 lakhs. Deducting from this amount Rs. 64 lakhs, being the annual expenditure on Post-war Development Schemes referred to above, the total expenditure amounts to Rs. 1858.52 lakhs, and the deficit to about Rs. 651.52 lakhs.

93. The position of the proposed province of Andhra as regards Revenue and Expenditure is summarised below:—

SUMMARY

Revenue (in lakhs of Rupees)

Revenue	165.79
Add increase due to enhancement of rates of Sales Tax	110.00
Deduct decrease due to introduction of Prohibition	493.00
Deduct Grants for Post-war Development Schemes	64.00
	1206.79
	or
	1207

Expenditure (in lakhs of Rupees)

Expenditure	1684.8
Add increase due to enhancement of distress and house-rent allowances	70.00
Add increase due to Prohibition Enforcement Staff	32.00
Add Overhead Charges	75.70
Add Interest Charges on the cost of construction of new Capital	40.00
Add Charges on maintenance of buildings etc., in new Capital	20.00
Deduct Post-war Development Schemes	—64.00
	1858.52
<i>Deficit</i>	—651.52
say	— 652.00

94. It will thus be seen that the new province of Andhra will have a deficit of Rs. 652 lakhs to start with. It has already been pointed out that out of this deficit of Rs. 652 lakhs as much as Rs. 493 lakhs is attributable to the introduction of Prohibition Policy by the Government of Madras. It is understood that the Policy of Prohibition has been extended to the whole of the Presidency so that the drop in revenue to the extent of 493 lakhs is a certainty. As far as it can be envisaged now, the financial position of the Andhra Province is frankly disquieting. It is not enough to contemplate that in a few years' time it might be possible for government to so husband its resources as to find adequate funds for its day-to-day administration. What is more important is that the province must have sufficient means to carry out the various development schemes, which are of vital importance to the people and the province.

KERALA

95. As regards Kerala the story is briefly told. The total revenue, including increase due to enhancement of Sales Tax, comes to Rs. 332 lakhs as against a total Expenditure of Rs. 445 lakhs, inclusive of Overhead Charges and increase due to enhancement of Dearness Allowance, etc., and entertainment of Prohibition Enforcement Staff. Or, in other words, the new province of Kerala, if formed, will have a deficit of 113 lakhs to begin with. The position becomes worse when it is remembered that Malabar will have to build a capital of its own and this will necessarily involve the expenditure of a few lakhs of rupees by way of interest charges on borrowed capital, and maintenance charges on buildings etc.

96. In view of the observations contained in the paragraphs of the Report relating to Kerala, no more detailed comments on the financial position of Kerala are called for.

KARNATAKA.

97. As far as can be seen, Karnataka will comprise four districts of Bombay, viz., Belgaum, Bijapur, Dharwar and Kanara, and one district of Madras, viz., South Kanara. The table below will explain the financial position of Karnataka as it will stand after its creation. In calculating the Overhead Charges the Bombay and Madras scales of pay and allowances, etc., as the case may be, have been taken into account. It will appear that the new Province will be faced with a deficit of Rs. 2,23 lakhs.

	Revenue	Expenditure
1. 4 Bombay districts	2,75.83	4,14.59
2. South Kanara	1,47.92	1,47.43
	4,23.75	5,62.02
Add Overhead Charges		60.00
Add Interest and Maintenance Charges in connexion with the construction of a new Capital		25.00
	4,23.75	6,47.02
<i>Deficit</i>		—2,23.27

MAHARASHTRA

98. The proposed Province of Maharashtra is expected to consist of ten districts of Bombay and eight districts of C. P. & Berar. The calculations are, as in the other cases, based on three years' average. Apportionment of Taxes on Income and Grants for Post-war Development Schemes from the Government of India and Forest Revenue and Expenditure has been made on Revenue basis. It is felt that division on population basis would be woefully unfair to Bombay City, which would in that case get only 8 per cent of Income Tax as its share whereas over 60 per cent of the collections of Income Tax are made in Bombay City alone. If, on the other hand, the collection basis is adopted, Bombay would get the lion's share of Income Tax although it forms a very small, though no doubt very important, portion of the Presidency. Division on Revenue basis is, therefore, considered to be fair and most equitable and on this basis the respective shares of the four parts of Bombay will be as shown below:—

	Per cent.
Bombay City	40
Maharashtra	30
Gujarat	20
Karnataka	10

99. It may be stated here that in calculating the figures given below Excise Revenue and Expenditure have been taken into account, except to the extent indicated in the Statements of Revenue & Expenditure included in the Financial Appendix.

If the Prohibition Policy is allowed to run its full course in the Provinces of Bombay and C. P. & Berar, Excise Revenue will eventually be eliminated altogether so that the total revenues of the two units will necessarily dwindle and the deficit become larger. Of course, there would be some decrease in Excise expenditure as well, but that will not materially affect the position.

100. The following table gives a summary of the financial position of the 18 districts composing Maharashtra:—

	Revenue	Expenditure
1. 10 Districts of Bombay	9,34.40	11,84.79
2. 8 Districts of C. P. & Berar	6,47.34	6,80.97
	15,81.74	18,65.76
		90.00
		Nil as Nagpur is there.
		90.00
		Nil as Nagpur is there.
	15,81.74	19,55.76
<i>Deficit</i>		—3,74.02

101. If it be decided that the City of Bombay should be allotted to Maharashtra, then the position will be reversed, for with the surplus of Bombay added to the resources of Maharashtra, Maharashtra becomes a surplus Province.

102. If, however, it be decided that Maharashtra should comprise the 10 districts of Bombay only and that the 8 districts of C. P. & Berar should be formed into a separate Province called Mahavidarbha, then the financial position of the respective provinces will be as indicated below:—

Maharashtra (10 Districts of Bombay)		Mahavidarbha (8 Districts of C. P. & Berar)	
Revenue	9,34.40	Revenue	6,47.34
Expenditure	11,84.79	Expenditure	6,80.97
<i>Add Overhead Charges</i>	50.00	<i>*Add Overhead Charges</i>	42.48
<i>Add Interest and maintenance charges in connection with construction of Capital.</i>	50.00	<i>Add Interest on capital outlay on construction of Capital.</i>	Nil as Nagpur is in Mahavidarbha.
	12,84.79		7,23.45
<i>Deficit</i>	—3,50.39	<i>Deficit</i>	—76.11

*As given by the Government of C.P. & Berar.

Financial Effects on Adjoining Territories

103. The Commission's terms of reference require an examination of the financial consequences that are likely to follow from the creation of the new Provinces in the adjoining territories of India. These territories roughly are Tamilnad, Mahakosala (Hindi C. P.) and Gujarat. The financial effects in these provinces have been assessed more or less on the same lines as in the case of the proposed new provinces.

I—TAMILNAD

104. A summary of the financial position of Tamilnad as it will be after separation will be found in the table below:—

	Revenue (In lakhs) Rs.		Expenditure (In lakhs) Rs.
Revenue	23,53	Expenditure	21,60
Add increase due to enhancement of Sales Tax.	1,65	Add increase due to enhancement of Dearness Allowance etc.	90
	25,18		
Deduct decrease due to Prohibition.	6,70	Add increase due to Prohibition enforcement staff.	33
	18,48		22,92
		Add interest and maintenance charges connected with the construction of capital.	60
		Add overhead charges	75
			24,27
		<i>Deficit</i>	—5,79

N. B.—Government of India grants for Post-war Development Schemes have been excluded from consideration.

105. If Madras City is separated from Tamilnad, the deficit of Tamilnad will be increased by the addition of 75 lakhs on account of Overhead charges and 60 lakhs on account of Interest and Maintenance Charges in connection with the construction of a new Capital. The total deficit will then be 579 lakhs as shown above.

If, on the other hand, Madras City is allowed to remain in Tamilnad, the question of construction of a capital will not arise and the deficit will be reduced by 60 lakhs. The addition of the Madras City surplus of 351 lakhs will further reduce the deficit to 168 lakhs only.

MAHAKOSAL

106. The following is a short summary of the financial position of Mahakosal or Hindi C.P. :—

	Revenue		Expenditure
Receipts	5,09.45	Expenditure	4,35.11
		Add Overhead charges	50.40
		Add interest and maintenance charges in connection with the construction of a new capital.	50.00
			5,35.51
		<i>Deficit</i>	—26.06

GUJARAT

107. A summary of the financial position of Gujarat as it is expected to be after the separation of Maharashtra and Karnataka is given below:—

	Revenue		Expenditure
Revenue	5,16.41	Expenditure	4,14.57
		Add overhead charges	41.20
		Add interest and Maintenance Charges in connection with the construction of a new Capital.	25.00
			4,80.77
		<i>Surplus</i>	+35.64

BOMBAY CITY

108. The following is a brief summary of the financial position of the Bombay City as it will stand after the separation of Maharashtra and Gujarat:—

	Revenue	Expenditure
Revenue	13,20.28	Expenditure 7,47.42
	<i>Surplus</i>	+5,72.86

MADRAS CITY

	Revenue	Expenditure
	510	87
<i>Add</i> increase due to increase in the rates of Sales Tax.	90	<i>Add</i> increase due to increase of Dearness allowance, etc. 10
	<hr/> 600	
<i>Deduct</i> decrease due to Prohibition	-140	<i>Add</i> increase due to Prohibition Enforcement Staff 12
	<hr/> 460	<hr/> 109
<i>Surplus</i>		<hr/> <hr/> +351

CHAPTER IV

Financial, economic, administrative and other consequences

109. The financial, economic, administrative and other consequences of the proposed provinces are matters which, within the limited time and material at our disposal we have not been able to explore fully. Some of these consequences are matters of speculation and controversy. Others are obvious and can be briefly stated.

