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REPORT

OF THE

SPECIAL COMMITTEE

**appointed to investigate certain facts relevant
to the economic and financial relations
between British India and
Indian States.**

1930

CALCUTTA : GOVERNMENT OF INDIA
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CHAPTER I.

Introductory.

The Committee was appointed by Resolution of the Government of India in the Foreign and Political Department No. 33 Special, dated the 14th of August 1930, which we reproduce below :—

“ In connection with the discussions which are expected to take place at the forthcoming Indian Round Table Conference in London regarding the future economic and financial relations between British India and Indian States, the Governor-General-in-Council has been pleased to appoint a small Committee under the administrative control of the Foreign and Political Department consisting of the following gentlemen :—

1. Mr. W. W. Nind (Collector of Customs, Rangoon)—
Chairman.
2. Mr. V. Narahari Rao, M.A., Under Secretary, Government of India, Foreign and Political Department.
3. Professor S. P. Bhargava, M.A., F.S.S., Member representing the Special Organization of the Chamber of Princes.

Mr. V. Narahari Rao, in addition to his duties as a Member, will also act as Secretary of this “ Special Committee ”.

2. The object of the Committee will be to collect facts and statistics which should be helpful in determining :—
 - (i) *Credits*, that is, the value of any direct or indirect contributions made by the Indian States to Imperial resources, and
 - (ii) *Debits*, that is, the assessment of what their proportionate contribution for Imperial burdens should be.

The Committee is not required to determine questions of principle or to prepare balance sheets for all or any States.

3. To take debits first, the Committee is being supplied with a list of items of Central expenditure classified as Imperial burdens. The list is provisional and additions may be made thereto at the discretion of the Government of India. The question of the ultimate inclusion of any such items would, however, be a matter of principle outside the functions of the Committee.

4. It will be the duty of the Committee to collect figures showing the average annual expenditure of the Government in India in respect of each item on the provisional list of Imperial burdens. In working out the averages, the Committee should take, as far as possible, the actual figures available for three years and the revised and budget estimates for the remaining two.
5. On the credit side, the Committee will be concerned mainly with Customs, Salt, Excises, Tributes, Ceded Territories and Indian States Forces :—

- (a) *Customs*.—The main object of the Committee will be to collect statistics to facilitate the comparison of scales of consumption of imported dutiable goods in British India and the States, respectively.
- (b) *Excises*.—Similar calculations will be required to determine the contributions of States on account of excisable commodities both Imperial (such as petrol and kerosene) and Provincial (such as hemp drugs).
- (c) *Salt*.—The Committee will estimate the amounts accruing to Imperial revenues from the consumption of taxed salt in Indian States. The computations will be made on the assumption that existing salt agreements are to continue in force.
- (d) *Tributes*.—It will be necessary to compile a detailed statement of all payments under this head in so far as they are available for Central expenditure in general. Payments earmarked for special or local purposes particularly beneficial to the States concerned should be separately listed.
- (e) *Ceded Territories*.—This item is of great importance and will need the special attention of the Committee. A schedule of all areas ceded by States in the past, either for the upkeep of a subsidiary force or by way of commutation for protection, will be furnished to the Committee by the Foreign and Political Department. It will be necessary for the Committee to attempt to compute the net value of the ceded territories at the present time, that is, the surplus available after all expenses of the administration, including proportionate contribution to overhead administrative charges, have been met. The Committee will no doubt take into account the allowance to be made for overhead charges in consideration of the amount of supervisory work which these territories entail. The bases of population or

of area would not in themselves be a sufficient criterion. The Committee will also make a separate calculation of the contributions from ceded territories to Central revenues under such heads as Income-tax, Salt, Customs, etc.

It will also be necessary to compile figures showing how far the value of these territories has risen in consequence of works such as irrigation works carried out by the Government subsequent to the cession; and also amounts of expenditure incurred under such items as famine relief, etc.

(f) *Indian States Forces*.—The Committee should ascertain the actual cost of units maintained under the Reorganisation scheme including a fair amount of overhead charges on account of the staff, maintenance of barracks, etc. Separate lists should be made for (a) units which are expected to be at the disposal of the Imperial Government for external defence, and (b) units earmarked for internal security.

Efforts should also be made to collect the figures showing the total Army expenditure of all States.

6. It will be unnecessary for the Committee to attempt to collect material in connection with—
- (a) currency profits,
 - (b) railway profits, or
 - (c) Posts and Telegraph profits.

These questions will be dealt with as urgently as possible by the Departments of the Government of India concerned.

7. As the figures of the forthcoming Census will not be available before the Indian Round Table Conference, it is considered desirable that the Committee should indicate the kind of figures which are likely to be required for the purpose of financial settlement with the States, so that these may, if possible, be supplied at an early date by the Census Commissioner in advance of the general compilation of the Census.
8. The Committee will endeavour to complete its work, as far as possible, by the end of September 1930, and it is accordingly requested that Local Governments and Administrations will be good enough to afford promptly all reasonable assistance to the Committee."

2. We met first at Simla on the 6th of August. The time at our disposal was very limited, and we were seriously handicapped at the outset in so far as the collection of the necessary data entailed a very

large amount of correspondence not only with Political Officers, but also with Local Governments, various Departments of the Government of India and with authorities outside India, such as His Majesty's Secretary of State for India, the High Commissioner for India in London and the Agent of the Government of India in South Africa.

3. We have made the best of such data as we could collect and completed the task allotted to us with the exception of the "Ceded districts". Apart from our being unable to find time to make the necessary tour, we felt that the Local Governments concerned should first be given an opportunity to study the problem and advise us on a suitable line of attack. We considered that after the Local Governments had attempted to collect the required figures from their local officers our visit might be necessary only to dispose of any outstanding points. We accordingly invited the Local Governments concerned for assistance and so far we have received only one reply. It is proposed to continue the investigation into this subject and to deal with it in a subsequent report.

4. The report is divided into two main parts dealing, respectively, with "credits" and "debits". In the case of the latter, we have had comparatively definite data to work upon, while this was not the case as regards "Customs", "Salt" and "Imperial Excises". No definite statistics exist as to the distribution of imported articles to enable us to suggest the allocation of an exact proportion of customs revenue, and in the case of salt, such statistics as do exist are incomplete. The distribution of petrol and kerosene, which are subject to an Imperial excise, is again to a large extent a matter of conjecture.

In consequence, while the results of our investigations under debits are precise, those under credits are to some extent based on conjecture.

5. Some explanation is perhaps necessary of the method we have adopted in dealing with the "Customs" problem. We are asked "to collect statistics to facilitate the comparison of scales of consumption of imported dutiable goods in British India and the States, respectively". No definite statistics exist which bear directly on the distribution of imported goods, and we were accordingly forced to the conclusion that we must work out a scheme of distribution based on general considerations and such statistics as are available, in order to give some definite indication of the proper allocation of customs revenue. These remarks are perhaps necessary to explain our apparent departure from our instructions.

CHAPTER II.

Customs Revenue.

6. It was obvious from the outset that this portion of our task authorities at the ports maintain an accurate record of imports and the duty collected thereon, but at this stage their task is completed, and it is no concern of theirs to ascertain the further destination of goods once delivery has been taken by the importer. Nor, indeed, would it be possible for them to do so for, though some goods are imported by actual consumers, the majority pass through the hands of a series of middlemen before finding their way to their ultimate destination.

The States themselves were asked through the Political Officers concerned to supply us with an estimate of the amount of imported goods consumed in their territories, but here too we anticipated grave difficulties. In the first place it is only in the case of States which levy their own customs duties that the record of imports would be complete and reliable, and even in their case so many articles comprised in the tariff, *e.g.*, cotton piece-goods, sugar, matches, etc., are produced in India as well as imported from abroad, that it would be quite impossible to compute the proportion between imported goods and country produce. As regards States which do not levy their own customs, there is the added difficulty that sufficient reliance cannot be placed on their trade statistics which presumably are based on Railway traffic returns and take no account of cart and other traffic across their frontiers. Hence our problem could not be confined to the simple adding up of the States returns, the result of which would represent the consumption of imported goods in the States. The statistics which we have actually received from States have fully borne out our anticipations, and the use we have been able to make of them will be explained at a later stage of our report.

7. As trade statistics compiled by the States were not likely to prove sufficient for our purpose, and in view of our instructions to work out, if possible, comparative scales of consumption of imported articles in British India and Indian States, it was necessary to ascertain what statistics exist of the movement of goods from the ports to various parts of the country. Here, again, even if such statistics were available and were of unimpeachable accuracy, it was unlikely that they would be of such a detailed nature as to enable us to trace the precise place of consumption, where Indian State and British territory were geographically contiguous. After examining some of the railway statistics as maintained at present we found that they would be quite inadequate for our purpose, but a compilation entitled "Inland Trade (Rail and River-borne) of India", which was issued up to the year 1920-21 suggested a more fruitful field of enquiry into the relative consumptions of articles in various areas, and we accordingly

devoted some time to its study. We soon, however, realized its limitations. At best the figures contained in it could only indicate the imports of certain classes of goods into certain States, and very rarely could it be said definitely whether the goods were of foreign manufacture or produced in the country. The results of our calculations applied to certain commodities were disappointing and we came to the clear conclusion that it would be extremely unsafe to apply such facts as could be gleaned from the compilation to other States and other classes of goods. Further, the figures obviously did not include cart traffic, and goods carried by this means of transport across the frontiers of any State must surely have a considerable bearing on its import and export figures.

