

**The Financial Implications of the Andhra
Province and the Rayalaseema Maha
Sabha Point of View in Regard to
the Immediate Formation of the
Andhra Province**

by

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INTRODUCTION

It is the object of this pamphlet questions, viz, (1) whether an Andhra Province, if immediately formed, would be a self-supporting province; and (2) if it were not self-supporting, whether its formation would not prejudice the economic regeneration of Rayalaseema (i.e., the area comprising the districts of Bellary, Kurnool, Cuddapah, Anantapur and Chittoore). The first question will be considered in Part I of the pamphlet and the second in Part II.

Part I

Will the Andhra Province be self-supporting?

Section A

The confidence of Coastal Andhras

To a coastal Andhra (i.e., a resident of the coastal districts of Vizagapatam, East Godavari, West Godavari, Kistna, Guntur and Nellore), a question put as to whether the future Andhra province would be self-supporting would cause a mild surprise. In coastal Andhra the self-supporting nature of the contemplated province is taken for granted. In the case of most coastal

Andhras, the point is so evident and incontrovertible that they cannot afford to waste their time and energy in its discussion. Two recent instances may be cited. The Maharaj Kumar of Vizianagaram in his Address at the Vizagapatam Conference of the Andhra Maha Sabha asserted that "it has been abundantly proved that a future Andhra province will be more than self-supporting"; having said that, he did not feel the need to discuss it in his Address. To Sri B. Venkatapathirazu, C.I.E., who opened the above Conference, "the Andhra province question stands on impregnable ground and hence can not be tacked on with others which require further consideration" (such as the Karnataka Province question or the Kerala Province question). Having said this, he did not feel the necessity to discuss the financial aspect of the formation of the Andhra Province, though up to now the financial implications of an Andhra Province have never been examined by any official or financial expert. With wishful thinking, the leading politicians of coastal Andhra visualize a surplus in future Andhra and assert its existence. What the leaders say is echoed by the journalists and then accepted by the masses.

As for the Rayalaseema Maha Sabha's attitude in the matter, it is indicated by the first resolution at its Adoni Conference which states that the new provinces (i.e., Andhra and if formed, Karnataka) "will not be in a position to undertake the Tungabhadra project...and the irrigational projects and beneficial industrial schemes in Rayalaseema on account of financial, territorial and other limitations". In other words, the Rayalaseema Maha Sabha feels that the new Andhra Province will not turn

out to be such a surplus province as can help in the economic regeneration of Rayalaseema.

It may be here asked, why was this Rayalaseema Maha Sabha formed and what is the composition of its members? As for its members, they belong to all classes. There are amongst them retired Government servants, men of the Liberal Party, men belonging to no party. There are members of the Hindu Maha Sabha, as well as members of the Muslim League. There are men of the Justice Party, men of the Forward Bloc, and also those men of the Congress Party who take the view of that Working Committee of the Congress which threw cold water on the formation of the Andhra Province in the first half of 1938. There are many who have no objection to be included in an Andhra Province in the future after the economic regeneration of Rayalaseema is secured, but there are also some who do not want an Andhra Province even in the future but would have a Rayalaseema province at the proper time. All these heterogeneous groups from the five districts of Rayalaseema have joined together and formed the Rayalaseema Maha Sabha. The reason for its formation is this. Without securing any financial investigation by experts, the Andhra Provincial Congress Committee, which is dominated by coastal Andhras, passed a resolution in favour of an Andhra Province; and this was implemented by a resolution on the subject in the Madras Legislature. Such was the progress made in the matter in 1938 that the organisers of the Rayalaseema Maha Sabha felt that, unless they acted together, the Andhra Province might immediately be formed and there would be no hope of the economic

regeneration of Rayalaseema within any reasonable period of time.

The members of the Rayalaseema Maha Sabha feel that the economic regeneration of their area is their birth-right. The Government had taken up the economic regeneration of coastal Andhra first, allowing Rayalaseema to remain a backward famine-stricken area. The men of Rayalaseema claim that it is now their turn and that if the question of their economic regeneration conflicts with the satisfaction of the political aspirations of the already-favoured coastal areas, the latter has to give place to the former.

But coastal Andhras have not been perturbed by the resolutions of the Rayalaseema Maha Sabha. With in-born confidence in the new province turning out to be a province overflowing with milk and honey, and feeling capable of overcoming all opposition in the political field from the little-known men of the Rayalaseema Maha Sabha, the coastal Andhra leaders have not cared to satisfy the doubts of Rayalaseema by securing an investigation into the finances of the new province by an impartial expert.

Section B

Two Statements Go Unheeded in Coastal Andhra

There were two recent statements by two individuals on separate occasions which should have given the coastals some food for thought. But both of them have been brushed aside by coastal Andhras as not worth serious consideration.

The first was the statement of the former Secretary of State for India. At the time of the Andhra Maha Sabha Conference at Cocanada in 1939, Sir S. Radhakrishnan, who had been the President of that Sabha in the previous year and had been entrusted by the Sabha with the duty of interviewing Viscount Zetland, sent a public message to the Sabha. In it Sir S. Radhakrishnan informed the Sabha that he had talks with Viscount Zetland on three occasions; and that on each occasion Viscount Zetland gave three reasons for not taking up the question of the immediate formation of the Andhra Province. They were as follow:— (1) The question was a major question and came up too soon after the passing of the Government of India Act and before the coming into effect of all its provisions; (2) The formation of the Andhra Province would accelerate the demand for the formation of other linguistic provinces immediately; (3) The new Andhra Province would not be self-supporting.

The last statement about the Andhra province not being self-supporting may have been a private statement made to Sir S. Radhakrishnan. But it was a statement made, not by some irresponsible man of Rayalaseema, but by the Secretary of State for India who may be presumed to have consulted his experienced advisers. The statement, however, did not create even a passing doubt in the minds of coastal Andhras. The leading coastal journal, "*The Andhra Patrika*", thought that Viscount Zetland must have drawn upon his imagination and immature knowledge of India when making the statement, and then thundered, "Who told him so?". That was sufficient refutation of the statement; and

coastal Andhras have consigned it to the limbo of oblivion.