110. As the seven new provinces of Andhra, Kerala, Tamilnad, Karnataka, Maharashtra, Gujarat and Mahakoshal will take the place of the existing three provinces of Madras, Bombay, and C. P. and Berar, it is obvious that the new provinces will be comparatively smaller in size, population and revenue than many existing provinces of India. The financial position of these new provinces has been examined by our Secretary, who is a senior member of the Indian Audit and Accounts Service, and is explained in chapter III. And in Appendix V are shown the size, population, and revenue of the existing provinces, unions and some States and of the proposed provinces, and the relative place of these new provinces in the scheme of Indian provinces, can be judged from it.

111. The existing Indian provinces and States do not follow a uniform pattern in size, population and revenue, and present great diversities in these matters. The viability of a province in the Indian Union, therefore, can only be a relative question. These new provinces, which will be faced with deficit budgets, claim that they will be able to cut their coat according to their cloth by reducing expenditure and by imposing fresh taxation. Be that as it may, the margin of reserve in most of them is at present so small that, for many years to come, left to themselves, they can only function, if at all, as mere Police States and may thus be a great handicap to national development.

112. It is also manifest that the administration of the same area and same population, which had hitherto been carried on by three Provincial Governments will in future have to be carried on by seven and the setting up of these will involve an annual recurring expenditure of about Rs. 6 crores, for which the Indian tax-payer will have to foot the bill at a time when money is urgently wanted for defence and nation-building.

113. The new Governments, with the possible exception of Maharashtra, will all be under the necessity to build their capitals immediately, which may approximately involve an expenditure of about 40—50 crores. This housing and building programme is likely to clash seriously with the refugee problem and the building and housing programmes of the Governments and it is unlikely that the country's already over-taxed resources in building materials will be able to bear any further strain. Besides, such heavy expenditure on buildings is also likely to worsen the inflation problem.

114. These new provinces, in common with the rest of India, stand in need of agricultural and industrial development for which various projects have been prepared, the execution of which will fall upon the new provinces in relation to their respective areas. We do not think that these provinces, left to themselves will, by their own resources, be able to execute these projects with their diminished credit, and the Centre must also be prepared to come to their help and finance all large developmental schemes.

115. The Administrative Service at present functioning in Madras, Bombay, and C. P. and Berar, is maintained on a provincial basis and includes in its personnel a fair proportion of each large linguistic group residing in the province. This service will have to be broken up and made into an exclusively linguistic group service. Whether this partition can be properly carried out without causing hardship in individual cases, and whether sufficient technically qualified talent will be available in each linguistic group is doubtful. But we are certain that, for sometime to come, the administrative efficiency of the service will be

lowered. The sudden withdrawal of British personnel from the Administrative Service has already taxed its resources to the utmost; with an acute shortage of administrative ability and experience we are just carrying on the administration on the momentum left by the British with the help of stop-gap arrangements and on a bare margin of safety. In administrative experience and efficiency the new provinces will be at a further disadvantage till they have trained their own officers, and it cannot be said with certainty that the new services will be able to stand up to any serious crisis in the maintenance of law and order or that they will be able to conduct the administration, with the same efficiency.

116. The new linguistic provinces will immediately bring into existence a new kind of minority problem which did not exist before. In a heterogeneous province it is not possible for any linguistic group residing in the province to call any area, even its homeland, exclusively its own and to regard any person residing there as an alien or outsider. But the moment a province is allotted to a majority linguistic group as such and that group forms a majority government in it, it begins to regard the area as exclusively belonging to that particular linguistic group, and to treat all persons not belonging to the majority linguistic group and speaking a different language as outsiders and aliens. And, by a natural reaction, people not speaking the majority language resent the intolerance of the majority or have their own affinities with a separate linguistic group elsewhere, and thus a vicious circle of mutual hostility begins and a minority problem comes into existence. The best illustration of this tendency is to be found in the Telugus of Orissa and the Tamils of southern Travancore, and, in a minor degree, in the complaints of minorities in all border districts. The linguistic groups do not form in any area a majority of more than 75—80 per cent., and it will not be possible to form any province without leaving a minority of 20—25 per cent., who will be a constant source of embarrassment to the administration of the province.

117. Side by side with the minority problem a State problem will also come into existence, demanding immediate solution. The destiny of Travancore and Cochin is entirely linked up with that of Malabar, as the destiny of Mysore is with that of Union Karnataka and of Kolhapur with that of Maharashtra. A great deal of ground has already been prepared to bring these areas and people residing there together; and, with the formation of linguistic provinces, their union will become a live issue. And it will be only a question of time when the agitation turns to Hyderabad to add to the worries of an already harassed Government. The distant rumblings of the Tamil agitation in relation to the southern tip of Travancore, which were heard by us, give us an idea of how close the danger is of Telugu, Kannada, and Maharashtrian agitation in relation to Hyderabad.

118. Karnataka and Kerala present separate and special problems of their own. The Karnataka districts fringe round the State of Mysore (as has been explained in para. 44), and communications between one end of the province and the other will be difficult and awkward. Mangalore, for instance, will be accessible by rail from Dharwar, which is mentioned as the likely Capital, by a long and circuitous route passing through Malabar and Madras. The province of Kerala will consist of only one district (Malabar) and such a province, with the same set of officials posted permanently in the district, will not be in the interests either of the people or of good government. Malabar is a deficit area in food, which it now receives from surplus areas in the Madras Presidency, and trade channels have been established accordingly. These will be seriously affected if Malabar is cut off. These administrative problems will no doubt disappear to some extent when Malabar unites with Cochin and Travancore States and Karnataka with the Mysore State. Such a union would be in the interests of the States as well; in particular the land-locked state of Mysore would automati-

cally secure a passage to the sea with fine harbours—not an inconsiderable advantage. We trust that the negotiations, which are afoot, will bear early and fruitful result. —

119. The division into correct linguistic areas will naturally need a Boundary Commission working through many border districts and so hotly are many of these contested that plebiscites will have to be held. This will be a long-drawn-out process, in which feelings would be aroused to a much greater extent than even during our inquiry, and, however, carefully and conscientiously the work may be done, there are bound to be left dissatisfied parties with resultant bitterness. This may take long to disappear and thus impede all efforts at nation-building.

120. The formation of linguistic provinces is sure to give rise to a demand for the separation of other linguistic groups elsewhere. Claims have already been made by Sikhs, Jats and others and these demands will in course of time be intensified and become live issues if once the formation of linguistic provinces is decided upon.

CHAPTER V

Summary and conclusions

121. The existing provinces of Madras, Bombay, and the Central Provinces and Berar hold together within their respective territories large linguistic groups which are unequally matched for the struggle for existence or for the struggle for political power. In the struggle for political power, which British imperialism and subsequently democracy under British rule introduced in this country, these heterogenous elements were not completely successful in producing harmonious Governments, with the result that a demand grew up in course of time on the part of the groups, which felt that they had suffered in the struggle, for a separate Government of their own.

122. When a conflict of interest, real or imaginary, arises between linguistic groups differing in numerical strength and in mental and moral equipment, it does not take long for the minority to feel that it has no chance against the majority, and it finds an easy solution of its difficulty in a desire for separation. Whether this demand is due to the aggressiveness of the more successful groups or to some inherent or accidental weakness in the less successful ones or to both it is not easy to determine; nor is it necessary to do so. It is sufficient to note the conditions which bring it into existence and to observe that it originates in a desire for power which, in its lower sense, is a desire for jobs and offices and, in its higher sense, a desire for service to the community and for its material and moral advancement. And it actuates the conduct of both honest and patriotic persons and of self-seekers in the groups in which such a demand has sprung up.

123. The intensity of the demand and its duration as also its justification vary from province to province, and within linguistic groups of the same province and also within the different sections of the same group. It has a long and persistent history of agitation behind it in ANDHRA, and exists in its strongest form in the coastal districts thereof. The Rayalaseema districts of Andhra are not affected by the demand to the same extent, and a substantial section is opposed to it. Just as there is a genuine apprehension in the coastal Andhra mind against Tamil domination, so too, there is an apprehension, though in a somewhat lesser degree, in the Rayalaseema mind against coastal domination. Next to Andhra, the demand is insistent in KARNATAKA, though there it is moderated by the knowledge that, for the unification of Karnataka, the co-operation of Mysore State is essential and that it may require some time for preparation. In Kerala there is a general recognition that, without the merger of Cochin and Travancore States, a separate province cannot exist; and the demand there is weakest and is rightly conditioned upon the formation of any other linguistic province out of Madras, and the people are prepared to wait till a United Kerala comes into existence. The Maharashtra is a late-comer in the field of agitation for linguistic provinces, and it is still a divided house comprising three cross-divisions of Konkan, Desh, and Mahavidarbha, none of whom has suffered in any way in the struggle for political power.

124. The main ground put forward for the demand for linguistic provinces is that they are essential for the working of democracy, as also for the working of the Constitution, and a linguistic province is the best form of a homogeneous province, which the existing circumstances in India permit to be formed. It is said that the working of democracy is impeded in the field of EDUCATION, Legislature, and Administration by a multiplicity of languages spoken in a province. It is further said that autonomous provinces are embedded in our Federal Constitution and autonomous provinces imply autonomous States. [And as the larger linguistic groups now existing in India claim historically to have formed sub-nations, they contend that the appropriate place for these sub-nations is in a linguistic State, just as, for the same reason, the correct principle upon which autonomous provinces should be formed is the linguistic principle.]