Finally, we understand our instructions to mean that we should indicate a scheme, based as far as possible on facts and figures, which can be applied in the future. The publication which we have been considering ceased in 1920-21 and consequently any scheme based on facts gleaned from it will be incapable of revision in the light of future changes.

8. We came accordingly to the one solid fact that must perforce underlie any investigation conducted by us, namely, the actual amount of goods imported on the whole, and the revenue yielded. These are ascertainable for any year in the past and will be ascertainable also in the future. It has been universally recognised by all who have considered the problem before us that the standards of living vary in different parts of India, *vide* foot-note to paragraph 80 of the Report of the Indian States Committee, 1928-29. In this connection we feel we should also refer to the calculations made in chapter X of the publication entitled "The British Crown and Indian States" in which different scales of consumption are assumed. We have been unable to discover the exact basis for the scales assumed. In our scheme we have attempted to avoid such assumptions but proceeded rather to work out the relative scales of consumption by grouping the various headings, under which the yield of revenue is recorded, into certain classes determined by the use to which the goods are normally put or by the class of people who normally consume them. We have accordingly attempted to group imported commodities into the following main classes :—

- (1) Articles of general or universal consumption, *e.g.*, kerosene oil, bangles, spices, etc.
- (2) Articles consumed mainly in towns with a population of 10,000 and over, *e.g.*, salted fish, fruits and vegetables, hosiery, etc.
- (3) Articles consumed mainly in large towns with a population of 20,000 and over, *e.g.*, Cinema films, apparel, provisions, jewellery, electrical control gear, motor cars,

- (4) Articles consumed or used generally in factories, *e.g.*, fuel oil, cotton belting, chemicals other than drugs, etc.
- (5) Articles used or consumed in special types of factories.
- (6) Articles intermediate between categories (1) and (2), (3) and (4), or (3) and (5).
- (7) Articles consumed by Railways and so on.

9. The population of British India and Indian States is separately recorded in the Census returns and is sub-divided into inhabitants of towns of varying sizes. These returns enable us to determine the proportion in which articles of universal consumption and those mainly consumed in towns should be allocated to the States. Our distinction between articles of universal consumption and those consumed in towns has been made after a careful study of the nature of each article, the class of people likely to consume it and so on. We have also the necessary statistics of factories, the number of labourers, etc., in the compilation "Large Industrial Establishments in India, 1927" which enable us to form some idea of the comparative importance of factories in the States and in British India, and so to allocate between them the probable consumption of factory stores. It has been suggested that the distribution of factory stores and raw materials should be based on the ultimate distribution of the manufactured articles, but we feel that our task is to work out a scheme of distribution of imported articles in the form in which they are actually imported and in which they are subjected to levy of customs duty.

10. This method of attacking the problem cannot obviously claim results which would be absolutely accurate. We recognise that our assumptions though generally correct have their limitations; for instance, certain articles which we have put into the town category may also be consumed to a small extent in rural areas, and articles in the factory category may be used in the village workshop as well as in the power-driven factory.

11. Again, there is the very grave difficulty, to which allusion has been made above, of differentiating between foreign and country produce. It is probable that one State or Province consumes more imported sugar than another or makes use of more steel of country manufacture than its neighbour. We considered, therefore, the possibility of making out a scheme of distribution of imported goods, based on the geographical position of States and the ports which were most likely to serve them, but we came to the conclusion that the task was far too intricate, and that the assumptions which it involved were too great to justify it as a basis for the solution of our problem. Our instructions are to consider the States as a whole, and they are so scattered throughout the length and breadth of the country that we felt that our estimate of the share of the States as

a whole in any imported article like sugar would not be vitiated by the fact of local production, although we could not venture to claim correctness if we applied the scheme to any one State or Province. The limitations in our assumptions affect both the States and British India and we can only hope that any errors arising from them would balance each other, and that, on the whole, our estimate of the share of the States as a whole is as reasonable and accurate as the circumstances permit.

12. Before dealing with the figures of population as recorded in the Census returns, it is necessary to consider the exclusion of the population of certain areas. Certain maritime States have their own ports and harbours through which they can import foreign goods without contributing to the revenues of the Government of India. Such are the Kathiawar States situated outside the Viramgam Customs Barrier together with the two Baroda districts of Amreli and Okhamandal

As regards the maritime State of Travancore, the arrangements in force in 1928-29, the year we have taken into consideration for our calculation, were that she could, under the Interportal Convention of 1865, levy duties on goods imported by sea. She also gets compensation for the abolition of land customs on other than certain specified articles. We have, therefore, excluded Travancore. Cochin has been excluded as she is entitled under the same Convention to a moiety of the customs duty collected at the British Port of Cochin, after deducting the working expenses. The existing arrangements with Travancore and Cochin will undergo changes with the development of the Cochin harbour, when the altered conditions may necessitate a reconsideration of the position.

Again, under treaty rights, Kashmir can import goods direct through the Indian ports and obtain a rebate of the duty charged at the ports. It is thus clear that the populations of the areas specified above should be excluded from our scheme. It is, however, possible that a certain amount of goods which have paid duty in British India do find their way into the maritime States, but it is impossible for us to compute them on the basis of population, etc., where a State has the privilege of importing direct from abroad and has, therefore, the opportunity of avoiding duty.

It is obvious again that the foreign imports of Burma do not normally find their way into the interior of the peninsula of India, and, in consequence, there can be no question of allocating to Indian States any share of the customs revenue collected there, even if Burma continues to remain an integral portion of the Indian Empire. The States of Karenni in Burma, which alone correspond to Indian States, might conceivably claim their share, but this claim would be confined to the customs revenue of Burma and would not form a part of the problem which we are considering. Hence, we have excluded not only the revenue collected in the Burma ports, but also the population of Burma from our reckoning.

13. The total population of India, as a whole, divided among the various Provinces, States and Agencies is to be found in Table I, Part II, Census of India, 1921, Volume I. The total population of India is shown as 318,942,480, of which 71,939,107 are inhabitants of States and Agencies. It is to be noted, however, that within the latter category are included the inhabitants of the Agencies and tribal areas of the North-West Frontier Province and for our purpose these are obviously to be excluded from the population of Indian States. It is probable that, in addition to stores consumed by troops maintained in these areas, certain dutiable imports, such as, piece-goods and sugar find their way there and an exciseable article, such as kerosene oil. The cost of controlling the areas is borne by the Government of India, and hence at first sight, it appeared reasonable to include the population of these areas with that of British India. We felt, however, that it would be scarcely reasonable to allocate to such territory the same scale of consumption of imported goods as to British India proper, and that it would be difficult to ascertain any lower basis of consumption. Further, it appeared to us that any revenue accruing from the consumption of dutiable goods in that territory might not unreasonably be considered as some offset to the cost of control, which will appear among the Imperial burdens. We have therefore excluded the population of agencies and tribal areas in the North-West Frontier Province both from British India and the States. A further population which is included in Table I of the Census Volume alluded to above, and which we propose to exclude is that of Aden, which for Indian customs purposes is treated as a foreign port, and, in consequence we adopt the total figures shown in Table III of the same Volume as our starting base, deducting therefrom the populations of Burma and the States mentioned above. This table also classifies the population of the Provinces and States into cities of various sizes and we require this classification in working out our scheme.

14. We attach a statement (Table No. I) showing the total figures of population in British India (excluding Burma) and of Indian States (excluding those which do not contribute to the customs revenue of British India), and the percentage which the latter class bears to the whole. The statement also shows similar percentages in regard to the inhabitants of cities of various sizes. It will be seen that whereas the percentage of total population of the participating States to the whole of India (excluding Burma and non-participating States) amounts to 19.91, those of cities exceeding 10,000, 20,000 and 50,000 inhabitants amount to 15.38, 14.51 and 14.25, respectively. The difference between the latter two classes is so small that we have not considered it worthwhile to maintain the distinction in our scheme and consequently we have taken only two categories of towns namely, those of more than 10,000 inhabitants and those of more than 20,000. In calculating the share of duties we have rounded these percentages to the nearest 0.50, taking 20 per cent. for total population

15.5 for towns of over 10,000 and 14.5 for those of over 20,000 inhabitants.