The next statement was by the President of the Tamil Nadu Provincial Congress Committee. That Committee had declared itself in favour of the formation of an Andhra Province, subject to boundary disputes between Tamil Nad and Andhra being suitably settled. But, stung by the repeated statements of the coastal Andhra leaders that the Tamil Districts were battenning on the surplus revenues of the Andhra Districts and that the Tamils were secretly working against the separation of Andhra, a former President of the Tamil Nadu Congress Committee (Sri O. Reddiar) published a statement in which he pointed out that, so far as the big items of Excise and Land Revenue were concerned, the non-Andhra Districts yielded a revenue higher than the revenue from the Andhra Districts; that there was thus no reason why the Tamils should be afraid of the separation of Andhra; and that experience alone would show to whose detriment the separation would work, whether of the Tamil Districts or of the Andhra areas.

Now, the above statement certainly required consideration. Land Revenue and Excise Revenue are the largest revenue heads in the Madras Presidency. Thus in the year 1939-40 the total revenue collected in the Presidency was 16 and odd crores. This comprised 5 and odd crores of Land Revenue, and 3 and odd crores of Excise Revenue (See page 4 of the Budget Memorandum for the year 1941-42). These two items of revenue thus comprised more than a half of the total revenue.

Nor can it be denied that the amount contributed by the non-Andhra Districts under the above two heads has always been greater than the amount contributed by the Telugu districts. In his pamphlet entitled 'The Andhra Movement', (published as the Andhra Maha Sabha Publication—No. 1), Mr. Konda Venkatappayya, a leading coastal leader, has himself given figures showing that in 1931-32 the land revenue from the Andhra Districts was 3.35 crores, while the revenue from the non-Andhra Districts was 4.16 crores of rupees. Similarly the Excise Revenue from the non-Andhra Districts was given as 3.47 crores, while that from the Andhra Districts was given as 2.38 crores. This shows that in 1931-32, the non-Andhra Districts furnished under the above two heads 1.90 crores more than the Andhra Districts.

It is possible that Mr. Venkatappayya took only the ordinary Land Revenue into consideration without including the items of *Peshcush* and *Srotriem Jodi*, the former of which has always been greater in Andhra than in the non-Andhra area. Further, his figures related to a period prior to the formation of the Orissa Province and the introduction of prohibition in certain districts of Madras. The latest figures show that the excess under the heads of Excise and Land Revenue from the non-Andhra area now stands at the figure of 1.48 crores. (See pages 59, 62 and 65 of Appendix C of "The Detailed Estimates of Revenue for the Year 1941-42" and page 31 of the Administration Report of the Madras Excise Department for the year 1940-41).

The existence of such an excess was pointed out by the former President of the Tamil Nadu Congress

Committee, (Sri. O. Reddiar) obviously to show that, if as alleged by the Andhras, the Telugu districts according to the moffusil treasury accounts showed a surplus of about 1½ crores, the Tamil Districts would show a greater surplus on the same basis, because the scale of expenditure in both sets of districts was the same and under the heads of Excise and Land Revenue alone the Tamil Districts contributed an excess larger than the surplus of 1½ crores claimed for Andhra. The inference sought to be drawn was that there was no room for the supposition that the Andhra surplusses were being spent annually on the special needs of the Tamil districts as distinguished from the general needs of the entire Presidency.

But the argument fell on deaf ears. The statement drew a somewhat curious reply from Dr. Pattabhi Seetharamayya, the then President of the Andhra Provincial Congress Committee, in which, without meeting the points raised by the President of the Tamil Nadu Congress Committee, Dr. Pattabhi Seetharamayya began to enumerate the various ways in which the offices and buildings in the City of Madras could be divided between the future Andhra Government and the future non-Andhra administration in South India. He said that, but for his sitting on the safety value of the engine of Andhra political emotion, it would have already burst and caused havoc, and that he could not be expected to sit on it for long.

Section C

The Fallacy in Relying on District Treasury Figures

It is stated by Mr. Konda Venkatappayya, in his pamphlet already referred to, that the agitation for an

Andhra Province commenced in 1913. But he is fair enough to admit (at p. 35 of his pamphlet) that the agitation was carried on for about 24 years without "an exact estimate of the revenues derived from Telugu Districts". In other words the agitation was all in the higher emotional sphere and never descended to the dull earth of figures and statistics. But during the middle of 1937, the Congress Government came to office; and during its regime certain figures were obtained. Coastal Andhras are apparently satisfied with those figures and would indignantly repudiate the charge that, even at present, the agitation is not based on figures and statistics. The "abundant proof" and the "impregnable ground" referred to by the President and the Opener of the recent Andhra Maha Sabha at Vizagapatam must consist of these recent figures.

A word has therefore to be said about the figures. During the regime of the Justice Party, soon after the province of Orissa was formed, the Accountant-General compiled some figures in regard to the present eleven Telugu Districts for the year 1932-33 based on the District Treasury Accounts. They showed that in that year the revenue entered in the district treasuries in the eleven Telugu Districts was 580.33 lakhs, while the expenditure entered was 447.16 lakhs. This left a surplus of about 1½ crores from the Andhra Districts. (See Appendix A to this pamphlet).

The leaders of the Justice Party did not apparently think that the figures were very favourable for pressing on the British Government the claim for the formation of an Andhra Province. In any case, they did not press

the claim and looked on while the Sind and Orissa Provinces were being formed. When the Congress Government came to power in 1937, Mr. Konda Venkappayya asked for figures in regard to the Telugu Districts. The Congress Government supplied him with the above figures relating to the year 1932-33. He and other coastal leaders were apparently satisfied with the figures, for, from the time of the publication of the figures an intense and acrimonious agitation was started in the Andhra newspapers for the formation of an Andhra province. Day in and day out, those newspapers fed the coastal Andhra public with the story of the Andhra surpluses being unjustly swallowed by the Tamils. The result was that, through 1938 and 1939, there was a bitter and unceasing campaign against the Tamils. In the latter year the Accountant-General was asked to furnish district treasury figures for some years subsequent to 1932-33. He furnished them; and they again showed that, on the basis of the district treasury accounts, there was in each year a surplus of over a crore. With that the storm burst and is still raging.