125. Linguistic homogeneity in the formation of new provinces is certainly attainable within certain limits but only at the cost of creating a fresh minority problem. More than half the Malayalam and Kannada speaking people are living in Indian States, and only a little less than half of the Telugu and Marathi speaking people are living either in Indian States or in Union Provinces from which they cannot be transferred to new linguistic provinces either for want of geographical contiguity or want of their consent to be so transferred. These must remain, at least for many years to come, outside the sphere of a linguistic province. Even in the limited areas of the Union, which can be made homogeneous linguistically, border districts on each side and the capital cities of Bombay and Madras will remain bilingual or multi-lingual. And, as has been explained before, nowhere will it be possible to form a linguistic province of more than 70 to 80 per cent. of the people speaking the same language, thus leaving in each province a minority of at least 20 per cent. of people speaking other languages. And considering the evidence, which has come before us in regard to the Telugus, who were transferred to Orissa from Madras at the time of the formation of the Orissa province, and the Tamils, who live in Southern Travancore, it is easy to foresee that similar minority problems on a much more extensive scale will arise all over the linguistic provinces.

126. As for persons speaking the same language forming a sub-nation, whatever may have been their condition in the past, now for 200 years these people have got separated and scattered over different areas in British-made provinces or Indian States and have become assimilated with them, so much so that the Rayalaseema districts are not at present eager to throw in their lot with the coastal districts; Cochin and Travancore would not readily coalesce with Malabar; and there are difficulties in the way of Mysore merging in Coorg and Karnataka districts; and Mahavidarbha is not keen on joining Bombay Maharashtra. Each of these differing elements now has its own special needs and problems, which require individual treatment and which prevent these elements from easily coming together in one homogeneous province contemplated by the Constitution unless special provisions be made for them.

127. It may, therefore, be safely assumed that linguistic groups as sub-nations do not exist anywhere at present. But if the intention were to bring sub-nations into existence, there could not be a better way of doing it than by putting together these differing elements in a linguistic province. An autonomous linguistic province, in other words, means an autonomous linguistic State and an autonomous linguistic State means, in the words of one of its exponents, that its territories are inviolate. And if in a linguistic province the majority language group comes to regard the territory of the entire province as exclusively its own, the time cannot be far distant when it will come to regard the minority living in that province and people living outside it as not their own. And once that stage is reached, it will only be a question of time for that sub-nation to consider itself a full nation.]

128. The strength of the demand for linguistic provinces lies in the fact that there is some advantage in imparting education in working the Legislature, and in administration if a large majority of the people speak the same language and in the fact that these linguistic groups do not seem to live happily in the existing provinces and are anxious to separate. The demand receives added force from the fact that a great several of the existing provinces more or less possess linguistic homogeneity. That one part of the country is linguistically homogeneous, including the small province of Orissa, which has to be maintained by subvention from the Centre, is a source of constant irritation to linguistically heterogeneous provinces. It certainly does not lie in the mouth of those who are living in a linguistically homogeneous province to point out its evils to those living in a heterogeneous province. Moreover the formation of linguistic provinces has been an article of faith in the current political thought of the country

during the last thirty years and has received the support of the Congress and the blessings of Mahatma Gandhi.

129. The weakness of the demand lies in the fact that it involves the recognition of the principle of government of a province by a linguistic group, which is basically wrong. Further it paves the way for the recognition of other group governments for which there may exist a tendency in the country, for example, government by Southerners in the South of India, government by Sikhs and Jats in the north of India, and even government by the non-Brahmins in certain areas of this country. It leads to the breaking up or deterioration of vital organisms like capital cities and border districts where, for generations, a bilingual or multi-lingual life has flourished happily. It would further create minority problems and State problems of a kind which did not exist before. And, above all, it would bring into existence provinces with a sub-national bias at a time when nationalism is yet in its infancy and is not in a position to bear any strain. And, lastly, the motive behind the demand is open to serious challenge. It is not the ostensible ground of making democracy run smoother, but the fact that these several communities living in the province cannot get on together, that is behind the proposal to separate and form governments of their own.

130. The existing Indian provinces are administrative units of British imperialism. They came into existence in a somewhat haphazard way, and were not designed to work democratic institutions; they are certainly susceptible of more scientific and rational planning. But they have taken root and are now living vital organisms and have served the useful purpose of bringing together people, who might otherwise have remained separated. And though they may be somewhat disadvantageous in working modern democracy, they are not bad instruments for submerging a sub-national consciousness and moulding a nation.

131. In any rational and scientific planning that may take place in regard to the provinces of India in the future, homogeneity of language alone cannot be decisive or even an important factor. Administrative convenience, history, geography, economy, culture, and many other matters will also have to be given due weight. It may be that the provinces thus formed will also show homogeneity of language and, in a way, might resemble linguistic provinces. But, in forming the provinces, the emphasis should be primarily on administrative convenience, and homogeneity of language will enter into consideration only as a matter of administrative convenience and not by its own independent force.

132. But this is certainly not the time for embarking upon the enterprise of re-drawing the map of the whole of southern India, including the Deccan, Bombay, and the Central Provinces. India is yet to become a nation, and Indian States are yet to be integrated. The problem of regrouping the provinces would become simpler when the future of the remaining States is definitely known. Again, India can ill spare at this moment and for some time to come the money, material, or administrative talent, which will be required for setting up half a dozen new governments and new capitals. It cannot afford to add to its anxieties the heat, controversy and bitterness, which the demarcation of boundaries and allotment of the capital cities of Bombay and Madras will involve. And lastly by splitting three existing provinces into half a dozen the economy of almost half the country will be so seriously upset that it should not be attempted without a great deal of study, preparation and planning. However urgent the problem of redistribution of provinces may be, it is not more urgent than the Defence problem, the inflation problem, the refugee problem, the food problem, the production problem, and many other problems with which India is burdened today. All these must get

priority and the redistribution of provinces must wait till India has become a nation and has been fully integrated. If India lives, all her problems will be solved; if India does not survive, nothing will be gained by solving her linguistic provinces problem alone.

133. In order to secure this stability and integration, India should have a strong Centre and a national language. Indian nationalism is deeply wedded to its regional languages; Indian patriotism is aggressively attached to its provincial frontiers. If India is to survive, Indian nationalism and patriotism will have to sacrifice some of its cherished sentiments in the larger interests of the country. India has chosen for herself the destiny of a Federal Republic. In the Constitution, which is now being forged for her, framework may be set up, which would enable her to find her destiny. Provide, if you will, for autonomous provinces and for adult franchise; but also recognise that there will be a period of transition, a period of trial and error, during which India will have to prepare for its destiny and during which the Centre must possess large, over-riding powers of control and direction—powers which may be kept in reserve and may be sparingly used and finally abandoned, but which must be available for effective use if and when occasion arises.

134. Till nationalism has acquired sufficient strength to permit the formation of autonomous-provinces, the true nature and function of a province under our Constitution should be that of an administrative unit functioning under delegated authority from the Centre and subject to the Centre's over-riding powers in regard to its territory, its existence, and its functions. These powers are required to form new provinces and to mitigate the rigour of government by linguistic majorities, to prevent a breakdown of the administration on account of disputes amongst linguistic groups, to check fissiparous tendencies and strengthen national feeling, and above all to build up an Indian nation.

135. An immediate solution has, however, to be found for the desire for separation which exists among the Telugus, Malayalees, Kannadigas, and Maharashtrians. These linguistic groups are entitled to their legitimate share in the administration, government, and development of their provinces. Two of these linguistic groups, namely, Malayalees and Kannadigas, are situated at the tail-end of their provinces and represented by ineffectual minorities in their legislatures. Two others, namely, the Telugus and the Maharashtrians in C. P. & Berar, are represented by large, virile, and group-conscious minorities; but they are faced with equally group-conscious majorities and the two refuse to coalesce and produce a harmonious government. The clash and conflict, which exists between them, has brought the administration in Madras to a breaking point, and C. P. & Berar are also showing signs of going the same way. No particular grievance would seem to exist in the case of the Bombay Maharashtra group.

136. A number of constitutional safeguards were suggested to us to prevent such breakdown. One commonly-favoured suggestion was that the Governor should always come from another province and should be selected by the Centre, for his character and ability and armed with powers to prevent injustice to minorities, and charged with this duty in his Instrument of Instructions. Another suggestion was that Provincial subjects should be reduced and joint subjects enlarged, and the Centre given residuary and over-riding powers. The third was that the Government in these provinces should be run by turns by linguistic groups, or be divided into administrative regions, and that the Centre should impose conventions in regard to these matters under which the administration might be carried on. We have not considered in detail these and other similar suggestions made to us as it is not strictly within our province to do so. They all, however, lead to the inference that the Centre must be armed with over-

riding powers and must assume responsibility to guide democracy till Indian nationalism has been sufficiently strengthened and democracy is able to stand on its own legs.