15. We would here explain in more detail than we have done

Town categories.

hitherto the basis of our division of articles into universal, town, factory and other categories. There are certain types of imported goods, such as cotton piece-goods and kerosene oil, the consumption of which is probably fairly universal throughout the country, while other goods, such as imported provisions and furniture, rarely find their way into rural areas. The use of other articles, again, is mainly confined to Europeans and Indians who have adopted western standards of living, and who are, generally speaking, to be found mainly in the larger towns. Planters and larger zemindars do, of course, inhabit rural districts, but in a task like ours broad lines of distinction are necessary.

16. A detailed study of the list of dutiable goods with special

Factory category.

reference to their consumption soon led us to the conclusion that town and universal categories would be insufficient in themselves and that certain articles could be more scientifically allocated on the basis of factory statistics of British India and Indian States. A vast amount of foreign imports is consumed in factories, and consequently a factory category must be added to our list. Within this we would group articles such as are chiefly used as general factory stores, reserving raw materials proper for the particular type of factory to which they apply. Many, however, of such general factory stores are consumed for industrial purposes in concerns which do not come strictly within the term 'factory' and we have considered it necessary in comparing the factories of British India with those of Indian States to make some allowance for mines.

17. In order to make a comparison between the factories situated in British India and States we have taken the figures published in the "Large Industrial Establishments in India, 1927". For computing the relative consumption of factory stores which are common to all factories, the average number of persons employed is obviously the only basis which can be adopted. The publication referred to shows the average number of persons employed daily at each factory. The compiler of this publication in his introductory note says that it includes "all factories which come under the operation of the Indian Factories Act.....and also those establishments in Indian States which are considered to be of sufficient industrial importance so far as it has been possible to procure information". It is possible that this qualification as regards establishments in Indian States may affect to some extent the accuracy of our comparison, but the 1927 compilation will be followed by others and it is hoped

that any inaccuracy in it will tend to disappear in its successors ; in any case it is the only publication which is available for our purpose. To some extent it has been possible to check the figures given in this publication in the case of one particular State, namely, Baroda. The Statistical Abstract of the Baroda State issued in 1929 (Table No. 100, page 125) shows that for the year 1927-28, 122 factories were inspected under the Factory Act employing an average number of hands amounting to 16,862. The publication (Large Industrial Establishments in India, 1927) gives 169 factories for Baroda with an average number of 18,550 employees. Having regard to the fact that the difference represents factories which have not been inspected, which would naturally be minor ones, we consider the higher figures in the Government of India publication certainly do not fail to do justice to the State.

The publication covers the year 1927, and in consequence the figures contained are not quite up to date. The succeeding years have not, however, been years of rapid industrial development, and at any rate as we are concerned with proportions rather than absolute figures, it is probable that the figures serve our purpose sufficiently accurately.

18. Mining statistics are unfortunately not available in such detail, as the Annual Report of the Chief Inspector of Mines in India deals only with British India and not with States. A picture of the comparative importance of mines in British India and Indian States can be obtained from "Records of the Geological Survey of India", Volume LXII, Part III, 1929, but this confines itself to output, and makes no mention of the number of hands employed. It is necessary accordingly to fall back on Table XVII, Part II, Census of India, 1921, which gives on pages 214 and 215 the numbers employed in Mines (Order 3) and Quarries of hard rocks (Order 4). In order to eliminate workers in excluded States we have had to consult similar tables in the Bombay, Baroda, Travancore and Cochin Volumes. The result is to be found in Table No. II which also gives the percentage (9 per cent.) which the number of workers employed in States bears to the whole, after combining the factory and mining figures. We propose to adopt this percentage in dealing with general factory stores.

19. Apart from general factory stores, there are certain items in the tariff which may be said to be raw material proper for particular classes of factories, and we have, in consequence, apportioned the articles on a special basis for each item, such as, raw tobacco, cotton yarn, silk yarn, explosives for blasting, etc., *vide* Table No. III. In addition, railway track material and railway plant and rolling stock fall into a class by themselves, while foreign liquors require special treatment apart from other foreign stores,

20. To sum up, we have adopted the following categories into **Details of the Categories adopted.** which we have divided all the items of the import tariff :

- I. Articles of general or universal consumption (*vide* Schedule I of Table No. IV).
- II. Intermediate between towns of 10,000 inhabitants and over and universal (*vide* Schedule II of Table No. IV).
- III. Articles mainly consumed in towns of 10,000 and over, denoted as class A towns (*vide* Schedule III of Table No. IV).
- IV. Intermediate between the two classes of towns (*vide* Schedule IV of Table No. IV).
- V. Articles mainly consumed in towns of 20,000 and over, denoted as class B towns (*vide* Schedule V of Table No. IV).
- VI. Articles classed as factory (general) items (*vide* Schedule VI of Table No. IV).
- VII. Intermediate between A class towns and factories (*vide* Schedule VII of Table No. IV).
- VIII. Articles classed under factory (special) sub-divided into six classes (*vide* Schedule VIII of Table No. IV).
- IX. Railway materials (*vide* Schedule IX of Table No. IV).
- X. Intermediate between railway and factory (*vide* Schedule X of Table No. IV).
- XI. Liquors (*vide* Schedule XI of Table No. IV).
- XII. Steamers and launches (*vide* Schedule XII of Table No. IV).

21. We shall deal with each Schedule separately and at the same time note briefly the reasons for placing particular articles in any category, where explanations are necessary.

Schedule I.—The reasons for placing most of these articles in this category are fairly obvious. It has been necessary to subdivide two main headings of the tariff by removing "Nails" from the heading "Iron and steel", dutiable at 10 per cent., and "Cans tinned" from the heading "Iron and steel", dutiable at 15 per cent. Nails and kerosene oil tins find their way so universally throughout the country that we considered it necessary to place these items in this schedule. We have also placed in this schedule fire arms, gunpowder, etc., as being more commonly required in rural areas than by the average dweller in towns.

We have also included silver bullion in this schedule. It was imported free of duty in 1928-29 but a duty of four annas an ounce was imposed in the Finance Act of 1930, and account will have to be taken of it in the future. Presumably silver is attracted primarily

to the more wealthy districts and there is little doubt that as a whole British India possesses proportionately more wealth than the States. On the other hand, silver, whether in the form of jewellery or otherwise, is used largely for hoarding purposes, particularly in the backward parts of the country where banking facilities are not readily available. This fact coupled with the more prevalent fashion of displaying silver plate among well-to-do classes in the States has led us to give more weight to the claim of the States and to include silver among the articles of universal consumption. It is presumed that, if silver is again required for currency purposes, the duty accruing therefrom will be included under duty on Government stores and not in the general account.

Schedule II.—We have placed in this schedule a most important item, *viz.*, sugar. Although it may be said to be an article of universal consumption, in rural parts where the standard of living is necessarily lower the use of country sugar and especially of “gur” must obviously be more extensive than elsewhere. Hence we have excluded it from the universal category and have placed it in one intermediate between articles of universal consumption and those consumed in A Class towns. Other items which we have included in this category are clocks and watches, glass and glassware, paper, paste-board and stationery, soap and fireworks. We were at first inclined to include most of these in the category of A class towns, but having regard on the one hand to the very large population in smaller towns, where the use of these articles would be fairly common, and the equally vast village population on the other, whose use of these would be comparatively rare, we felt it more reasonable to accord them a position intermediate between the A class town and the universal category.

Schedule III.—Here we have grouped articles such as are in common use in towns, but which are not necessarily confined to persons who have adopted western standards of dress and living generally. We have also placed in this schedule certain items such as brass sheets, copper sheets and other metals which might, at first sight, appear to belong rather to the general factory schedule. After full consideration, however, we felt that these commodities are very largely used by handicraftsmen dwelling in small towns, and in any case any error due to ignoring the fact that these items are also of the factory category would be balanced by the equally valid fact that there are items included in the factory schedule which are also consumed in considerable quantities in small towns.

We have included drugs and medicines in this schedule and, in order to do this, have had to split up the main heading “Chemicals, drugs and medicines” in the revenue returns. The two classes were separately recorded up to 1927-28 and presumably a separate record can again be maintained for them in the future.

We have also included in this schedule 1/7th of the duty collected on pneumatic tyres, as we find that in the year 1928-29, roughly 1/7th

of the imports of pneumatic tyres related to bicycles, and bicycles obviously fall within the category of articles consumed mainly in towns of 10,000 people and over.

Foreign tea has also been included in this schedule for the reason that a large quantity of tea is produced in India. Foreign tea is likely to be used more in blending and mainly by the upper classes. In any case the existence of a vast amount of local tea justifies the position we have accorded to this item.

Schedule IV.—We have placed in this category, intermediate between Class A and Class B towns, the duty collected under the head “conveyances”. These are largely motor buses and motor lorries. Motor buses are now so universal throughout the country, most services radiating from small as well as big towns that, if it had been possible to separate them from other conveyances, we should have placed them in Schedule III. But as we have not been able to separate the duty between motor buses and other conveyances, and, as the latter relate mainly to larger towns, we feel justified in classifying conveyances in an intermediate class between the two types of towns.