But what, after all, were the Accountant-General's figures? They were based on the district treasury accounts. Can these accounts suffice for the decision of the question of the self-supporting nature of the Andhra Province when it has to be carved out of a highly centralised administration like that of the Madras Government? As every one acquainted with district administrations knows, there is more of revenue than expenditure in the Taluqs, while at the district headquarters there is more of expenditure than revenue,

the revenue from the several Taluqs being mostly spent in the district head-quarters for the benefit of the entire district on establishments, institutions and offices such as the Collector and his establishment, the District Judge and his establishment, the District Superintendent of Police with his establishment, and so on. What the Taluq is in regard to the district, that the district is in regard to the head-quarters of the Presidency or the Capital of the province. It is naturally at the Capital that the surpluses from all the moffusil districts would be spent. Coastal Andhra leaders have never cared to ask for the District Treasury figures relating to non-Andhra Districts, nor to enquire whether they too did not yield a surplus similar to that furnished by the Andhra Districts.

Let us assume for a moment that at the Capital there is an expenditure of 4 to 5 crores over establishments, offices and institutions meant for the benefit of the entire Presidency such as the Governor and his Staff, the High Court, the Board of Revenue etc.. How can the mere existence of a surplus of $1\frac{1}{2}$, or $1\frac{1}{2}$, or even 2 crores from the moffusil Telugu Districts show that it was being spent for the exclusive benefit of Tamilians and not for the common benefit of both Andhras and non-Andhras? Unless the general expenditure relating to the entire Presidency is ascertained, the argument that the existence of a surplus in the Andhra Districts in itself proves that it is being spent for the benefit of non-Andhras in the moffusil Districts of the non-Andhra area is not valid but fallacious.

Section D

**Prima Facie Case for the Estimate of General
Presidency Expenditure at 4 to 5 Crores**

Coastal Andhras admit that, as a general rule, new provinces must be formed only if they are self-supporting, as otherwise there will be additional taxation on the already over-taxed population. But they assert that their new province would be self-supporting. Naturally, the burden of proving that assertion must be on them. It is therefore incumbent on them to prove that the revenue of Andhra, whether derived from its own area or from outside, not only exceeds its proper share of the common expenditure at the Capital but leaves such a large excess as to justify the formation of the new province.

So the question of what is the present general expenditure for the entire Presidency becomes material, for on the basis of that amount the proportional general expenditure of the new province may be roughly estimated and the question of the self-supporting nature of the new province may be decided.

But on this important point no attempt has been made by leaders in coastal Andhra to ascertain the amount of the present general expenditure or have it ascertained by a special officer. Either the importance of the point has not been realised; or, what is more probable, coastal leaders have found it convenient not to go into the question lest the results should be unfavourable. The recent attempt to secure the northern

portion of Madras as the capital of the new province is perhaps due to the dim consciousness of the huge amount of general expenditure now incurred at Madras and of the fact that the deficits of new Andhra can be reduced only if it can secure some of the existing buildings and amenities of the City of Madras for its future capital.

But, be this as it may, there appears to be some prima facie reason in favour of assessing the general expenditure at Madras at 4 to 5 crores. It has been already stated that the surplus revenue derived from the Andhra Districts was found to be $1\frac{1}{2}$ crores in 1932-33. Since then some new sources of revenue not in existence in 1932-33 have come into existence, consisting chiefly of the proceeds of the new taxes imposed by the Congress Government during its short administration. The income from them has not been inconsiderable; and, as can be seen from the note appearing as Appendix B at the end of this pamphlet, the proper share of Andhra in those items may be said to be a little more than half a crore. Hence the total Andhra surplus or net revenue may now be roughly estimated at about 2 crores of rupees.

But, if the Andhra district surplus were two crores, the non-Andhra district surplus would be $2\frac{1}{2}$ to 3 crores. Since all these surpluses have disappeared, the inference must be that they have all been swallowed up chiefly by the present general Presidency expenditure at Madras which must be from 4 to 5 crores.*

*The cost of the recent electrical and other schemes in Tamil Nad has been met chiefly by the amount of the recent provincial loans.

If that be so, as *in the present dispensation* there can be only a reduplication of administrative machinery in a new province, the general expenditure in the capital of new Andhra cannot be lower than 3 to 4 crores. We may perhaps put the figure roughly at 3½ crores. As the new province will have to meet this general expenditure with a net revenue amounting only to 2 crores, the new province will have an annual deficit of at least 1½ crores.

Section E

Prima Facie Case Continued

It is likely to be suggested that in the previous discussion the figures regarding the general presidency expenditure have been produced somewhat mysteriously. It may be asked, "Why should not exact figures have been given?"

To any one who is acquainted with the budget estimate figures published by the Madras Government, the explanation will easily suggest itself. The published figures do not give details regarding districts. Thus, under the head "Men's Arts Colleges", the amounts relating to the Madras Presidency College, the Ceded Districts College at Anantapur, the Colleges at Kumbakonam and Rajahmundry, have all been clubbed together. So, before one can separate the items of general Presidency expenditure, one must be acquainted with what offices and institutions exist at Madras. Further, a knowledge of the details of each department and of the district treasury system is necessary. Exact

figures can be got only if a special officer is appointed to get them. In regard to this appointment of a special officer, Rayalaseema has been at a great disadvantage. Most of its elected representatives were Congressmen; and, after the resolution regarding the formation of linguistic provinces was passed in the Madras Assembly, no resolution regarding the appointment of a special officer had any chance of being accepted by the Congress Parliamentary Committee in the legislature, without the sanction of which no resolution could be introduced or carried. Of course the representatives of the coastal districts did not move in the matter; and their conduct in not taking the initiative is perhaps intelligible from their point of view.