137. The only good that we can see in a linguistic province is the possible advantage it has in working the legislature in the regional language. But this is more than counter-balanced by the obstruction the linguistic provinces will inevitably cause to the spread of national language or national feeling in the country. It is claimed—and the view is sincerely held—that the Telugu, Malayalee, Kannadiga, or Maharashtrian will be a better nationalist by being put in a linguistic province than without it. It is said that, by being put in a linguistic province, each linguistic group will be happier and stronger and will be able to develop according to its genius, and a stronger group will be able to serve India better and consequently will be a better nationalist. We are convinced that this is a mistaken view. The emotional response, which the sub-national sentiment will receive from a linguistic province, will always be greater than the one received by the national sentiment. The linguistic group, by being put into a linguistic province, may or may not become stronger; but it does not follow that by being stronger it will become more nationalistic in outlook. Nationalism and sub-nationalism are two emotional experiences which grow at the expense of each other. In a linguistic province sub-nationalism will always be the dominant force and will always evoke greater emotional response; and, in a conflict between the two, the nascent nationalism is sure to lose ground and will ultimately be submerged.

138. No doubt it is a fact that in some of the existing provinces linguistic homogeneity exists, and this is a source of constant irritation to the other linguistic groups who are living in heterogeneous provinces. As soon as India has been physically and emotionally integrated, the Indian State problem solved and the national sentiment strengthened, the scientific planning of the existing provinces of India can be taken in hand as far as practicable and this invidious distinction obliterated; but till then it has to be accepted as an accident of history and all sub-national tendencies in the existing linguistic provinces should be suppressed.

139. It is true that these linguistic groups, who are clamouring for separate provinces, are not happy in their present surroundings and the friction and differences which subsist between them, constitute a serious threat to good government. This has already become a major administrative problem. But the mere fact that two large communities cannot get on together is no valid reason for breaking up a province even when these communities are numerically large enough, economically strong enough, and geographically contiguous enough to form provinces of their own. The principle underlying this separation would be so dangerous in its application to the rest of India that the strongest advocates of linguistic provinces have been compelled not to base their demand on this ground which is really at the back of their minds, but to make it on other ostensible grounds like benefit to democracy or preservation and development of their language and culture. Not only the groups, whose cases we are considering, but many other linguistic groups in so-called homogeneous provinces, as also many other communal groups, who have as strong an individuality as these linguistic groups possess, are not happy in their present surroundings. And if once this principle is recognised, it will set the ball rolling for the disintegration of the entire country. And we do not think that the case is any further advanced by the fact that these groups are not only discontented groups but also linguistic groups.

140. It is said that Congress pledges are behind this demand, and that the Congress has formed its provinces on a linguistic basis that the present political leadership of the country is committed to it, that the desire for these provinces has sunk deep down into the masses, and that, if it is now delayed or denied,

it will cause serious discontent. There may be some truth in all this, but we trust that the political leadership in the country will rise to the occasion and guide the country to its duty. The Congress did not form its provinces on a linguistic basis alone, and so far as we are aware, has not committed itself to any time limit in regard to the formation of these provinces, unless it be that the time-limit intended by the Congress was the attainment of Swaraj. But freedom has come to us in a way unforeseen and unthought-of and has brought in its train problems and dangers never dreamt of. In view of the dangers, which now surround our country, and in the circumstances that now exist, the Congress stands relieved of all past commitments and it is its right as also its duty to come to a fresh decision on the subject in the light of the present circumstances.]

141. The caste system and sectional and group interests stir up some of the deepest emotions in the Indian heart. Those patriotic persons, who fought the battle of freedom under the banner of the Congress and who are now agitating for separate provinces, share the sentiments of their countrymen. [They find it difficult to understand how they will become less national-minded and less patriotic by harbouring sentiments, which they had cherished all along and for which a linguistic province is a natural expression, when these very sentiments did not stand in the way of their uniting and making immense sacrifices for the cause of Indian freedom in the struggle against British Imperialism. They do not realise that nationalism born under the stress of foreign domination or of the fear of external aggression cannot stand the strain of normal times unless there is some deeper unity to support it when the stresses which have brought it into being disappear. History is replete with examples of great movements born of a sudden surge of feeling meeting with disaster when the moving stimulus was withdrawn.] And Indian unity and Indian nationalism, which are yet in their infancy, will not be able to bear the strain of normal times, unless the mass psychology undergoes a radical change and ceases to think in terms of 'mine' and 'thine' in so far as the nation and the State are concerned. If India is to live, there simply cannot be an autonomous State anywhere in India for any group, linguistic or otherwise; and no sub-national province can be formed without preparing the way for ultimate disaster.]

142. So clear is the force of logic with which the case of Indian nationalism presents itself to an unprejudiced mind, and at the same time so keen is the desire for linguistic provinces in certain areas that all sensible advocates of such provinces are even prepared to abandon provincial autonomy and accept a unitary Government for India. All the best evidence presented before us is unanimous regarding a strong Centre with over-riding powers and a compulsory national and official language to be enforced by statute. If India decides that the existing linguistic provinces should be retained and others formed in the future, it must prepare itself for a unitary government at least for the period of transition. And the Constitution should provide for a gradual devolution of power to provinces with full autonomy only when Indian nationalism has been sufficiently strengthened. This is the least margin of safety under which these linguistic provinces can be permitted to function.

[143. This inquiry in some ways has been an eye-opener to us. The work of sixty years of the Indian National Congress was standing before us face to face with centuries-old India of narrow loyalties, petty jealousies, and ignorant prejudices engaged in a mortal conflict, and we were simply horrified to see how thin was the ice upon which we were skating. Some of the ablest men in the country came before us and confidently and emphatically stated that language for this country stood for and represented the culture, tradition, race, history, individuality, and, finally, a sub-nation; that the government of a linguistic group could not be safely left in the hands of a multi-lingual group; and that each linguistic group must have a territory of its own and that its territory was in-

violate and could not be shared by any other linguistic group. And it is fair to state that these were not individual views, but the views of a great many of our countrymen. The bitter dispute which rages between Tamils and Telugus in regard to the city of Madras and, in a greater degree, between the Mahrathas and Gujaratis about the city of Bombay, reveals a mentality which to our mind will be the death-knell of Indian nationalism.)

144. The basic facts of the Indian situation are well-known and well-settled, and are not in dispute on either side. India can only live by the strength of its nationalism; Indian nationalism must find its expression in democracy and not in a kind of fascism: that democracy in this country can only function through a Federation as an absolute unitary government for such a vast country is neither desirable nor practicable; and a Federation requires contented and happy units and some measure of autonomy for these units.

145. Our masses have been exploited and have long been suffering and their relief is overdue: and they are entitled immediately to the widest possible education and the widest possible franchise; and all these objectives have to be achieved within the framework of a society, which is caste-ridden, Group-conscious, and in the grip of reactionary vested interests, religious and secular. So far there is no dispute. The dispute arises in marking out the spheres, within which, the nationalism of the country and its reactionary tendencies have to find an outlet.

146. These linguistic provinces make a strong appeal to the imagination of many of our countrymen and there exists a large volume of public support in their favour. Indeed, in the coastal districts of Andhra, the demand has become, in the words of one of its leading advocates, "a passion and has ceased to be a matter of reason"; and the heat and passion and controversy, which gathered round the work of this Commission and which we witnessed during the course of our work, are in themselves a proof of the intensity of feeling which exists on this subject. The non-fulfilment of a demand of this nature may easily lead to a sense of frustration, and there is grave risk in turning it down; and such a risk can only be justified in the interests of national emergency.

147. In our opinion, however, such an emergency exists at present in this country. The first and last need of India at the present moment is that it should be made a nation. The Constitution, which is now being forged for India, as also all the multifarious problems, which clamour for an immediate solution, have got to be considered in relation to this paramount necessity. Everything which helps the growth of nationalism, has to go forward, and everything, which throws obstacles in its way, has to be rejected or should stand over. We have applied this test to linguistic provinces also, and judged by this test, in our opinion, they fail and cannot be supported.

148. It has given us no pleasure to come to a decision, which runs counter to the cherished desires of so many countrymen of ours in Andhra, Kerala, Karnataka and Maharashtra. Throughout this inquiry a strong and able opinion has ranged itself against the formation of these linguistic provinces outside the areas in which the demand was put forward. This opinion proceeded from persons in all walks of life, including some of our ablest administrators and most distinguished countrymen. The case against the formation of linguistic provinces and the arguments by which it was supported have been adverted to in an earlier portion of this Report. If it were possible to decide the question of formation of linguistic provinces with reference to the wishes of the people who want these provinces alone, we should have been prepared to gratify their wishes. We do not think, however, that a question of such

national importance can be decided with reference to such wishes without taking into account the repercussions, which they would have on the country as a whole. And, judging that way, we have come to the conclusion, reluctantly but definitely, that the case against linguistic provinces is the sounder of the two.

149. But this finding does not dispose of the administrative problems, which already exist, having regard to the mutual relations of these linguistic groups, nor does it in any way militate against the formation of administrative provinces out of these linguistic areas should such provinces be decided upon in future on purely administrative considerations.

150. An urgent case, however, exists for adjusting the relations of the various linguistic groups in the government of the existing provinces. Two of these linguistic groups, Kerala and Karnataka, being situated at the tail-end of their provinces and represented by ineffective minorities, have undoubtedly suffered in their development. There can be no doubt that they would prosper and be able to manage their affairs much better under their own government nearer home if such a government were possible. The cases of Andhra and C.P. Maharashtra are more complicated and have a political colouring. The clash and conflict, which strains the relations between Telugus and Tamils in Madras, is a serious handicap to the efficient administration of that province. And this is also true, though in a much lesser degree, of the relations between Mahavidarbha and Mahakoshal in the province of C.P. and Berar.