Schedule V.—In this category we have placed articles such as are mainly used by people who have adopted western standards of living and also items of building materials such as are obviously consumed mainly in the big towns.

We have also included motor cars in this schedule as the distribution of petrol (see paragraphs 38-39 on petrol excise) suggests this, especially as we have placed motor buses in a more universal category. With motor cars we have grouped pneumatic tyres and lubricating oil. The use of the latter in factories and of lorries in connection with factories provides some compensation for not including any share of these items with conveyances (motor buses and lorries).

Schedule VI.—This includes articles which are mainly consumed in factories omitting such items as are placed in *Schedule VII*. This represents a class intermediate between towns and factories and includes such items as iron and steel. We felt that in allocating this item factories must be taken into consideration as well as large buildings in towns, and that the fairest way of making the distribution would be to place them in a class intermediate between the two. Other articles which for similar reasons, we have placed in this schedule are “Hardware, ironmongery, and tools” and “Dyes and paints”.

Schedule VIII with its six sub-divisions does not need much comment as it is obvious that the distribution, for instance, of raw tobacco, must be based on tobacco factories. In this case we would mention the fact that one of the largest tobacco factories in India is situated in the British administered area of Bangalore in the Mysore State. We understand that the surplus revenues of this

“ administered area ” are allocated to the State of Mysore, in which it is situated, and in consequence we have given credit to the States for the duty accruing from the raw tobacco consumed in that factory. This is consistent with the results which follow from the fact that the population of administered areas has not been included in the Census in British India and has therefore been included by us in Indian States. The result is to give credit to State for duty accruing from consumption in administered areas generally.

The methods by which we have arrived at the percentage in each case are given in Table No. III. In item (c) “ Cotton weaving ” we have amalgamated the percentage of output of the mills with the percentage of workers taken from the Census returns, with a view to allowing for the hand loom industry, which, in Madras at any rate, uses a considerable amount of imported yarn.

Schedule IX (Railway Materials).—Under this is credited the duty accruing on railway materials other than those imported by Government for State Railways which are included under the head “ Government Stores ”. We have ascertained from the Railway Department that the mileage of railways, from which the duty under this head accrues, is 5773.46 in Indian States as against 13740.16 in British India. We have apportioned the duty on this basis. It may be argued that the duty on railway stores consumed on railways in Indian States over which jurisdiction has been ceded, should not be credited to the States, but we have been unable in the short time at our disposal to find out the figures of such railways.

Schedule X merely deals with coal and coke, which we have allocated between Railways and Factories.

Schedule XI (Liquors).—We have allocated to B class towns *inter alia* articles which are mainly consumed by Europeans and Indians who have adopted western standards of living. We have not however included with them the item “ imported liquors ” as the adoption of western standards of living by Indians by no means necessarily carries with it the habit of imbibing foreign strong liquors. The percentage for B class towns is 14.5, and we suggest 10 per cent. which is somewhat above two-thirds of the former as a reasonable one for liquors. It should be pointed out that in distributing the total share of the States under this head among individual States the proportion of the B class town population should be adopted as the basis and not that of universal population.

Schedule XII includes the comparatively small item of steamers and launches. We have allocated the whole of this to British India on the ground that it is composed chiefly of craft imported for port use, and practically all the ports in Indian States levy their own import duty.

22. The accounts of 1928-29 show that Rs. 67 lakhs approximately was paid as duty on Government stores. It is obvious that none of these articles was consumed in Indian States, and hence this amount must be deducted from the total available for distribution. The question arises, however, as to whether some account should not likewise be taken of the stores imported by States for the purpose of their governments, before attempting a distribution of the residue on the basis of relative proportions of population, etc. The duty on such stores will have found its way into the general revenue returns, and we have taken the whole of these into consideration in working out our scheme of distribution. At the same time it should be stated that the duty recorded under Government stores does not represent the whole duty paid by Government. The value of imported stores purchased in India on account of the principal railways during 1928-29 amounted to nearly 7 crores as against approximately 10 crores worth of stores imported from abroad, and the report of the Indian Stores Department shows also that a considerable (though not proportionately great) amount of other imported stores were purchased in India. Further, we have adopted special methods of distribution of duty in the case of such materials as railway plant and rolling stock, and factory stores which would constitute some of the principal classes of stores imported by the Governments of Indian States. Moreover, the States get the requirements of their Military Departments free of duty. We therefore consider that on the whole our calculations are not vitiated by the absence of a specific head for "Government Stores" under the States.

23. The figures given in the various schedules relate to the year 1928-29, and show how the customs revenue for that particular year would have been distributed between the Government of India and the Indian States on the basis of our scheme. They will, of course, vary from year to year according to fluctuations in the import trade and variations in the rates of duty imposed. It will, however, be possible to work out similar statements for future years, provided the revenue statistics are altered in certain small particulars. We have been able to divide certain main headings by consulting the provincial volumes of the Annual Statements of Sea-borne Trade, but we have not been able to ascertain precisely the amount of drawbacks and refunds granted under each subdivided heading. If our scheme is adopted for the future, it will, in consequence, be necessary to maintain separate figures for these subdivided headings as regards both duty, and refunds and drawbacks. These headings are indicated in Table No. V.

24. It will be noticed that to each item of drawback we have added $\frac{1}{7}$ th, because the amount of duty paid in drawback amounts to $\frac{7}{8}$ ths only of the duty paid on first import. It is correct to add this $\frac{1}{7}$ th of

the drawback as it is obvious that the articles on which the drawback was paid did not find their way into Indian States. We understand that the theory underlying the payment of 7/8ths of the duty only is to compensate Government for expenses incurred in connection with the original assessment and with the identification of the goods at the time of re-shipment. Thus, the 1/7th which we have added represents payment received by Government, and we have accordingly deducted a corresponding sum from the total expenditure under 'Customs' before allocating to the States their share in this expenditure.

25. Ruling Princes enjoying a permanent dynastic salute of 19 guns or over (at present 11 in number) **Courtesy concessions.** have the privilege of importing free of customs duty, articles intended for their personal use or for the personal use of their families, or for use in their palaces and the grounds attached thereto. The value of these concessions amounted as follows :—

Rs.		
1927 ..	..	198,000 (roundly)
1928 ..	..	118,000 (roundly)
1929 ..	..	312,000 (roundly)

These figures do not affect our scheme of distribution which applies to the actual duty realised by the Government of India.

26. A comparatively small number of articles is included in the **Export duty.** Export Tariff Schedule, and it is not difficult to work out the share of the States on the basis of production. Their share in the rice and jute crop has been ascertained from the publications entitled "Estimates of Area and Yield" and the "Statistical Abstract". The year 1927-28 has had to be taken, as the latest edition of the latter publication is of that year, and the information contained in the former is insufficient in itself.

27. For computing the duty on hides and skins the figures published in the Livestock Census (1924-25) have been used. These are admittedly incomplete for the States, and we have only been able to supplement them by the figures published in the Statistical Abstract of Baroda. The majority, however, of the more important States are included, and indeed, it is probable that the share of the States in the skin trade is, if anything, over-represented by the figures we have obtained.

28. All jute mills are situated in British India, and consequently we have allotted no share in the export duty on jute manufactures to the States.

29. Table No. VI shows how the percentages have been obtained and Table No. VII the actual amount of export duty allotted to the Indian States from the revenue of 1928-29.

30. The total amount of the customs revenue of India (excluding Burma) for the year 1928-29, which would, under our scheme, have been allocated to the States is shown in Table No. VIII.

We should, however, mention here that the statistics we have made use of include also the duty collected at Cochin (compare paragraph 12). The effect of this will be corrected by the inclusion of the moiety refunded to Cochin in the expenditure to be apportioned between the States and British India.

31. We have shown in previous paragraphs how the lack of statistics led us to work out the scheme which we are submitting and we have indicated above how rough and ready any such scheme must necessarily be. After presenting the results of the scheme, as worked out for one particular year, we feel it necessary again to emphasise this point. The individual States differ so greatly in composition that the utmost which we can hope for is that the total figure at which we have arrived, represents a fair estimate of the amount of import duty which the States, as a whole, contribute by their consumption of the articles imported. It is possible by taking the Census and other statistics of individual States to divide this sum into separate shares for each State, but the results so obtained are likely to be less accurate as representing the shares contributed by individual States. Still less accurate is the result likely to be when applied to particular items in the tariff; for instance, a State which is mainly agricultural is likely to import more manufactured articles than have been allotted to it in our scheme and less than its allotted share of factory stores.

32. We received a number of statements from some of the States in reply to our requests for import statistics. A few attempted to distinguish between foreign and country goods, but the majority frankly admitted that it was impossible to draw this distinction. The statistics were given in various ways; sometimes the quantities of articles were shown and sometimes their value. Again, the commodities were grouped in such a way as to render impossible a satisfactory comparison between the States figures and the Government of India revenue statistics.