But in spite of the difficulties involved, an attempt has been made to estimate some major items of general expenditure in Appendix C in this pamphlet. As far as known, items relating to the moffusil treasury accounts have been omitted in the list. The list shows that the total amount of the items chosen comes to nearly 3 crores. The list is not complete with regard to each department included in it; it does not include the items relating to the costly Departments of Public Works and Irrigation (information regarding which is very scanty and general in the Budget Publications); and it takes no account of the average amounts spent on famine-relief. In the circumstances it may be presumed that the total general expenditure incurred by the Madras Government for its general administration at present is somewhere between 4 and 5 crores or roughly $4\frac{1}{2}$ crores. The existing institutions at Madras may yield some revenue

(such as for example receipts relating to printing in the High Court). But such revenue must be much less than the expenditure. So the general net expenditure for the administration of the Presidency as a whole may be put at 4 crores.

Section F

Conclusion

There is thus every reason to suspect, if not to actually presume, that the future Andhra Province would be a deficit province; and that, as suggested in the last paragraph of Section D supra, its deficit would be about 1 to 2 or roughly $1\frac{1}{2}$ crores if there were no extension of the policy of Prohibition. But the Congress administration was short-lived. Congressmen have recently gone to jail,—a fact that would always weigh with the masses at the time of the elections. Hence, if the new Andhra province were to be formed during or soon after the war, the first Government in that province is likely to be a Congress Government. That Government is sure to introduce Prohibition. As the present revenue under the head Excise in Andhra is about $1\frac{1}{2}$ crores, one has to be prepared in the new province for a deficit of two to three crores, or roughly $2\frac{1}{2}$ crores.

Part II

Section A

The Urgency of the Economic Regeneration of Rayalaseema

In this part will be discussed the question as to whether, if the new Andhra Province were not self-supporting, Rayalaseema can support its immediate formation.

As already stated, the new province may have to start with a deficit of at least $2\frac{1}{2}$ crores i. e., 250 lakhs of rupees. If Madras is not to be the capital, the new province may have to spend about 3 crores over buildings, such as new Secretariat Buildings, new High Court Buildings, new Banqueting Halls, etc.. The sum may not all be spent at once; but at least half of it will have to be spent in the beginning and the rest soon after-wards. After the present Great War, one may take it that new loans will carry interest at 4 per cent; and it may be here mentioned that even at present the loan of 7 and odd crores, at which figure the loan due to the Government of India was consolidated and fixed with the introduction of provincial autonomy, carries an interest of $4\frac{1}{2}$ per cent. Hence, for the new loan of 3 crores necessary for the buildings etc., at 4% interest, the equated annual payments necessary to discharge the loan in a period of 40 years will come to (12 lakhs plus $7\frac{1}{2}$ lakhs) roughly 20 lakhs. (It may be here added that the agitation for the location of the capital of the Andhra Province at Madras has become

very feeble after the recent Vizagapatam Conference of the Andhra Maha Sabha, since its new President is said to have informed H. E. the Governor that the Andhras would have their capital at Madras only temporarily).

Unless the new province can get subventions from the Government of India to the extent of at least 3 to 4 crores per year, a thing that may not be possible after the huge expenditure involved in the present war, the new province will have to carry on the day to day administration and to incur expenditure on the new capital only by raising the taxes in the province so as to yield 3 and odd crores annually. After raising the taxation for the above purpose to that level, is it likely that it can take up the Tungabhadra and other projects?

A loan of about 15 crores atleast may be necessary for the Tungabhadra, the Kumudvati and other irrigation schemes as well as the Tank Restoration Schemes and the cottage industries etc., recommended by the Henderson Committee for the regeneration of Rayalaseema. The annual equated payments necessary to discharge this big loan at 4 per cent interest would amount to 97½ lakhs or roughly one crore. Is it likely that a province, which has to raise new taxes yielding 3 and odd crores annually for its very maintenance, will further raise the taxes so as to yield 1 crore more annually? Or is it more likely that, after expressing profuse sympathy with the plight of Rayalaseema, the Government of the new province will throw up its hands and assume an attitude of *non possumus*?

Even if the new province raised the taxes so as to yield 4 and odd crores annually, can Rayalaseema bear its share of the new taxes even though coastal Andhra might be able to bear its share? And will not the Government of India raise its general taxes to meet the loans taken for war purposes? Rayalaseema is not therefore enthused when coastal advocates say that in their legislative and financial armoury they have new and untried weapons such as the Death Duties etc.

But here it may be asked, why can Rayalaseema not wait for its projects till the new province can undertake them? One may as well ask a starving man why he can not starve for a few weeks longer. The frequency of famines in the Ceded Districts is well-known. Within the short space of 10 years, there have been four famines. In 1932-33 test works had to be started in Bellary. In 1934-35 actual relief works had to be started in the districts of Bellary and Anantapur. In 1937-38 relief works had to be started in the districts of Bellary, Anantapur and Kurnool. This year (1941) again the first stage of revenue remissions has commenced and it is feared that the second stage of test works and relief works may have to be taken up soon. Are such districts to be told to wait? Why not coastal Andhra wait for its province instead? Has Rayalaseema no right to the common revenues of the province and have its citizens ever to be dutiful camp-followers of the citizens of richer areas? The postponement of the economic regeneration of Rayalaseema will be, not merely a postponement to the Greek Calends, but a postponement leading to its extinction. Famines sap the vitality of peoples so that their

effects continue both when famines rage and when the rains are plentiful.

Section B

Administrative Difficulties if the Tungabhadra Project be Taken up after the Andhra Province

Rayalaseema's anxiety that the formation of the Andhra province should be postponed is based also on another reason. What will chiefly help in the prevention of famines in Rayalaseema is expected to be the Tungabhadra project. But the reservoir and anicut of the proposed Tungabhadra Canal, as well as its early stretches, will be in the Karnataka Taluqs of the Bellary Districts. Whether the Andhra Province alone is formed first and the Karnataka Taluqs are tacked on to Bombay, or whether a Karnataka province is also formed simultaneously with the Andhra province, will there not be administrative difficulties and inordinate delay in the execution of the Tungabhadra project? Neither the Bombay Government nor the political organizations in the Karnataka Districts of Bombay have so far thought of having to incur expenditure in connection with the Tungabhadra project. So, unless the project be taken up by the Madras Government before its dismemberment, there appears to be little chance of its ever materializing. It may be asked why the Karnataka Taluqs should not continue in the new Andhra province. The task of persuading them to remain in the new Andhra province after its formation is decided, will be impossible for Rayalaseema

Andhras. Let the sweet-tongued orators of coastal Andhra essay the task if they dare.