151. The evidence placed before us does not lead to the conclusion that the existing provinces of Madras, Bombay, C.P. & Berar are administratively inconvenient or that their re-formation on administrative grounds is immediately necessary and cannot wait. But it is not unlikely that when Indian States have aligned themselves with Indian provinces and India has been physically and emotionally integrated and has stabilised itself some of the existing Indian provinces may have to be re-formed. In any rational and scientific planning, which may then take place, the natural place of Malabar will be with Cochin and Travancore and of the Union Karnataka with Mysore and their problems will be automatically solved. In such a planning it may not be generally necessary to break up the bilingual border districts and they may be disposed of on their individual economic and historical affinities and Capital cities like Bombay and Madras should receive special treatment, which their interest and the larger interests of the nation may demand. Subject to the above and other relevant considerations, if re-formed provinces present features of linguistic homogeneity also that will be an additional advantage. If the government of the day should decide to re-form these provinces, an attempt should be made to secure the agreement of the parties concerned, which alone would ensure future harmonious relations.

152. Our conclusions, therefore, are :—

- (1) The formation of provinces on exclusively or even mainly linguistic considerations is not in the larger interests of the Indian nation and should not be taken in hand.
- (2) The existing provinces of Madras, Bombay, C.P. and Berar present serious administrative problems for which an administrative solution is urgently necessary and it is for the Centre to find a satisfactory solution of these problems.
- (3) The aforesaid problems do not call for an immediate re-formation of provinces. As soon as Indian States have been integrated and the country has stabilised itself and other conditions are favourable they may be re-formed and convenient administrative provinces set up.

- (4) In the formation of new provinces, whenever such a work is taken in hand, oneness of language may be one of the factors to be taken into consideration along with others; but it should not be the decisive or even the main factor. Generally speaking, bilingual districts in border areas, which have developed an economic and organic life of their own, should not be broken up and should be disposed of on considerations of their own special needs. Similarly, the cities of Bombay and Madras should receive special treatment and be disposed of in the best interests of India as a whole and in their own interests. Subject to the above and other relevant and paramount considerations, if some new provinces come into being and produce more or less linguistic homogeneity they need not be objected to.
- (5) If any powers are necessary for the Centre for a proper solution of the administrative problems in the provinces the Constitution should provide for them.

153. We find that no new provinces out of those referred to us should be formed for the present; and, in view of this finding, the other questions referred to us do not arise and need no answer.

154. Our Associate Members have given us invaluable help in selecting witnesses, in bringing out points for and against during the examination of witnesses and in advising us generally in matters with which they were familiar and which were new to us. We gratefully acknowledge the help which we have received from them.

155. Next, we desire to express our warm thanks to our Secretary, Shri B. C. Banerji, M.A., I.A. & A.S., specially for the pains he has taken in examining the financial position of the proposed new provinces, which he has described in Chapter III. His experience as a senior Accountant-General has been of great value and help to the Commission.

156. Lastly, we have to record our thanks to the Secretariat of the Constituent Assembly for making available to us a great deal of material which they had collected, for the excellent staff which they placed at our disposal, and for the willing co-operation which they extended to us throughout our inquiry.

S. K. DAB,
Chairman.

PANNA LALL }
JAGATNARAIN LAL } *Members.*

B. C. Banerji,
Secretary.

New Delhi, the 10th December, 1948.

APPENDIX I

(i) Recommendation of the Drafting Committee

"The Committee has anxiously considered the question whether Andhra should be specifically mentioned as a separate State in this Schedule. There was recently a statement by the Government on this subject, in which it was said that Andhra could be included among the provinces in the Constitution as was done in the case of Orissa and Sind under the Government of India Act, 1935. Accordingly the Committee was at one stage inclined to mention Andhra as a distinct State in the Schedule. On fuller consideration, however, the Committee feels that the bare mention of the State in the Schedule will not suffice to bring it into being from the commencement of the new Constitution. Preparatory steps will have to be taken immediately under the present Constitution in order that the new State, with all the machinery of government, may be in being from the commencement of the new Constitution. This was what was done in the case of Orissa and Sind under the Act of 1935; they were made into separate provinces with effect from April 1, 1936, while the Act came into operation on April 1, 1937. The Committee therefore recommends that a Commission should be appointed to work or inquire into all relevant matters not only as regards Andhra but also as regards other linguistic regions, with instructions to submit its report in time to enable any new States whose formation it may recommend to be created under section 290 of the Act of 1935 and to be mentioned in this Schedule before the Constitution is finally adopted."

(ii) Constituent Assembly of India

The Secretariat of the Constituent Assembly of India has issued the following Press communiqué:—

The question of the formation of certain new Provinces has been engaging public attention for some time. The Drafting Committee appointed by the Constituent Assembly of India recommended that a Commission should be appointed to enquire into and work out all relevant matters in connection with the formation of such Provinces with instructions to submit their report in time to enable the new States, whose formation such Commission may recommend to be created under Section 290 of the Government of India Act, 1935, as adapted, to be mentioned thereafter in the First Schedule to the Draft Constitution before the Constitution is finally adopted.

2. The President of the Constituent Assembly has accordingly been pleased to appoint the following Commission to examine and report on the formation of new Provinces of Andhra, Karnataka, Kerala and Maharashtra and on the administrative, financial and other consequences of the creation of such new Provinces. With the Commission will be associated the following Associate Members who will share freely in the proceedings of the Commission in so far as they are concerned but not take part in drafting or signing the report:—

- | | |
|--|------------|
| 1. Shri S. K. Dar (Retired Judge, Allahabad High Court). | Chairman. |
| 2. Dr. Panna Lal, C.S.I., C.I.E. (Retired Member of the Indian Civil Service). | } Members. |
| 3. Shri Jagat Narain Lal (Member, Constituent Assembly of India). | |
| 4. Shri B. C. Banerjee (Accountant-General, Bihar). | Secretary |

Associate Members

FROM MADRAS —	LINGUISTIC AREA REPRESENTED
1. The Hon'ble Shri Ramakrishna Raju (President, Madras Legislative Council)	Andhra.
2. Shri T. A. Ramalingam Chettiar (Member, Constituent Assembly of India).	Tamilnad.
3. Shri Narayana Menon, of Palghat (Member, Madras Legislative Council).	Kerala.
4. Shri Tokuri Subramanyam of Bellary	Karnataka.
 FROM BOMBAY—	
1. Shri K. M. Munshi (Member, Constituent Assembly of India).	Gujarat.
2. Shri R. R. Diwaker (Member, Constituent Assembly of India).	Karnataka.
3. Shri H. V. Pataskar (Member, Constituent Assembly of India).	Maharashtra.
 FROM THE CENTRAL PROVINCES & BERAR—	
1. Shri T. L. Sheode (Retired Judge, Nagpur High Court).	Maharashtra.
2. Shri Gopilal Shrivastava (Advocate, Suagor).	Mahakoshal (Hindi-speaking areas).
3. The terms of reference to the Commission are as follows:—	
(1) What new Provinces, if any, from among those specified in paragraph 2 above should be created and what broadly should be their boundaries, it being understood that the precise demarcation of the boundaries would be considered later by a Boundary Commission?	
(2) What should be the administrative, economic, financial and other consequences in each Province to be so created?	
(3) What would be the administrative, economic, financial and other consequences in the adjoining territories of India?	

APPENDIX II

CONSTITUENT ASSEMBLY OF INDIA

LINGUISTIC PROVINCES COMMISSION

Questionnaire regarding the proposed Provinces of Andhra, Karnataka, Kerala and Maharashtra

PART I

1. Should Andhra, Karnataka, Kerala or Maharashtra be constituted into a separate Province on a linguistic basis?

2. What should be the boundary of the new Province? Please mention the districts and taluks which you would wish to be included in the new Province and give reasons in support of your opinion.

3. Should the new Province be constituted into a fullfledged Governor's Province with a Council of Ministers, the Legislature, a High Court, and Advocate-General, a Public Services Commission and an Auditor-in-Chief?

4. What do you think of the alternative scheme of constituting the proposed Province into a sub-Province of an existing Province with autonomous administrative machinery of its own?

5. Should the new Province have a separate administrative machinery for all the Government Departments, or should it have joint administration for any of the Departments with a neighbouring Province? Under this head the following subjects may be considered:—

- (1) Justice, (2) Police, (3) Public Works, (4) Medical and Public Health, (5) Higher Education, and (6) Forest.

6. What should be the strength of the Council of Ministers? What pay and allowances would you recommend for each Minister?

7. Should the Legislature of the new Province be unicameral or bicameral and what should be the salary of its members?

8. How many Judges should the High Court have besides the Chief Justice?

9. How many members should the Public Services Commission have including the Chairman and what should be their salary?

10. Should the new Province have a University of its own? If so, should it have an honorary Vice-Chancellor or a salaried one and, in the latter case, what should be his salary?

11. Should there be a head for each Department of Government (including the Board of Revenue) or would you like to have more Departments than one placed under one controlling officer? Indicate the heads of Departments which you would propose for the Province and the salary that you would allow to each.

12. What scales of pay would you propose for the various Services?

13. If you find it convenient, please prepare rough estimates of income and expenditure of the new Province under the various major heads.

14. If, according to your estimates, the probable revenues of the new Province are not sufficient to meet the expenditure and the new Province is faced with a recurring deficit, how would you propose to meet the deficit? What steps would you recommend for increasing the revenues of the Province? Would you suggest fresh taxation? If so, please give details.