33. Thus we have not been able to make such use of these statistics as we should have wished, and where we did attempt a comparison between our general scheme of distribution and the claim of a State as represented by the figures supplied, the result was disappointing. For instance, Hyderabad provided us with a statement compiled from its customs returns and attempted a differentiation between imported and country goods. The values given represented, of course, the value of the goods on the borders of Hyderabad State,

including the customs duty previously paid at British Indian ports. After deducting the proper amount on this account and calculating the British Indian duty on the remainder, we arrived at a figure considerably below the amount that Hyderabad would obtain under our scheme of general distribution. The discrepancy in some items was distinctly large, notably in sugar, cotton piecegoods and kerosene oil. Again, in the case of Mysore, our allocation on account of sugar is too generous as compared with the claim made by the State, whereas the reverse is the case with the sugar imports of Baroda and Indore.

34. These discrepancies in the case of particular items and even in the case of the total share of an individual State do not necessarily detract from the value of our scheme, considered as a comparison between the States as a whole and British India. An assumption underlying the scheme is that articles of universal consumption are consumed in all parts of India in quantities proportionate to the total population. This may be true of the country considered as a whole, but not of particular areas in it. Similarly, with large towns, a comparison between two towns of equal population may reveal large differences of consumption due to diverse habits of living and climatic considerations, and yet a comparison of all large towns in the States with all large towns in British India may well reveal a scale of consumption proportionate to the total inhabitants of all such towns in the two areas. The States are not confined to one portion of the country but are scattered all over, and diversity of habits and climate are likely to affect equally the States and British India.

35. While, therefore, the scheme we put forward may not be accurate when applied to individual States, we feel tolerably sanguine that the total share of the States worked out collectively by us represents a fairly approximate estimate of the duty accruing to Central Revenues from the consumption of imported articles in the States.

CHAPTER III.**Excise Revenue.**

36. Our terms of reference assumed that the allocation of customs and excise revenue would be made on the same basis, but this is not entirely the case, as Provincial excise is levied on goods such as drugs and liquors, the distribution of which is strictly controlled. We have been able to obtain from Local Governments and Administrations the exact share of their excise revenue which is obtained from supplies made to Indian States. The excise revenue, however, which accrues to the Central Government from petrol, kerosene oil and silver can only be allocated in accordance with a scheme of distribution as in the case of the customs revenue.

37. The result of our enquiries from Local Governments and other Administrations is to be found in Table No. IX. The figures obtained are for the year 1928-29. These figures will, of course, vary from year to year, differing not only by reason of variations in the amounts consumed but also on account of changing rates of duty and changing arrangements of supply. For instance, the Government of Madras has been introducing a scheme whereby the whole of the excise revenue on drugs is refunded to the States with the exception of a fixed centage charge based on the amount of drugs supplied. Thus, whereas a considerable sum is shown against the Pudukkottai State for 1928-29, it will be much reduced for subsequent years as the new arrangement came into force with effect from the 1st of April 1929. Fresh figures will accordingly have to be obtained each year and the total figure we have given can only be taken as representative of the year 1928-29. The figures of excisable drugs as supplied to us by the States themselves do not in all cases accord with those stated by the Local Governments. It is clear from the correspondence we have had on the subject with the Government of Bihar and Orissa that this discrepancy is due to the difference between actual consumption and import by the States in a particular year. It is obvious that where an adjustment of revenue between the States and British India is contemplated, the latter figure must be taken. The figure given in our statement represents the duty which actually accrued in 1928-29 on drugs supplied to States during that year.

38. We have examined some figures of distribution of petrol Imperial excises— obtained from Oil Companies for the purpose of the Road Development Board, and we have also received figures of consumption from a large number of States. The former, which are admittedly approximate, show that in 1928, whereas the total amount distributed represented a consumption of 0.19 gallons per head throughout all India (excluding Burma), the consumption per head in Indian States was 0.10 gallons only. The States figures for 1928-29 which have been, for the most part,

collected for the purpose of our enquiry, and do not represent in the majority of cases previously recorded customs figures, show a consumption of just under 0.14 gallons per head. These figures are not complete as they cover a population of just under 45 millions out of some 69 millions inhabitants. The actual amount available for consumption during 1928-29, as shown in Table No. X discloses a total consumption of 0.18 gallons per head throughout India. The consumption per head in the States, as worked out from their figures, varies very considerably from 0.37 in Travancore to 0.02 in the Bihar and Orissa States, the Southern Indian figures being considerably in excess of Central and Northern India. We find that the areas for which we have not received figures are mainly those where the incidence of consumption is less than the average of 0.14 gallons per head, and as such the actual average for all States should be taken at less than 0.14 gallons per head. In view of this and the incidence of consumption in States derived from the Oil Companies figures, *viz.*, 0.10 gallons per head, we should scarcely be justified in taking a higher figure than 0.12 gallons per head for the States. The actual amount available for consumption during 1928-29, as shown in Table No. X, discloses a total consumption of 0.18 gallons per head throughout India. The proportion of consumption per head between the States and India is thus 2 : 3.

39. We have to include the maritime States in these calculations as the Travancore published returns do not record any direct import of foreign petrol by sea, nor can we find that the Kathiawar States import any. This fact is consistent with the small imports into British India of foreign petrol in 1928-29 (the duty amounted to Rs. 4,000 only, excluding Burma). In consequence, in considering the allocation of the excise duty on petrol, we have taken all the States, with the exception of Kashmir, to whom a refund of duty is paid. The percentage of total population of the contributing States to that of all India excluding Burma, amounts to 22 as against 20 in our customs computation, and two-thirds of this represents a percentage of approximately 15. In view of the small amount of customs duty involved and the fact that the rate of duty is the same, we have added this to the excise figure. The result of our distribution is shown in Table No. X. It may be noted that, although the duty was raised to 6 annas a gallon in March 1929, the surplus obtained from the additional 2 annas is earmarked for the Road Development Board and cannot be treated as excise revenue for purposes of distribution.

40. The import duty on kerosene has been included in Table

IV—Schedule I. We have not amalgamated
 (b) **Kerosene.** this with the excise duty, as in the case of petrol, as the amount of foreign kerosene imported is considerable and the rates of duty differ. We have excluded the maritime States from any share in the customs duty, but propose to include them in the distribution of the excise duty, as they import large quantities

of country oil from Bombay and Karachi, as shown in the Annual Statements of the Maritime Trade of Bombay and Sind. As in the case of the customs duty on kerosene, we suggest a distribution of the excise duty on a population basis and hence allot 22 per cent. to the States (excluding Kashmir State which receives a refund of the duty levied).

Table No. XI shows the quantity available for consumption in India (excluding Burma) during the year 1928-29 and the amount of duty available for distribution. The rate of duty has since been raised by 50 per cent. and the amount available for distribution on this basis would have been Rs. 1,05,41,000 in round figures, of which the share of the States would have been Rs. 23,19,000 approximately.

41. The duty was imposed only in March 1930. Future revenue

should, we suggest, be distributed on a population basis, *vide* paragraph 21 of the customs portion of our report. The bulk of the production is in Burma, which exported to India in 1928-29, 82,43,476 ounces: duty on this at the present rate would have amounted to Rs. 20,60,869 and the share of the States at 22 per cent. would have been Rs. 4,53,000, approximately.

CHAPTER IV

Salt Revenue.

42. We are required to estimate the amount accruing to Central Revenues from the consumption of *taxed* salt in Indian States. These computations are to be made on the assumption that existing salt agreements are to continue in force. The problem is somewhat similar to that of customs, except that unlike the latter, where no actual statistics of distribution are available, the various Administration Reports do enable us to trace on broad lines the quantities finding their way into various Provinces and groups of States. Correspondence, however, with the Collectors of Salt Revenue has shown that the statistics available in these documents deal only with direct issues from the places of manufacture and ignore the effect of further retail distribution across the boundaries of contiguous territories. We have accordingly devised a scheme which makes allowance for this factor.

43. In this chapter we have dealt with both imported salt and that which is manufactured in India, in order to arrive at a proper scheme of distribution. This has been possible in view of the fact that the excise and customs duties are identical in rate. Table No. XII shows the quantities of salt produced in Madras, Bombay, Northern India and Sind during the years 1926-27 to 1928-29, as distributed over the several areas which they serve. These figures are taken from the respective Salt Administration Reports. In this connection we should mention that we have made due allowance for salt which the States of Bikaner, Gwalior and Jaisalmer are entitled to manufacture under their agreements. We have not been able to ascertain whether each of these States manufactures the full amount permissible under the agreements, but, for the purpose of our calculations, we have assumed that they do so. If, in any year, it is found that they do not manufacture the full quantities, it is only necessary to make a small readjustment of the difference in the calculations. The statement also includes the quantities of salt imported by sea. Statistics showing the actual distribution of imported salt are not available, but we gather that it is mainly consumed in Bengal and Assam and to a smaller degree in Bihar and Orissa and to a still smaller degree in the United Provinces. We have made the distribution of imported salt among these three areas in the proportion in which similar imports have been allocated in the publication entitled "The Systems and Practice of Salt Administration in India".