Section C

Some Mis-conceptions Regarding the Agitation in Rayalaseema

Some coastal Andhras, fortunately not many, ask, "Is not all this Rayalaseema agitation for the sake of the Tungabhadra project benefiting only the Karnataka Taluqs in the Bellary District? Is it not a case of Rayalaseema Andhras making common cause with Karnatakas against people speaking their own language? Why else should the people of Cuddapah and Chittore support the Tungabhadra Scheme when they are not directly benefited by it?"

Now, such coastals seem to be misinformed and have also misread the psychology of the Rayalaseema people. It is best to take up the above charges one by one.

First, the allegation regarding only a few Karnataka taluqs being benefited may be considered. It is true that the Tungabhadra Project benefits the 3 Karnataka Taluqs of Hospect, Bellary and Siriguppa. But it will help 6 Andhra Taluqs (Rayadurg, Adoni, Alur, Pattikonda, Kurnool and Gooty). Again, it is true that the Rayalaseema Maha Sabha has given prominence to the Tungabhadra project and has not specifically asked for any other projects except perhaps the Kumudvati Project in the Anantapur District. But it must be remembered that

almost all the irrigation schemes suggested by the Arogyaswami Committee (The Ceded Districts Irrigation Committee) were turned down by the Department of Public Works as unworkable. Hence the Rayalaseema Maha Sabha is not in a position to recommend any particular scheme as workable. But this does not mean that the members of the Sabha are only for the Tungabhadra project and no other. In fact, if for any reason that project were found unworkable tomorrow, they would still press their claim for the economic regeneration of Rayalaseema and would ask the State to have other schemes and projects discussed for the prevention of famines. They have been mentioning the Tungabhadra Project in particular only because it has been recommended by official experts.

Next comes the charge that Rayalaseema Taluqs are sympathising more with the Karnatakas than with coastal Telugus. In the Bellary District, Karnatakas have lived till now like brothers with the local Andhras. Neither those Andhras nor the Andhras of the other Rayalaseema districts have treated the Karnatakas of Bellary as in any way different from themselves. Are Rayalaseema Andhras not to ask for the Tungabhadra project merely because it might benefit some Karnatakas and not Rayalaseema Andhras exclusively? Members of the Rayalaseema Sabha believe that all Indians are sons of *Bharata Mata*, the common Mother sustaining every part of India. That Mother may have special names in special areas, just as *Parvati* may be called *Uma* or *Katyayani*. In the Andhra country the Mother may be called *Andhra Mata*; and in the Karnataka country she

may be called *Karnataka Mata*. The theory that Andhras and Karnatakas are, not brothers, but sons of different mothers and thus step-brothers, is pernicious heresy. As long as the Karnataka Taluqs continue to be in the Rayalaseema area, it is the duty of Rayalaseema Andhras to feel with and for the Karnatakas and try to help them. If and when a Karnataka Province is formed, that province, should the Tungabhadra Project have already come into existence, will re-imburse Andhra or Madras as the case may be and take over the Karnataka Taluqs. But till then, the people of those taluqs are entitled to be saved from famines as much as Rayalaseema Andhras. Whoever asserts the contrary is no true advocate of Indian nationalism but only of primeval tribalism masquerading as sub-nationalism.

Proceeding to the last point that districts like Cuddapah and Chittore will not be directly benefited by the Tungabhadra project and that they should not be enthusiastic about it, the objection fails to note that the sympathy of Cuddapah and Chittore is based on the call of humanity. The famine-stricken taluqs are not asking for power or riches or luxuries but just the right to live. If the Government had taken up the Tungabhadra project in the early sixties of the last century without getting the Dowleswaram and Kistna anicuts constructed and the coastal Andhras were now in much the same position as the men of Rayalaseema, would the latter have been right to object to the economic regeneration of coastal Andhra on the ground that they themselves were not directly benefited? Would they be right, even in their present condition, to object to the

expenditure of money on the Torrighedda Project to benefit a large area sub-merged in the rainy season in the coastal districts? Is West End directly benefited when the slums of East End in London are improved? When it is a case of saving famine-stricken districts, he would be no large-hearted patriot who would object to schemes intended to save people from famine and ruin, on the ground that his own taluq or district is not benefited. When an enemy invades part of a country, can the rest of it think of its own exclusive benefit without striving to help the part attacked? Famine is such an enemy. The recurrence of famines is a blot on the civilised or advanced character of a State.

(It may be here mentioned that even Cuddapah and Chittore may be benefited by the Tungabhadra project if any hydro-thermal station were attached to it).

Section D

More Misconceptions

Rayalaseema is often asked if her attitude is not due to mere distrust of the people of coastal Andhra.

Members of the Rayalaseema Maha Sabha do not deny that there is to some extent a feeling of distrust. But such distrust as exists, is due to the conduct of coastal Andhra leaders themselves. Many men of Rayalaseema think in the following way. When the Mettur Project was being discussed in the Madras legislature, did coastal Andhras seriously support the efforts of Messrs. P. Siva Rao and K. Koti Reddi of Rayalaseema to press the claim of the Tungabhadra project? Did they press the ground that,

though unremunerative, it would be an insurance project and save deaths, poverty and disease in Rayalaseema, besides saving a large amount of expenditure now incurred at the time of each famine? When the coastal leaders were predominant during the regime of the Justice Party, was the Tungabhadra Scheme considered? After allowing the Tamil Districts to benefit by electric and irrigation schemes and making it at present indifferent to the Tamils whether the Andhras became separated or not, why do coastal leaders ask the men of Rayalaseema to think of the Andhra province first and foremost just when the government of the day is seriously considering the Tungabhadra Project? When Rayalaseema leaders protested against the transfer of the head-quarters of the Andhra University to Waltair and threatened to disaffiliate their schools and colleges, was any respect shown by coastal Andhras to the sentiments and feelings of Rayalaseema? Why is it that verbal sympathy is being expressed in profusion with the economic regeneration of Rayalaseema only after most of the elected members of the legislature from Rayalaseema, seeing that no Minister was chosen from Rayalaseema by the Congress Prime Minister, joined the coastal camp? Why does the expression of this sympathy synchronise with the necessity to secure the vote of Rayalaseema for an Andhra Province?