15. Do you contemplate the merger of any Indian States in your Province? If so, which and why? Has the opinion of the people of those States been ascertained to be in favour of the merger? Suppose the States do not wish to join your Province, would you still have the new Province created?

16. Where should the seat of Government of the new Province be located? How would you meet the cost of the creation of the new capital?

17. What would be the economic consequences of the creation of the new Province? Under this head the following subjects may be considered:—

- (1) Agriculture, (2) Industry, (3) Forest, (4) Minerals, (5) Trade and Commerce, (6) Economic Development, (7) Public Health, and (8) General prosperity of the people.

18. What in your opinion should be the basic principle or principles for the division of assets and liabilities?

19. Do you think the creation of the new Province will lead to a large-scale transference of population and consequent human suffering? If you do, what steps would you suggest for its prevention?

20. Have you any proposals to make regarding the cities of Bombay and Madras (including the ports and suburbs)? Do you think they should be included in any Province; if so, which? Would you favour the formation of these cities into separate Provinces or sub-Provinces? If so, please give facts and figures in justification of your view-point.

PART II

(For Tamilnad, Gujarat and Hindi C.P.)

21. Do you agree to the carving out of the proposed new Provinces of Andhra, Karnataka, Kerala and Maharashtra?

22. What effects, administrative, financial and economic, are likely to be produced on the remaining parts of the existing Provinces after the new Provinces have been formed out of them?

23. Please prepare rough estimates of income and expenditure under the various major heads for those parts of the existing Provinces which would remain after the creation of the new Provinces.

N.B.—Replies to this questionnaire should reach the Secretary of the Linguistic Provinces Commission, Constituent Assembly of India, Council House, New Delhi, by the 16th August, 1949.

APPENDIX III**Sri Bagh Pact**

As approved by the Andhra Provincial Congress Committee.

University:—This Committee is of opinion that the two University centres are to be developed under the Andhra University, one at Waltair and the other at Anantapur so as to distribute the centres of culture over the Andhradesa, and create opportunities for social and cultural intercourse amongst the Andhras and locate colleges in areas favourable to the subjects dealt with.

Irrigation:—That to ensure the rapid development of the Agricultural and Economic interests of Rayalaseema and Nellore on to the level of those in the Coastal districts, schemes of irrigation should, for a period of ten years or such longer period as conditions may necessitate, be given a preferential claim specially in respect of the utilization of the waters of Thungabhadra, Krishna and Pennar giving for ten years exclusive attention in respect of Major projects beneficial to these areas.

That whenever the question of sharing waters arises the needs of the aforesaid areas be the first met and that this policy be implemented as from today in the administration of the province.

Legislature:—That in the matter of general seats in the Legislature the distribution shall be generally on an equal district basis.

It is agreed that the location of the University, the Headquarters and the High Court may advantageously be in different places so as not to concentrate all civic importance at the same centre.

Accordingly it is agreed that while the University may continue to be where it is, the High Court and the Metropolis be located in suitable places in the coastal districts and the Rayalaseema, the choice being given to the Rayalaseema.

It shall, however, be open to vary these terms by common consent.

APPENDIX IV

The Akola Pact

It is agreed that there shall be one province of United Maharashtra (Samyukt Maharashtra) with sub-provinces for the Marathi-speaking areas, Central Provinces and Berar, commonly styled Mahavidarbha, and West Maharashtra with separate legislatures and cabinets for the sub-provinces and with specified subjects under their jurisdiction. The province shall have the right to create other sub-provincial units whenever found necessary and feasible. There shall be one Governor and one Deputy Governor for the whole province elected by the whole province and a provincial cabinet and legislature dealing with the provincial subjects. The provincial legislature shall be composed of representatives of the people on the basis of population. The elections to the sub-provincial legislatures shall be held separately. Two High Courts shall function independently for the two-sub-provinces except for a common tribunal set up for specific jurisdiction. There shall be a common public services commission for the whole province.

Shankarrao Deo

M. S. Aney

P. S. Deshmukh

Srimannarayan Agrawal

D. V. Gokhale

Brijlal Biyani

Datto Wanan Potdar

G. T. Madkholkar

S. K. Wankhede

Pandharinath Patil

P. Raka

Ramrao Deshmukh

D. R. Gadgil

Gopalrao Khedkar

Pramila Oke

G. R. Kulkarni

In case it becomes impossible on account of any circumstances to create a province of United Maharashtra in the manner outlined in the accompanying agreement, it is agreed that all efforts should be made for the formation of a separate province of Maha Vidarbha.

AKOLA,
Sd. August 47.

Sd. SHANKARRAO DEO.
Sd. BRIJLAL BIYANI.

APPENDIX V

TABLE I

Indian Provinces, Unions and some States with their Areas, Population and Revenues.

PROVINCES

	Area in Sq. Miles	Population (In lakhs)	Revenue (In lakhs of rupees)
Madras	1,26,166	4,93·42	5,519·17
Bombay	76,443	2,08·50	4,349·45
Bengal	27,748	2,12·11	1,883·26
U. P.	1,06,247	5,50·21	3,935·81
Punjab	37,058	1,26·17	682·38
Bihar	69,745	3,63·40	1,793·39
C. P. & Berar	98,575	1,68·14	1,240·41
Orissa	32,198	87·28	649·67
Assam	50,296	7,74·71	696·65

UNIONS

	Area in Sq. Miles	Population (In lakhs)	Revenue (In lakhs of rupees)
Saurashtra (217 States)	31,885	35·22	800·00
The United State of Matsya (4 States)	7,536	18·38	183·06
The United State of Vindhya Pradesh (35 States)	24,610	35·69	243·30
The United State of Rajasthan (19 States)	29,977	42·61	316·67
Gwalior-Indore Union (20 States)	46,273	71·50	776·42
Patiala and East Punjab Union (8 States)	10,119	34·24	500·00

STATES

	Area in Sq. Miles	Population	Revenue (In lakhs of rupees)
Baroda	8,235	2,855,010	395.00
Hyderabad	82,313	16,338,534	2,463.10
Jammu & Kashmir	84,471	4,021,616	386.65
Mysore	29,458	7,329,140	1,176.82
Travancore	7,662	6,070,018	611.25
Bikaner	23,181	1,292,938	222.77
Cochin	1,493	1,422,875	266.57
Jaipur	15,610	3,040,876	303.00
Jodhpur	36,120	2,555,904	224.34

TABLE II

Claimed Linguistic Units; Their Area, Population and Revenue.

Unit	Area in Sq. Miles	Population	Revenue (In lakhs of rupees)
Andhra	67,025	1,87,84,304	1,207
Kerala	5,790	39,29,425	332
Karnataka,— 4 Dts. of Bombay 1 Dt. of Madras	22,813	53,67,099	424
Maharashtra, Bombay & C. P.	83,968	1,81,93,208	1,582
Tamil Nad	49,276	2,43,27,084	1,848
Gujarat	10,389	40,92,713	516
Mahakosal	61,710	97,92,890	509
Maharashtra Bombay 10 Dts.	47,103	1,11,72,514	934
Mahavidarbha C. P. 8 Dts.	36,865	70,20,694	647
Madras City	30	7,77,481	460
Bombay City	30	14,89,883	1,320

FINANCIAL APPENDIX*Statement I—Statement of Revenue and Expenditure*

- A—ANDHRA
- B—KERALA
- C—KARNATAKA
- D—MAHARASHTRA

Statement II—Statement of Revenue and Expenditure by Major Heads of Account

- A—ANDHRA
- B—KERALA
- C—KARNATAKA
- D—MAHARASHTRA

Statement III—Statement of Assets and Liabilities as on 31-3-1949

- (i) Madras Presidency.
- (ii) Bombay Presidency.
- (iii) C.P. & Berar. (Not received).

STATEMENT I
**Statement of Revenue and Expenditure*
A.—ANDARA

District	REVENUE				EXPENDITURE			
	1945-46	1946-47	1947-48	Average	1945-46	1946-47	1947-48	Average
1. Vizagapatam	1,74·70	1,88·67	2,25·34	1,96·24	1,43·29	1,76·19	1,85·22	1,68·23
2. Godavari East	1,89·80	2,13·23	2,46·60	2,16·54	1,05·84	1,27·41	1,41·89	1,25·05
3. Godavari West	1,19·35	1,60·57	1,68·88	1,49·60	68·76	78·53	93·94	80·41
4. Kistna	1,62·97	1,90·92	1,92·97	1,82·29	79·65	93·34	1,05·71	92·90
5. Guntur	1,74·83	2,01·63	1,76·03	1,84·16	1,03·97	1,26·27	1,39·97	1,23·40
6. Nellore	85·13	89·25	79·73	84·71	72·44	94·19	95·82	87·48
7. Cuddapah	53·90	53·06	44·90	50·62	52·99	66·45	68·85	62·76
8. Anantapur	69·63	60·04	46·02	58·56	58·25	88·71	74·71	73·89
9. Bellary	82·28	72·45	59·06	71·26	67·04	84·38	84·29	78·57
10. Kurnool	92·88	73·07	58·85	74·93	61·09	73·45	77·61	70·72
11. Chittoor	67·04	61·67	45·09	57·93	59·46	92·67	79·52	77·22
TOTAL	12,72·51	13,64·56	13,43·47	13,26·84	8,72·78	11,01·59	11,47·53	10,40·63

*This does not take into account Receipts & Expenditure in Forest, P. W. & Electricity Divisions & Andhra's share of unallocated items of Revenue and Expenditure.