44. We have thus been able to compute the average quantities of salt, which found their way into the areas specified in column 1 of the statement during the years 1926-27 to 1928-29. As stated above, these figures do not in all cases represent the final distribution of the salt and it is likely that the amount shown against any particular area may be more or less than the actual quantity finding its way

into that area, the excess or deficiency being reflected in the figures of the neighbouring States or Provinces. We consider, therefore, that the total of a group of contiguous areas would more accurately represent the total consumption in the group area. It will thus be possible to distribute the total consumption in the larger group proportionately between the population of Indian States in that group and British India. In making this grouping we have been influenced by the fact that the quantity of salt consumed in the different parts of India differs according to the habits of the people, and varies with the dietary; cf. paragraph 166 of the Report of the Indian Taxation Enquiry Committee, 1924-25, Volume I. The result of our investigations also confirms this view.

45. We have, therefore, combined the areas in column 1 of Table No. XII into the following main groups:—

- (I) Madras, Coorg, Mysore, and Madras States (except Travancore and Cochin).
- (II) Bengal and Assam including Manipur, Bengal States and Sikkim.
- (III) Bihar and Orissa including States.
- (IV) Sind, Baluchistan, Khairpur and Baluchistan States.
- (V) Bombay, Central Provinces and Berar, Baroda (except Okhamandal and Amreli), Western India States, Bombay States (except Khairpur), Hyderabad and Central Provinces States.
- (VI) United Provinces, the Punjab, North-West Frontier Province, Ajmer-Merwara, Delhi Province, United Provinces States, Rajputana, Central India, Gwalior, Punjab States and Kashmir.

46. The total quantity of salt consumed in each of these groups has been apportioned in Table No. XIII between the States and British India in that group according to the relative populations, with this modification that in the case of group (V) we have excluded the population of Kathiawar States, the Baroda Districts of Okhamandal and Amreli and Cutch, as they depend mostly on local manufacture. But, as the Kathiawar States are found to import a small quantity, credit has been given for the exact amount stated in the Bombay Salt Administration Reports. Travancore and Cochin have been omitted, as all the salt imported by them is free of duty.

We have excluded Burma from our computations for the same reasons as in the case of Customs.

47. In this connection it may be mentioned that the amount of salt consumed per head in the various groups is worked out by us to be as follows:—

- (1) Madras, Mysore, etc., group 20.32 lbs.
- (2) Bengal, Assam, group 12.59 lbs.

- (3) Bihar and Orissa, group, 11.20 lbs.
- (4) Sind, Baluchistan group, 10.19 lbs.
- (5) Bombay, Central Provinces, Hyderabad group, 13.31 lbs.
- (6) United Provinces, Punjab, Rajputana and Central India group, 10.99 lbs.

These figures compare reasonably well with those stated in paragraph 166 of the Taxation Enquiry Committee's Report, although we realise that our figures are apt to be slightly higher in view of the fact that we are working on the Census of 1921-22 and the total consumption of 1926-27 to 1928-29. At the same time we feel that our grouping together of contiguous areas would give more accurate results, as already explained. The fact that we are dealing with the Census of 1921, and the total consumption of a later period should not affect materially our calculations of the share of consumption of the States, as they are based on relative proportions of the populations. The gross amount of salt supplied to Indian States (excluding Travancore and Cochin) through the agency of the Government of India Salt and Customs Departments during the years 1926-27 to 1928-29 has been worked out to be* 94,50,000 maunds per annum.

48. Under their agreements some States are entitled to definite

Treatment of concessional supplies. quantities of salt

- (1) free of duty, or
- (2) free both of price and duty, or
- (3) at concessional prices and half free of duty.

In arriving, therefore, at the quantity of salt on which duty has been paid by States, due account has to be taken of the amount of salt on which no duty or only half duty is paid. We have compiled a list of these concessions *inter alia* in Table No. XIV from which it will be seen that the total quantity of salt to be provided duty free per annum is 3,09,855 maunds (half duty free salt has been reduced to terms of full duty free salt by taking only half the quantity of the former). In actual working, a State may not be supplied with the full amount of duty free salt to which it is entitled in any particular year, but the deficiency is made good in a subsequent year. It is, therefore, sufficient for our purposes to take the actual quantities to which the States are entitled. Deducting this and the quantity of salt manufactured by the States themselves, from the gross consumption, we arrive at the amount of salt on which duty has been paid by the States. This quantity for the period in question was 91,40,145 maunds per annum.

* Gross amount consumed ..	..	..	95,49,000
Less production by States ..	..	..	99,000
			94,50,000

49. We find that in the case of certain States which were entitled under their original agreements to stipulated quantities of salt free of duty, subsequent agreements have been entered into, under which such free supplies have been commuted into fixed cash payments. We feel that in these cases the States are not entitled to be credited again with the duty on that amount of salt in respect of which compensations have already been paid ; in other words, that they are entitled to credit only on the amount of duty paid salt consumed over and above the amounts for which compensations have already been paid. The total quantity which should thus be deducted from the quantity specified in paragraph 48 is 2,44,000 maunds and after taking this into consideration the net amount of salt on which duty should be credited to the States amounts to 88,96,145 maunds. At the current rate of duty which has been in force since 1924, the credit to the States under this head amounts to Rs. 1,11,20,000.

50. Although the scheme may be in some respects rough and ready, we feel that we can claim for it a higher degree of accuracy than in the case of Customs, as we have been able to ascertain the broad lines of distribution, and by dividing the country into groups to assess with reasonable accuracy the total quantity consumed in each group. In the application of this scheme to individual States the same degree of accuracy is not likely to be attained and in consequence we doubt whether the scheme can be applied with complete satisfaction to the claim of any individual State.

CHAPTER V.**Tributes.**

51. We have been asked to compile a detailed statement of all payments under the head ' Tributes ' in so far as they are available to the Government of India for general expenditure, payments earmarked for special or local purposes particularly beneficial to the States concerned being separately listed. The required figures will be found in Table No. XV. They are based on such information as was readily available from the records of the Government of India. Statement A of the Table embodies Tributes which are available to the Government of India for general expenditure and statement B those tributes which are received for special or local purposes.

52. We have indicated in the ' Remarks ' column of Statement A as far as information was readily available, whether a particular payment is for

- (a) the price of protection,
- (b) maintenance of troops,
- (c) commutation for maintenance of troops,
- (d) quit rent for land, and land revenue.

53. In the case of Statement B the nature of the specific object or service for which the tribute is paid has also been indicated.

CHAPTER VI.

Expenditure incurred by States on their Armies.

54. We are asked to ascertain the actual cost of units maintained under the Reorganization scheme including a fair amount for overhead charges on account of the staff, maintenance of barracks, etc. We are also asked to make separate lists for :—

- (a) Units which are expected to be at the disposal of the Imperial Government for external defence, and
- (b) Units earmarked for internal security.

Further, we are asked to collect separate figures showing the total Army expenditure of all States.

55. The view taken by the Army Authorities of the Government of India as to the impossibility of differentiation between the expenditure of the Government of India for purposes of external defence and for purposes of internal security (*vid.* paragraph 96) renders a similar distinction unnecessary in the case of States Forces, and indeed the Army Authorities have themselves suggested that we should instead ascertain the total effective military expenditure of the States.

56. In reply to the enquiries which we made on the basis of our terms of reference, the Military Adviser-in-Chief provided us with a statement showing the expenditure incurred by States on the various units included under the Reorganization scheme, differentiating between :—

- (a) Units earmarked for service,
- (b) Units that are for loan to Government but not yet earmarked,
- (c) those for internal security.

He pointed out, however, that it was doubtful whether the figures supplied included all the items of expenditure which we required ; such as expenditure in connection with the construction and upkeep of barracks, etc. He suggested that we should apply direct to the States on the subject. We adopted this suggestion and the result is shown in Table No. XVI. We have taken the figures in each case to the nearest thousand rupees.

The expenditure has been divided under two heads :—

- (1) Indian States Forces,
- (2) other military expenditure.

The former heading has not been sub-divided into the two categories of internal security and external defence, partly because such a distinction is now unnecessary, and partly because separate figures have not been given by all States. We should mention here that where the States have given a lump figure for overhead charges, we

have divided it *pro rata* between the "States Forces" and other Army expenditure, and, where the capital cost of barracks has been separately shown and the recurring charges on their account have not been merged in the overhead charges, we have calculated the annual charge at 6 per cent. on the capital cost. We have deduced the total expenditure under Indian States Forces to be Rs. 2,38,71,000 as against Rs. 2,09,38,000 in the Statement supplied by the Military Adviser-in-Chief. This discrepancy of Rs. 29,33,000 is in the main accounted for by the inclusion of overhead charges, etc., in the figures supplied by States and may be considered to be reasonable.