Even now the attitude of some journalists in coastal Andhra leads to the suspicion that there is no real sympathy for Rayalaseema. Thus only the other day the editor of a weekly threatened that, unless Rayalaseema lined up with coastal Andhra in regard to the Andhra

province, coastal Andhras would prevent their revenues from being utilized for the execution of the Tungabhadra project. Such an attitude can not but create distrust. Those who threaten Rayalaseema like this forget an equitable rule of Hindu law. Under it, though partition may take place at any time, yet if at the time of the partition the initiation, or *Upanayana* of one of three brothers should not have taken place, a sum should be set apart for that purpose, though no sum need be set apart for his marriage expenses. This is based on the principle that *Upanayana* is a primary spiritual need. On the same analogy Rayalaseema has the right to claim that the common revenues should bear the cost of schemes providing for its primary need of bare subsistence through the prevention of famines.

But, though thus distrust exists, it is not on account merely of that distrust that Rayalaseema wants the postponement of the formation of the Andhra Province. Mere distrust can be removed with goodwill on both sides; but financial insufficiency cannot be so removed. Rayalaseema wants the postponement of the Andhra province in order that Rayalaseema may live and not perish.

Section E

The Sree Bagh Pact

"Have you not had the Sree Bagh Pact and why are you not satisfied with it?" innocently asks the new President of the Andhra Maha Sabha who has been absent from Andhra for a long number of years. This pact was, as is well-known, entered into by some of the

elected members of the legislature hailing from Rayalaseema with some of the leaders of coastal Andhra when the former were sore owing to the non-inclusion of any Rayalaseema member as a minister. The pact may be dealt with very briefly.

The first point to note about the pact is that it is based on the assumption that the Andhra province would have a large surplus. When the foundation of a pact fails, the pact is invalid. Secondly, the pact was with the leaders of a single political party in coastal Andhra. Neither the Justices nor the Municipalities of coastal Andhra nor the Local Boards have officially supported the pact. What is the use of the pact when, at the time of implementing it, the party which has agreed to it should not be in power? It is true that the Andhra Maha Sabha has supported the pact. But to rely on its support for what is to happen in future political Andhra would be similar to a European State during the last war relying on President Wilson's Fourteen Points.

Section F

An Appeal to Men of Rayalaseema

Men of Rayalaseema, you are not asking for any special benefits or privileges but just the means to live. It is your right and privilege to ask the Government to have the question of the financial implications of the Andhra Province investigated by an impartial expert. If the result of the investigation were to show that the new province would not have a decent surplus, it is your duty to fight for the immediate adoption of measures

for the economic regeneration of your area. Fight, then, without caring for power or influence or the glory of office. Let it not be said that the leaders of Rayalaseema failed to fight for the preservation of its famine-stricken people at the most propitious time in its history.

Appendix A

I. Provincial Revenue for the year 1932-33 for the Telugu Districts according to the District Treasury Accounts.

Land Revenue (340·97 Lakhs); Excise (155·41); Stamps (76·77); Forest (1·59); Registration (10·19); Irrigation etc., for which Capital Accounts are kept (0·07); Irrigation etc., for which no Capital Accounts are kept (0·12); Interest (5·80); Administration of Justice (4·68); Jails and Convict Settlements (0·50); Police (0·28); Education (1·65); Medical (1·47); Public Health (0·37); Agriculture (0·76); Industries (0·76); Miscellaneous Departments (12·33); Civil Works (1·48); Receipts in Aid of Superannuation (0·73); Stationery and Printing (0·67); Miscellaneous (2·07);—Total : (618·67).

Deduct (1) Amount relating to area transferred to Orissa during the year (30·00); and (2) Amount relating to certain Departmental Adjustments (8·34);—Total (38·34)

Net Total Revenue for the present eleven Telugu Districts during the year : (580·33 lakhs).

II. Provincial Expenditure for the year 1932-33 for the Telugu Districts according to the District Treasury Accounts.

Land Revenue (4·72 lakhs.); Excise (16·41); Stamps (2·24); Registration (7·16); Irrigation—other revenue expenditure financed from ordinary revenues (6·68); General Administration (104·56); Administration of Justice (26·76); Jails (5·56); Police (59·76); Education (87·67); Medical (20·25); Public Health (5·74); Agriculture (9·79); Industries (1·67); Miscellaneous Departments (14·75);

Civil Works (55·70); Famine (1·68); Superannuation Allowance and Pensions Financed from ordinary revenues (14·05); Stationery and Printing (0·41); Miscellaneous (0·40); Payments of Commuted value of pensions (1·62):- Total 447·78.

Add Departmental Adjustments (46·13)

Deduct Expenditure relating to area transferred to Orissa : (59·91)

**Net Total Expenditure for the present Eleven
Telugu Districts during the year (447·16)**

N.B. (1) Surplus (580·33 Minus 447·16):—133·17 lakhs.

N.B. (2):—The note annexed to the Accountant General's statement of figures runs as follows:—

"This statement does not include revenue and expenditure on account of the Telugu Districts booked outside the districts such as:—

Share of unified stamps; receipts from the High Court; Contribution for Railway Police; and Subventions from the Central Road Fund:—*in respect of receipts.*

And *General expenditure*, such as that relating to the Governor; Legislature; Secretariat; Heads of Departments; High Court; Debt Charges; Stationery and Printing; Expenditure in England; Pension Liability and the like."