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B.—KERALA

REVENUE				EXPENDITURE			
1945-46	1946-47	1947-48	Average	1945-46	1946-47	1947-48	Average
316·01	362·78	364·56	347·78	285·46	464·16	408·15	385·92

C.—KARNATAKA

S. No.	District	REVENUE				EXPENDITURE			
		1945-46	1946-47	1947-48	Average	1945-46	1946-47	1947-48	Average
<i>Bombay Presidency—</i>									
1.	Belgaum	43,73,531	32,63,112	88,19,900	54,85,514	80,88,829	1,14,48,592	1,46,82,900	1,14,06,776
2.	Bijapur	27,74,547	25,23,578	57,46,500	36,81,542	85,71,580	1,15,56,954	2,67,74,000	2,27,15,922
3.	Dharwar	42,03,379	33,08,220	80,60,000	51,90,533	90,62,253	1,21,82,980		
4.	Kanara	16,92,248	22,98,034	26,95,100	22,28,461	48,21,920	59,03,302	77,53,700	61,59,641
<i>Madras Presidency—</i>									
5.	South Kanara	1,10,89,783	1,35,10,155	1,09,44,005	1,21,47,981	72,94,462	84,75,507	92,79,419	83,49,706
TOTAL		2,50,33,488	2,49,03,099	3,62,65,505	2,87,34,031	3,78,39,044	4,95,67,335	5,84,90,019	4,86,132,135

NOTE.—This statement does not include Receipts and Expenditure from Forests. Revenue and Expenditure from Provincial Excise have not been included in the figures for 1945-46 and 1946-47.

D. (i) 10 DISTRICTS OF BOMBAY MAHARASHTRA.

REVENUE

No.	District	1945-46	1946-47	1947-48	Average
					31
					27
1	Thana	53,55,941	43,96,177	1,03,51,700	67,1,273
2	Ahmednagar	30,86,324	37,18,928	74,27,000	47,44,084
3	E. Khandesh	30,70,504	63,20,430	1,03,01,500	65,64,145
4	W. Khandesh	24,22,395	41,21,455	67,63,300	44,35,717
5	Nasik	50,96,969	45,94,798	97,25,100	64,72,289
6	Poona	1,00,17,911	1,08,05,321	1,60,24,500	1,56,15,911
7	Satara	30,91,122	38,35,961	73,81,100	47,69,394
8	Sholapur	33,73,060	36,63,295	97,52,600	55,96,318
9	Ratnagiri	19,69,179	24,29,540	47,18,700	30,39,139
10	Kolaba	13,65,272	14,67,312	46,95,700	25,09,428
	Grand Total	3,88,48,677	4,53,53,217	9,71,41,200	6,04,47,698
11	Bombay City (including Bombay Suburbs).	6,56,06,163	6,62,30,034	13,22,82,700	8,80,39,632
	Grand Total	10,44,54,840	11,15,83,251	22,94,23,900	14,84,87,330

NOTE.—The Statement does not include Receipts and Expenditure for Forest Revenue and Expenditure from Provincial Excise have not been included in the figures for 1945-46 and 1946-47.

EXPENDITURE

S. No.	District	1945-46	1946-47	1947-48	Average
1	Thana	1,68,37,586	1,12,10,428	1,40,21,800	1,40,23,271
2	Ahmednagar	67,92,106	1,02,22,873	1,29,16,900	99,77,293
3	E. Khandesh	84,14,821	58,59,743	1,48,59,500	97,11,354
4	W. Khandesh	47,50,237	58,73,717	1,14,64,618	73,62,854
5	Nasik	77,04,222	90,45,798	1,48,41,600	1,05,30,546
6	Poona	2,54,01,842	2,75,57,027	4,11,96,800	3,13,85,224
7	Satara	91,30,414	80,31,368	1,40,44,300	1,04,02,027
8	Sholapur	69,43,705	67,79,261	1,25,88,200	87,70,384
9	Ratnagiri	63,32,571	75,23,709	1,30,19,200	89,58,493
10	Kolaba	20,77,827	31,48,018	62,53,400	38,56,415
	Grand Total	9,43,85,331	9,52,51,942	15,52,06,318	11,49,47,863
11	Bombay City (including Bombay Suburbs).	5,52,36,759	7,84,58,077	7,64,07,400	7,00,34,079
	Grand Total	14,96,22,090	17,37,10,019	23,16,13,718	18,49,81,942

NOTE.—The Statement does not include Receipts and Expenditure for Forest Revenue and Expenditure from Provincial Excise have not been included in the figures for 1945-46 and 1946-47.

(ii) 8 DISTRICTS OF C. P. MAHARASHTRA.

*REVENUE

District	1945-46	1946-47	1947-48	Average
Akola	60,17,693	60,27,934	63,96,017	61,47,215
Amroati	84,17,515	86,62,031	77,76,668	82,85,405
Buldana	51,80,008	53,90,854	56,61,536	54,10,799
Yeshwantpur	42,43,074	45,38,488	47,47,515	45,09,692
Bhandara	52,45,969	53,88,786	49,09,835	51,81,530
Chandrapur	39,47,128	57,27,479	60,99,043	52,57,883
Nagpur	1,30,18,280	1,20,26,561	1,37,98,609	1,29,47,817
Wardha	16,91,400	18,41,847	18,41,847	17,91,698
Total	4,77,61,067	4,06,03,980	5,12,31,070	4,95,32,039

*Based on the figures supplied by the A. G., C. P., and does not include Taxes on Income, extraordinary Receipts, and Miscellaneous adjustments.

EXPENDITURE

District	1945-46	1946-47	1947-48	Average
Akola	46,20,824	61,30,517	72,42,484	59,97,942
Amroati	61,68,380	74,12,786	85,46,241	73,75,802
Buldana	25,85,034	32,58,831	39,70,499	32,71,455
Yeshwantpur	24,90,011	28,44,439	33,40,887	28,91,779
Bhandara	17,49,583	22,38,171	27,23,275	22,37,010
Chandrapur	33,87,689	35,75,677	39,01,268	36,21,545
Nagpur	4,64,98,106	4,52,50,622	3,12,58,228	4,10,02,319
Wardha	12,42,443	17,25,658	20,79,374	16,82,492
Total	6,87,42,070	7,24,36,701	6,30,62,256	6,80,80,344

STATEMENT II

Statement of Revenue and Expenditure by Major Heads of Account

A—ANDHRA

REVENUE

Years	VII Land Revenue	VIII Pro. Excise	IX Stamps	X Forests	XI Regis- tration	XII Receipts from M.V.Accts.	XIII Other taxes and duties	XLI Receipts from elec'y.	Other heads	Total
1945-46	323·83	560·01	119·13	45·87	21·04	23·50	182·07	11·89	252·91	1540·25
1946-47	261·95	501·70	137·14	35·40	22·90	34·54	208·68	13·22	502·60	1718·1
1947-48	358·75	418·37	104·80	55·50	24·62	44·86	250·41	15·32	430·37	1703·00

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EXPENDITURE

	25. Gen. Admn.	27. Admn. of Justice	28. Jails	29. Police	37. Educa- tion	38. Medi- cal and 39 P. H.	40. Agri- 41 Vety. 42 Co-op.	43. In- dustries.	55. Pen- sions	Other heads.	Total
1945-46	186·57	48·13	16·96	103·75	176·34	90·96	61·88	12·72	47·17	460·01	1204·49
1946-47	245·39	53·71	17·83	137·62	227·41	116·55	66·84	29·03	88·96	1201·30	2144·64
1947-48	10·93	55·35	22·80	165·24	266·93	165·73	80·16	27·45	54·57	626·12	1705·34

BANGLADESH

REVENUE

	VII Land Revenue	VIII Provincial Excise	IX Stamps	X Forests	XI Regis- tration	XII Receipts from M. V. Accts.	XIII Other taxes and duties	XLI Receipts from elec. schemes	Other heads	Total
1945-46	46·82	65·87	27·93	27·12	7·62	8·69	62·98	..	68·98	316·01
1946-47	23·57	77·55	22·91	33·38	7·65	10·90	73·84	..	112·98	362·78
1947-48	47·85	41·00	13·32	39·99	7·79	15·00	80·42	..	119·19	364·56

EXPENDITURE

	25. Gen. Admn.	27. Admn. of Justice	28. Jails	29. Police	37. Edu- cation	38. Medi- cal and 39 P. H.	40. Agri. 41. Voty. 42 Co-op.	43. Indus- tries	55. Pensions	Other heads	Total
1945-46	19·79	12·50	3·62	25·26	64·69	19·01	5·32	21·22	14·94	99·11	285·46
1946-47	15·63	13·62	3·96	27·09	84·04	25·34	14·50	14·52	16·23	249·23	464·16
1947-48	32·17	13·38	4·76	32·34	110·42	34·62	11·62	26·88	18·32	123·64	408·15

C.—KARNATAKA

RECEIPTS

(In lakhs of rupees)

Year	VII Land Revenue	VIII Provincial Excise	IX Stamps	X Forests	XII Receipts under Motor Vehicles	XIII other Taxes & duties	XXIX Ag-culture	Other heads]	Total
1945-46	97.79	Not shown	29.20	Not shown	57.30	23.32	7.23	127.79	292.63
1946-47	79.41	"	31.18	"	10.96	27.24	6.67	114.47	269.93
1947-48	86.91	119.88	32.97	78.01	14.39	53.06	13.01	42.41	440.64