57. The expenditure under the head "States Forces" may be considered to be "effective" military expenditure as described by the Army authorities but it is doubtful whether all the "other military expenditure" can be so regarded. Most of the States which maintain armies have joined the Reorganization Scheme, some of the principal exceptions being Baroda, Travancore, Cochin, and Kolhapur. It is only in the case of these principal States that a considerable proportion of their military expenditure could probably be classed as effective, but we are not in a position to say what this proportion is as we are not aware of the composition or the standard of efficiency of their troops. Again, certain States which wholly or partially have come under the Reorganization Scheme have also claimed to incur certain other military expenditure. Here also we are unable to say whether any part of such expenditure is to be regarded as "effective" military expenditure and how far it really should be excluded as being incurred on "Armed Police", "State Band" and so on. The time at our disposal has not been sufficient to make a further investigation into this point, which would have involved us in lengthy correspondence with the States. We have, however, been able to exercise some check by means of the "Return of Military Forces, Aircraft, etc., in Indian States" which is maintained in the Political Department, and to eliminate the expenditure given by the following States, which are shown in that Return as possessing no regular troops, but only armed police.

Cambay,	Umetha,
Janjira,	Jambughoda,
Sant,	Akalkot.
Bhadarwa,	

It is however almost certain that in the case of other States also, expenditure on armed police, State Band, etc., has been included, but we are not in a position to check this and hence cannot say definitely whether the amount under the heading "Other military expenditure" is entirely spent on "effective" troops or otherwise.

CHAPTER VII.

Imperial Burdens.

58. In this chapter we have dealt with items of Central expenditure classified as Imperial Burdens. We were supplied with a provisional list of the items, and were required to collect figures showing the average annual expenditure of the Government of India in respect of each item, based as far as possible on the actual available figures for three years and the revised and budget estimates of the remaining two. We have indicated in the body of this chapter where we have taken the figures of a shorter period for special reasons.

59. Although we are required under our instructions merely to collect the figures of expenditure under the Imperial Burdens, we have collected and stated such other facts as may be useful when the time comes for the actual apportionment of 'Imperial Burdens', between States and British India. We feel that by so doing, we have made it unnecessary for the authorities to cover again some of the same ground and thereby have saved some duplication of work.

I

High Commissioner for India.

60. The expenditure on agency services performed by the High Commissioner for India falls under the following three main heads :—

- (a) Education Department,
- (b) Trade Department, and
- (c) General utility services.

The expenditure under these heads as worked out by the High Commissioner on the basis of actuals of 1929-30, is as follows :—

(a) Education Department	.. £15,401 or Rs. 2,05,350.
(b) Trade Department	.. £17,964 or Rs. 2,39,520.
(c) General utility services	.. £11,690 or Rs. 1,55,870.

These figures are inclusive of an addition for pensionary charges.

61. As regards (a), *i.e.*, the Education Department, the share of the cost on account of students from Indian States, worked out on the basis of three years average of passports issued to such students, amounted to £531 or Rs. 7,080 for 1929-30. In calculating this figure, students from the Hyderabad State have been excluded as His Exalted Highness the Nizam's Government have their own Educational Agent in England.

62. As regards (b), *i.e.*, the Trade Department, the Secretary to the High Commissioner has pointed out that "the number of en-

quiries on behalf of Indian States on which action has been taken is very small, and would be infinitesimal in comparison with enquiries from or about British India". He adds, however, that "it must be borne in mind that it is India's export trade that is the centre of interest and that whereas exporters are chiefly located in British India, their activities as purchasers of exportable goods cover the whole of India, including Indian States, and that in that sense the Indian States share the benefit of enquiries relative to exporters in British India". He has suggested that a rough estimate might be made of the extent to which the Indian States benefit by the activities of the Department by reference to some such criteria as relative populations, relative cultivable areas and possibly relative forestry and mineral wealth. We have adopted this suggestion but have carried it somewhat nearer to the export trade by taking the more important of India's exports as recorded in the *Review of Trade* for the year 1928-29, and have estimated the probable share of the Indian States in this trade by taking the yield of crops and the output of factories in Indian States as compared with India as a whole. We reproduce these figures in Table No. XVII. The details indicating how the share of the States has been arrived at are shown in Table No. XVIII. It will be seen that the particular items of export dealt with account for Rs. 285 crores out of a total export trade of 330 crores in 1928-29, so that they represent a very fair picture of the export trade of India. This statement shows that the share of the States in the commodities considered amounts to 14 per cent. of the whole. We should, however, add that we have assumed, for instance, that the raw cotton exported arrives in the ports from British India and the Indian States proportionately to the yield of the cotton crop in the respective areas, and that the hides and skins exported come from the two areas in proportion to the total number of cattle in them. We have based our suggestions for the allocation of a share in the export duty on rice, jute and hides and skins on similar data and it is obvious that the same basis must be adopted in both cases.

62. As regards (c), i.e., general utility services, it may be stated that most of the advantages which accrue to British India from the general utility services of the High Commissioner's office in London are open to Indian States. These are as follows :—

- (1) Securing facilities for officers on deputation or study leave,
- (2) relief and repatriation of destitute Indians,
- (3) issue of special nationality certificates for Indian seamen,
- (4) arrangements in connection with the issue of British passports,

- (5) purchase of books and periodicals under special terms, and
 (6) library, reading room and other facilities at the India House.

The High Commissioner for India has suggested that some portion of the expenditure under this head may be regarded as being special to his representative position on behalf of British India and should therefore be excluded before any distribution is made. We are unable to suggest what this figure should be, as we have not had adequate time for a further reference to the High Commissioner.

II

The Agent of the Government of India in South Africa.

64. The average annual expenditure incurred by the Government of India in connection with this Agency is estimated to be Rs. 1,41,600. This figure is made up as follows :—

	Rs.
(1) Average cost of South African Agency ..	1,08,000
(2) Share of Secretariat charges, <i>i.e.</i> , a proportion of the cost of the Department of Education, Health and Lands	12,170
(This is worked out on the basis that 1|12th of the Joint Secretary's time and 1|9th of the Additional Deputy Secretary's time are spent on South Africa. Allowance has also been made for office establishment engaged on Emigration work.)	
(3) Special Officer for South African repatriates in Madras	13,000
(4) Leave and pensionary charges of establishment in India, <i>i.e.</i> , one-third of items (2) and (3) above	8,389
For rounding	41
Total ..	1,41,600

65. Figures showing the exact number of Indian State subjects in South Africa are not available, but it is estimated that in the Cape Province and Transvaal the proportion of such subjects to the total resident Indian population is one-third and that in the Union of South Africa as a whole it would not exceed one-fourth.

We may add that we understand that the Special Officer for South African repatriates does not do the same amount of work for Indian State repatriates as for British Indian repatriates in the matter of finding employment in India.

III

Port Quarantine Measures.

66. This expenditure is of vital benefit to the whole of India including the Indian States, as it is incurred on the prevention of the introduction into India of epidemic diseases. After taking into account recoveries and contributions from various Port Trusts and Shipping Companies, the net average annual expenditure on this account aggregates Rs. 1,47,182 to which should be added a sum of Rs. 14,055 on account of pensionary charges, making a total of Rs. 1,61,200 per annum roundly.

IV

Central Agricultural and Veterinary Research.

67. (i) *The Imperial Council of Agricultural Research.*—The Imperial Council of Agricultural Research was instituted in June 1929 as a result of the recommendations of the Royal Commission on Agriculture in India, for the purpose of :—

- (a) the promotion, guidance and co-ordination of agricultural and veterinary research throughout India,
- (b) the training of research workers under a scheme of research scholarships or in other ways,
- (c) the collection and dissemination of information in regard not only to research but to agricultural and veterinary matters generally, and
- (d) the publication of scientific papers, etc

68. The Royal Commission recommended that, to enable the Council to embark upon a programme of ordered advance, a lump grant should be made to the Council of Rs. 50 lakhs which would constitute a research fund and to which additions should be made from time to time as financial conditions permitted. Under the scheme as finally sanctioned the Council have so far received the following grants :—

- (a) Administration grant (*i.e.*, for the cost of the staff of the Council)—

	Rs.
1929-30 recurring	1,40,000
1930-31 recurring	2,55,000

- (b) Research grant (non-lapsing)—

	Rs.
1929-30 Lump-grant for research	15,00,000
1930-31 Lump-sum non-recurring grant for sugar cultivation	10,00,000
1980-31 recurring annual grant for research	5,00,000
	30,00,000

The recurring administrative grant is for the secretariat of the Council and as it came into existence in June 1929 the figure for that year does not represent a correct picture of the future. An average of Rs. 2,75,000 is considered to be nearer the mark.