Appendix B

There are some practically new items of provincial revenue now that were not in existence in the year 1932-33. As, in regard to these, no details according to districts are available from the Government Publications

relating to the Annual Budget Estimates, it is difficult to say with any exactness what is the Andhra share out of them and what is the non-Andhra share. But it is an admitted fact that in regard to some of these items the yield must be greater from the non-Andhra Districts than from the Andhra Districts. We shall take the item "Income-tax Contribution from the Central Government". The Income-tax is collected by the Government of India; but under the statutory enactments and rules referred to at p. 35 of the Budget Memorandum for 1941-42, a small proportion of the net proceeds of the tax is assigned to each province. Hence the amount assigned depends on the net proceeds of the tax which again depends on the general increase of incomes. So far as our presidency is considered, it is undeniable that the district which contributes the largest amount of income-tax has been the Chettinad (Ramnad) District. In regard to electrical development, it is far greater in the Tamil area than in the Andhra area, thanks to the Papanasam and Pykara and Mettur Schemes. It must be remembered that in the Andhra area the famine-stricken Rayalaseema is included; and even in coastal Andhra, the development of business and commerce is less than in Tamilnad. A very considerable part of the income from the new sources may come from the Madras City and District. Since the new President of the Andhra Maha Sabha says that Madras is likely to be only the temporary capital, Madras City and District have to be treated as non-Andhra. In the circumstances the proportion of Andhra to non-Andhra can not be fixed higher than $\frac{1}{2}$ to $\frac{1}{3}$.

The annexed list shows the new items of revenue and their amounts and the budget estimates of expenditure relating to them for 1941-42.

	Gross Revenue	Expenditure	Net Revenue	Page of the Budget Memorandum for 1941-42 for Reference
1. Income-tax Contribution from Government.	Lakhs 63.75	Lakhs ...	Lakhs 63.75	Page 4
2. The Entertainments-Tax of 1939 (without the Betting Tax applicable only to Guindy & Ootacamund).	12.51	1.33	11.18	46 & 81
3. Electricity Duties Act of 1939.	6.79	0.73	6.06	do.
4. Tobacco Act of 1939.	22.70	...	22.70	46
5. Motor Spirit Taxation Act of 1939	16.00	...	16.00	46
6. Sale of Cloths Act of 1937	1.00	0.03	0.97	46 & 81
7. Madras General Sales Act.	40.00*	12.14	27.86	do.
8. Motor Vehicles Taxation Act of 1931	79.09	71.61	7.48	44 & 80
			156.00	
			156.00	

Andhra share at $\frac{2}{3}$ th of the total: 58.50

* The amount originally budgeted for was 60 lakhs; but as, owing the public agitation the tax was reduced, the amount of revenue is given as 40 lakhs. As for the expenditure, the figure of 12.14 includes the expenditure on all the Commercial Taxes (including the Tobacco Tax.)

Appendix C

List of some major items of general expenditure, not booked in the moffusil treasury accounts and either included in the budget for the year 1941-42 or liable to be ordinarily included in the budgets of other years—that is—of items of expenditure incurred for the administration of the Presidency as a whole.

- I. Land Revenue (deducting revenue derived from irrigation)—See pages 1 to 9 of *the Detailed Annual Estimate of Expenditure (Budget) for 1941-42*.

1. Central Survey Office (2·37 lakhs); 2. Charges in England for Stores purchased for the Survey Offices (0·03):—*Total: 2·40 lakhs.*

- II. Provincial Excise (pages 10 to 20)

1. Superintendence (i.e., Excise Commissioner and his Establishment including Laboratory Charges):—1·50 (out of the total presidency expenditure of 2·72);
 2. Cost of opium supplied to Provincial Excise Department (4·35);
 3. Compensation to Indian States, etc., (11·52);
 4. Charges in England (0·12):—*Total: 17·49 lakhs.*

- III. Stamps (pages 21 to 24)

1. Charges relating to the sale of stamps in the Presidency town (0·13);
 2. Cost of stamps obtained from Central Stamps Stores at Nasik for the Presidency (0·63);
 3. Superintendence (i.e., portion of pay of

Superintendent of Stationery & Printing and other charges debited to this head (0.13); 4. Freight charges on stamps sent to districts (0.09); 5. Charges in England (0.01):—*Total: 0.99.*

IV. Forest (pages 25 to 39)

1. General Direction (i.e., pay of the Chief Conservator, his Personal Assistant, his Establishment, etc.) (1.41); 2. Charges in England (1.00):—*Total: 2.41.*

V. Registration (pages 40 to 44)

1. Superintendence (the pay of the Inspector-General and his Staff at Madras) 0.70; 2. Charges in England (0.14):—*Total: 0.84.*

VI. Heads of Provinces, Ministers, and Head-Quarters Staff (pages 92 to 96 of the Budget Memorandum for 1941-42).

1. The Governor's salary (1.20); 2. The Governor's Secretarial Staff (1.12); 3. Governor's Sumptuary Allowance (0.18); 4. The Governor's Staff and Household (4.27); 5. The Governor's Contract Allowance (0.92); 6. His Tour Expenses (1.33); 7. His Discretionary Grants (0.25); 8. His Equipment Allowance and Travelling Allowance when appointed from Europe, reduced to an annual rate (0.06); 9. Ministers (2.42); 10. Secretariats and Head Quarters Establishments (such as the Board of Revenue, The Public Service Commission etc.) (26.00); 11. Charges in England (2.06); (11 a) Improvements to the Governor's Official Residences coming under the head 50 Civil Works (2.76):—*Total: 42.57.* In regard

to several items the maximum figures have been adopted and not the figures budgeted for 1941-42.

VII. Legislative Bodies (pages 107 to 111 of *The Detailed Estimate*).

Amount budgeted for the year 1941-42 under the assumption that the suspension of the constitution may be revoked (6·31);—*Total*: 6·31.

VIII. High Court (pages 133 to 150)

1. High Court (14·08); 2. Law Officers (4·07); 3. Administrator-General (0·41); 4. Presidency Magistrate's Courts (1·33); 5. Presidency Court of Small Causes (1·25); Charges in England (1·42);—*Total*: 22·56.