EXPENDITURE

(In lakhs of rupees)

Year	10 Forest	25 Genl. Admn.	27 Justice	29. Police	37. Education	38 Medical	40. Agri- culture	50. Civil works	55. Super- annuation etc.	Other heads	Totals
1945-46	Not shown	43.28	15.09	36.85	65.65	8.8	61.18	44.51	20.86	85.35	391.58
1946-47	"	59.37	16.07	56.86	99.68	10.01	60.96	41.60	21.67	128.41	494.63
1947-48	54.11	70.13	18.80	70.21	134.36	28.26	40.62	47.42	22.27	152.81	638.99

D (i)—MAHARASHTRA (Bombay portion)
(including Bombay City)
RECEIPTS

Year	VII Land Revenue	VIII Provincial Excise	IX Stamps	X Forests	XIII Other Taxes & Duties	Other Heads	Totals
1945-46	144·09	Not supplied	171·83	Not Supplied.	362·01	366·60	10,44·53
1946-47	195·04	..	233·56	..	321·84	365·38	11,15·82
1947-48	230·24	605·54	280·81	119·20	730·74	327·70	22,94·23

EXPENDITURE

Year	10 Forests	25 Genl. Admn.	27 Admn. of Justice	29 Police	37 Edu- cation	38 Medical	40 Agri- culture	50 Civil works	55 Sup- erannui- ties, etc.	Other heads	Totals
1945-46	Not sup- plied	128·07	58·94	215·91	175·33	81·56	91·02	233·23	85·04	427·08	1496·18
1946-47	153·41	62·25	386·34	104·37	88·35	110·68	143·01	77·03	611·61	1737·05
1947-48	41·11	153·17	68·35	396·64	378·87	113·52	221·31	159·46	80·79	743·98	2317·20

D (ii)—C. P. MAHARASHTRA

REVENUE

	VII Land Revenue	VIII Excise	IX Stamps	X Forests	XIII Other Taxes and Duties	XXIII Police	Other Heads	Total
1945-46	1,52·77	1,26·15	35·83	68·31	15·83	16·33	74·97	*4,90·19
1946-47	1,33·63	1,06·00	39·29	80·74	16·67	5·19	1,96·81	*5,77·33
194748	1,44·69	82·84	39·23	67·16	65·65	16·28	1,94·51	*6,10·36

These figures do not include Taxes on Income.

EXPENDITURE

	10 Forests	22 Interest on debt and other obliga- tions	23 Appro- priation for reduction or avoid- ance of debt	25 Gen. Admn.	27 Admn. of Justice	29 Police	37 Edu- cation	50 Civil Works	55 Superan- uation	64 A. Tr- ansfer to Revenue Reserve Develop- ment) Fund	Other Heads	Total
1945-46	39·71	20·76	29·25	69·72	20·39	48·35	40·30	51·73	44·33	2,14·25	1,09·22	6,88·01
1946-47	32·81	20·63	18·15	82·55	22·09	70·96	63·59	66·41	45·81	1,74·01	1,27·32	7,24·33
1947-48	32·14	20·55	13·01	1,00·09	21·69	75·05	93·86	80·89	45·61	..	1,47·67	6,30·56

STATEMENT III

STATEMENT OF ASSETS AND LIABILITIES AS ON 31ST MARCH 1949

(i) Statement showing the capital liabilities and assets of the Madras Government

Details	31st March 1949 (Budget Estimate) Rs. Lakhs.
<i>Liabilities</i>	
A. BEARING INTEREST—	
<i>(i) Loans—</i>	
(a) Due to the Central Government	9,34.07
(b) Open Market Loans	15,52.73
(c) Special irredeemable loans	2.52
Total—(i) Loans	24,89.32
<i>(ii) Other Liabilities—</i>	
(a) State Provident Funds	5,42.96
(b) Depreciation Reserve Funds of Commercial undertakings	6.85
Total (ii) other Liabilities	5,49.81
Total—A. Interest—bearing Liabilities	30,39.13
B. FREE OF INTEREST—	
(i) Sinking Funds	3,77.36
(ii) Famine Relief Fund	44.34
(iii) Electricity Reserve Funds	1,95.21
(iv) Deposits, Advances and Remittances	40,40.30
Total—B. Liabilities—Free of Interest	46,57.21
C. Grand Total—Liabilities	76,96.34
<i>Assets</i>	
A. ASSETS PRODUCING REVENUE—	
<i>(i) Productive—</i>	
(a) Productive Irrigation works	16,07.63
(b) Electricity Schemes	19,10.49
(c) Cinchona Plantations	1,34.80
(d) Kerala Soap Institute	3.57
(e) Industrial Engineering Workshops	1.97
(f) Hydrogenation Factory	11.70
(g) Loans advanced (due to Government)	10,48.37
(h) Shares in Private Industrial Concerns	*98.25
(i) Capital outlay on Madras City Bus Service	73.27
Total (i) Productive	48,90.10
<i>(ii) Unproductive—</i>	
(a) Unproductive irrigation works†	9,94.64
(b) Navigation Works	96.26
Total (ii) Unproductive.	10,95.90
Total—D. Assets producing revenue	59,86.00

STATEMENT SHOWING THE CAPITAL LIABILITIES AND ASSETS OF THE MADRAS GOVERNMENT AS ON THE 31st MARCH 1949.—Contd.

Details	31st March 1949 (Budget Estimate)
	Rs. Lakhs.
<i>Assets</i> —Contd.	
Brought forward	59,86.00
E.—OTHER ASSETS—	
Capital outlay on civil works outside the revenue account	2,74.47
F. Securities in the sinking Fund Investment Accounts	1,84.74
G. Securities in the Famine Relief Fund	44.30
H. Securities in the Electricity Reserve Funds	1,94.54
I. Securities in the Cash Balance Investment Account	3,78.90
J. Securities in the Revenue Reserve Fund†	23,31.99
K. Closing Cash Balance	74.74
L. Grand Total—Assets	94,69.68
M. Excess of Assets over Liabilities	17,73.34

*Includes Rs. 51 lakhs in the Budget for purchase of shares of the Industrial Finance Corporation proposed to be started.

†Includes Rs. 49.62 lakhs relating to outlay on special accelerated and widespread programme of improvements to minor Irrigation Works classified under 'Capital'.

‡Purchase price of securities.

(ii) Statement showing the capital liabilities and assets of the Bombay Government.

Liabilities

	31st March 1949 (In thousands of Rs.)
(i) <i>Loans</i> —	
(a) Due to the Central Government	14,33,73
(b) Open Market Loans—	
(i) Loans for repayment of part of consolidated debt	10,48,23
(ii) Unclaimed Bombay Devt. Loan	98
Total Loans	24,82,94
(ii) <i>Other Liabilities</i> —	
State Provident Funds	5,14,07
Depreciation Reserve Fund of commercial undertakings	18,67
Total (ii) Other Liabilities	5,32,74
Total A.—Interest bearing liabilities	30,15,68
B. FREE OF INTEREST—	
(i) Famine Relief Fund	67,68
(ii) Provincial Road Fund	1,44,18
(iii) Deposits, Advances and Remittances	24,16,81
Total B.—Liabilities free of interest	26,28,67
C. Grand Total—Liabilities	56,44,35

Assets

D. ASSETS (PRODUCING REVENUE)—	
(i) <i>Productive</i> —	
(a) Productive Irrigation Works	13,75
(b) Electricity Schemes	1,69,85
(c) Bombay Development Department	8,72,36
(d) Loans and advances (due to Government)	4,83,97
Total (i) Productive	15,39,93

<i>Assets</i>	31st March 1949
(ii) <i>Unproductive—</i>	
(a) Unproductive Irrigation Works	11,39,66
Total (ii) Unproductive.	11,39,66
Total D. Assets (producing revenue)	26,79,59
E. Loans due from the Bombay Municipal Corporation	7,73,69
F. Investment in Securities—	
(i) Sinking Fund Investment Account*	3,30,13†
(ii) Debt Redemption and Avoidance Fund*	10,48,45†
(iii) Investment in Treasury Bills out of Depreciation Funds of 3 per cent. Loans*	48,00
(iv) Nasik Distillery Depreciation Fund*	16,83
(v) Bombay Famine Relief Fund‡	67,68
(vi) Securities in the Cash Balance Investment Account‡	10,99,68
Total Assets E & F.	33,84,46
K. CLOSING CASH BALANCE—	
Central Road Fund	6,12
Provincial Road Fund	1,44,18
Press Depreciation Reserve Fund	15
Nasik Distillery Depreciation Fund	1,23
Other Accounts (Grant for Specific purposes)	8,10
Balance with the Reserve Bank and Treasuries	41,00
Capital Expenditure met from balance	—29,72
Other debt heads (excluding Civil Deposits and Advances Repayable)	4,42
Civil Deposits	4,05,19
Advances Repayable	—58,10
Special Development Fund	2,18,52
Post War Reconstruction Fund	16,10,00
Free balance	8,22,45
Total Assets K §	31,73,54
L. Grand Total of Assets	92,37,59
M. Excess of Assets over Liabilities	35,93,24
(iii) <i>C. P. & Berar—</i>	
No Statement of Assets and Liabilities was received from the Government of C. P. & Berar.	

*Face value.

†These are face values on 31st October 1948.

‡Purchase Price.

§ A major portion of this is invested in three-monthly treasury bills of the Government of India.