IX. Jails (pages 151 to 164)

1. Superintendence (i.e., the pay of the Inspector-General and his staff) (1·08); 2. Presidency Jails (2·76); 3. Grants to Detention Houses at Madras (roughly 0·50);—*Total*: 4·34

X. Police (pages 165 to 193)

1. Presidency Police (15·34); 2. Superintendence i.e., pay of Inspector-General and his Establishment and the pay of his Deputies at Madras etc.) (roughly 2·00); 3. Madras Staff of the Criminal Investigation Department (roughly 1·00); 4. Railway Police (i.e., the cost of the Railway Police district with Madras as Headquarters) (roughly 3·00); 5. Charges in England (2·13);—*Total*: 23·47.

XI. Education (pages 194 to 237)

1. Scientific Departments (i.e., The Museum and the Connemara Public Library)—(0·90); 2. Grants to the three Universities (7·74); 3. Cost of the Presidency College (roughly 2·00 out of 10·28 under the head Men's Arts Colleges); 4. Queen Mary's College (1·42); 5. Law College (0·69); 6. Training College for Women (1·20); 7. Direction (i.e., pay of the Director of Public Instruction and his establishment along with his deputies at Madras (roughly 1·00):—*Total: 14·95.*

XII. Medical (pages 238 to 271)

1. Contribution to All-India Medical Council (0·04); 2. Superintendence (i.e., Surgeon-General and his Staff) (1·27); 3. Presidency Hospitals excluding Indian Medical School Hospital (23·09); 4. Madras Medical College (roughly 4·63, out of the total of 8·22 under the head Medical Colleges); 5. Stanley Medical College and School (1·54); 6. Indian Medical School (0·79); 7. Mental Hospital at Madras (roughly 2·57); 8. Chemical Examiner (0·46); Charges in England (1·20):—*Total: 35·59.*

XIII. Public Health (pages 272 to 286)

1. Direction (i.e., the Director of Public Health and his Assistants and Staff)—(1·67); 2. Sanitary Engineer and his deputies and their establishments at Madras (roughly 0·52); 3. Town Planning Officers and their establishments (0·19); 4. Grant for Water Supply and Drainage to the Corporation of Madras (2·85); Charges in England (0·32):—*Total: 5·55.*

XIV. Agriculture (pages 287 to 307).

1. Direction (Director of Agriculture and his Head Quarters Deputy and their Establishments) (0·85);
2. Provincial Marketing Scheme Direction, i.e., the Marketing Officer and his Establishment (0·32); Charges in England (0·05);—*Total: 1·22.*

XV. Veterinary (pages 308 to 323).

1. Direction (i.e., Director of Veterinary Services and his Staff etc.)—(0·56);
2. Veterinary College at Madras (1·26);
3. Veterinary Investigation (i.e., the Investigating Officer and his establishment) — (0·12);
4. Serum Institute (1·07);
5. Charges in England (0·24);—*Total: 3·25.*

XVI. Co-operation (pages 324 to 328)

- Direction (i.e., Registrar and his Assistant and Establishment) (1·01);—*Total: 1·01.*

XVII. Industries. (pages 329 to 345)

1. Direction (Pay of Director and his Personal Assistant and Establishment):—(1·19);
2. School of Technology (0·84);
3. Leather Trades Institute (0·17);
4. School of Arts (0·53);
5. Textile Institute (0·47);
6. Industrial Engineering Workshop (0·72);
7. Grant to the Madras Hand Loom Weavers' Provincial Co-operative Society (0·96);
8. Charges in England (0·27);—*Total: 5·15.*

XVIII. Cinchona and Fisheries (pages 346 to 348)

- Charges in England (0·31);—*Total: 0·31.*

XIX. Miscellaneous Departments.

1. Grant to the Madras Flying Club (0·23); 2. Labour : Direction (i.e., Commissioner of Labour and his Establishment)—(0·85); 3. Government Examinations by the Commissioner (excluding remuneration to moffusil superintendents, examiners etc.)—(1·77); 4. Inspector of Steam Boilers and his subordinate Staff and Establishments at Madras (roughly 0·45); 5. Inspector of Factories and his Assistants and Establishment at Madras (roughly 0·55):—*Total*: 3·85.

XX. Pensions (pages 411 to 413).

1. Charges in England (i.e., payments in England) (23·21); 2. Compassionate Allowances etc., (2·85):—*Total*: 26·06.

XXI. Stationery & Printing (pages 414 to 425)

1. Stationery office (0·78); 2. Government Press, Madras (where the chief printing work for the presidency is done)—(roughly 9·00); 3. Charges in England (0·72):—*Total*: 10·50.

XXII. Debt charges (see page 29 of the Madras Government Publication *Finance Accounts 1939-40 and The Audit Report 1940*; and pages 87 to 92 of the Budget Memorandum for 1941-42)

1. Instalment of equated payment to the Central Government for the pre-Provincial Autonomy loans (consolidated at 7 and odd crores)—(39·29); 2. Interest on irredeemable loans and endowments (0·15); 3. Interest

on State Provident Funds (15.68); 4. Miscellaneous charges (0.09):—*Total: 55.21*

N. B. 1:—The open market loans taken during the time of the Congress Government and the equated payments necessary for their discharge (amounting to 13.75 lakhs per year) have been excluded as a matter of excessive caution lest it should be contended that they were taken mainly for the benefit of electrical and other schemes in the Tamil area.

N. B. 2:—In the way in which the debt charges are presented in the Budgets by the Finance Department, they go in reduction of some notional interest derived from some commercial departments. But as at present the attempt is to ascertain the general Presidency Expenditure and no items of revenue not related to that matter are here considered, the debt charges have been here considered as general expenditure.

N. B. 3:—As only the "Revenue" Account is being considered and not a Statement of "Assets and Liabilities", such items as the Central Road Fund on the credit side and general Pension Liability on the debit side have not been considered, though referred to in the note appended to the Accountant-General's figures for 1932-33 shown in Appendix A.

Grand Total of Items I to XXII: 286.03

(without taking into account the costly departments of Public Works and Irrigation and Expenditure on tonnage relief etc.)

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