As regards research grants, they are non-lapsing and for our purpose it would be better to take an average for a period of say six years. The Council's assets during such a period are likely to be Rs. 60,00,000 as shown below :—

	Rs.
(1) Grants already received	30,00,000
(2) Balance of lump grant of Rs. 25,00,000 (paragraph 7 of the Resolution by the Department of Education, Health and Lands, dated 23rd May 1930)	10,00,000
(3) Recurring annual grant of Rs. 5,00,000 for 4 years	20,00,000
	60,00,000

After adding to this the cost of administration of the Council, *viz.*, Rs. 2,75,000 per annum and an allowance of Rs. 19,500 for the pensionary liability on account of the staff we arrive at Rs. 12,94,500 per annum as the average cost of the Imperial Council of Agricultural Research and its activities.

69. No regular contributions are at present made by Indian States towards the cost of the Imperial Council of Agricultural Research. His Exalted Highness the Nizam's Government alone have given a donation of Rs. 2 lakhs in return for which they have been given representation on the Council and are entitled to apply to the Council for grants for research schemes, in the same way as the Provinces in British India.

(ii) *The Imperial Institute of Agricultural Research at Pusa and its sub-stations.*

70. This Institute is fully equipped with laboratories, a museum, herbaria and an up-to-date scientific library. The activities of the Institute are mainly directed towards research, experiment and education. As regards research, the Institute deals as a rule with problems of general or all-India importance, or with problems which cannot

be studied properly or conveniently by Provincial Governments. On the education side, it serves the purpose of a higher teaching institution, providing post-graduate courses for selected and distinguished graduates of Indian Universities. With a view to obviating the necessity of students going to foreign lands for still higher agricultural teaching, specialised courses were started in 1923 with the object of training students in methods of research and fitting them for appointment to the superior posts in the Service. The Institute publishes in the form of scientific reports, the results of the research work carried out by members of the staff or by research workers. The Institute performs another very important function in so far as it supplies information and advice on agricultural topics to all who care to ask for it.

The net average annual expenditure incurred on this Institute including pensionary charges in respect of the staff, amounts to Rs. 11,61,000.

(iii) *The Imperial Institute of Veterinary Research at Muktesar and its sub-station Izatnagar.*

71. The original object of this Institute was to investigate the diseases of domesticated animals and to ascertain, as far as possible, by biological research, the means of preventing and curing such diseases. It has since developed into an extensive institution in which sera and vaccines are manufactured more or less on a large scale for supplies to Local Governments and to Indian States. The activities of the Institute also consist of research in devising suitable remedies for diseases of animals which still require investigation, in standardisation of doses and experiments, and in new methods of inoculation, etc. The educational activities of the Institute consist in imparting post-graduate instruction and practical training to veterinary officers and subordinates deputed by Local Governments and Indian States.

72. Under existing arrangements the whole cost of this Institute is more than counterbalanced by receipts from the sale of sera and vaccines. The Government of India have, however, under consideration the recommendation of the Royal Commission on Agriculture to the effect that the cost of research and of manufacture at Muktesar (including Izatnagar) should be separated, the former being borne by Central revenues. If this recommendation is accepted all the charges of veterinary research will become an Imperial burden while the expenditure on the manufacture of sera and vaccines will be met from charges for their supply at cost price. It is not possible to foresee at this stage what those veterinary research charges will exactly be. It is, however, anticipated that they will be in the neighbourhood of Rs 3 lakhs per annum.

No contributions are received from Indian States towards either of the two Institutes mentioned above.

V.

Central Medical Research.

(i) *Indian Research Fund Association.*

73. The Indian Research Fund Association has been established for the prosecution and assistance of research, the propagation of knowledge and experimental measures generally in connection with the causation, mode of spread and prevention of diseases. The work carried out by the Association is thus beneficial to the whole of India including the States.

74. Towards the cost of this Association the Government of India contributes a sum of Rs. 7,50,000 annually. No regular contributions are made by Indian States.

(ii) *Central Research Institute, Kasauli.*

75. The Central Research Institute at Kasauli is the medical research laboratory of the Government of India. Its functions are of an all-India character. It is the headquarters for basic research, enquiries in the field and other medical research activities connected with the Government of India and is very closely linked with the Indian Research Fund Association. It maintains a publication office for the Indian Journal of Medical Research and Indian Research Memoirs, a special library for the assistance of Indian Research Fund Association workers in the field and a stores at the Institute. It is also the source of manufacture of various vaccines and of anti-venomous serum in India.

76. The average annual expenditure on the Institute (including a percentage for pensionary liabilities on account of establishment employed) amounts roundly to Rs. 2,38,000. No regular contributions are received from Indian States towards this expenditure.

(iii) *Pasteur Institute of India, Kasauli.*

77. The Pasteur Institute, Kasauli, was opened in 1901 and was for many years the only institution for anti-rabic treatment and research in India. Though similar institutes have since been established in other parts of India, viz. :—at Coonoor, Shillong and Rangoon, the Kasauli Institute is the only one of its kind in Northern India and serves the whole of the Punjab, the North West Frontier Province, the United Provinces, Delhi, Central India and Rajputana and the adjacent Indian States, besides receiving patients from other parts of the country.

78. For the period of five years ending 1929 the average number of patients treated at this Institute totalled 8,471 per annum. Of this

number 1,673, i.e., nearly one-fourth, represent patients from Indian States.

79. The Government of India makes an annual contribution to this Institution of Rs. 17,700 besides occasional non-recurring contributions (e.g., Rs. 1,64,500 in 1929-30). Contributions from Indian States are very fluctuating, e.g., in 1928-29 these amounted to Rs. 2,325 while in 1929-30 they were only Rs. 950.

VI.

The Lady Hardinge Medical College and Hospital, New Delhi.

80. The Lady Hardinge Medical College serves as a training college for medical women all over India including Indian States.*

81. The annual contribution made by the Government of India to this College is Rs. 3,14,500, in addition to which non-recurring grants are also made when necessary. Apart from non-recurring donations given in the past by Indian States towards this Institution, the following recurring grants are received from some of the States namely :—

Kashmir	..	..	Rs. 3,500 per annum.
Hyderabad	..	..	Rs. 6,000 per annum.
Patiala	..	..	Rs. *3,500 per annum.
Faridkot	..	..	Rs. 1,500 per annum.
Kapurthala	..	..	Rs. 500 per annum.
Total			.. <u>Rs. 15,000</u>

Recurring grants of Rs. 30,000 and Rs. 4,000 per annum are also made by the Governments of the Punjab and of Bihar and Orissa.

82. During the last five years 98 students were admitted into the college from British India and 18 from Indian States.

83. We consider it however, relevant to add that in 1912 Lady Hardinge secured promises of Rs. 15 lakhs from the leading Ruling Princes and Nobles for the building of the College, with its associated hospital, and a training school for nurses, and the sum was subscribed on the condition *inter alia* that the Government of India would undertake all recurring charges after allowing for the income from endowments.

VII.

The Forest Institute and College at Dehra Dun.

84. The Forest Research Institute at Dehra Dun includes also the Forest College where students from all over India, including Indian States, receive training in forestry.

*This payment is conditional on two State nominees being provided

85. The net average annual expenditure incurred by the Government of India on the Forest Research Institute and the College, based on the actuals of 1926-27 to 1928-29, is estimated to be Rs. 8,16,200. Adding to this an allowance of Rs. 85,300 to cover pensionary liabilities, the total net expenditure is Rs. 9,01,500. It has not been possible to apportion this expenditure between the Forest Research Institute and the College in view of the existence of a number of factors common to both. For instance, certain members of the Institute, *e.g.*, the Biochemist, Entomologist, Botanist, Silviculturist and the Economist have to carry out certain duties in the College also. In view of this the expenditure on the two institutions is shown above as a lump sum.

• 86. We have been furnished with a number of statements by the Inspector General of Forests, which show that a considerable amount of assistance has been given to Indian States by the various branches of the Forest Research Institute by way of advice and the supply of useful information and statistics in various spheres. Speaking generally, the Institute has been of considerable benefit to the States in the development of their forests and in other directions of economic importance. In this respect Indian States are in the same position as provinces in British India. It is, however, not possible to estimate in terms of money the value of the benefits thus derived by the States from the Institute.

87. As regards the Forest College we have ascertained that the average number of students deputed by Indian States for training during the years 1926-27 to 1928-29 was exactly half of the total average number of students. Fees are doubtless recovered from all students, but these do not cover the cost actually incurred by the Government on their training.

VIII.

Agency Services in Ceylon and Malaya.

88. We find that the income realised from emigration fees levied under the Indian Emigration Act is more than sufficient to cover the expenditure on these Agencies and that incurred at the ports of Madras, Bombay and Calcutta in this connection. Emigrants from Indian States pay their share of the fees. We, therefore, consider it unnecessary to note the figures of receipts and expenditure under these two heads.

IX.

Meteorology.

89. The Indian Meteorological Department was instituted in 1875 to combine and extend the work of the various provincial meteorological services which had sprung up before that date. The

main existing functions, more or less in the historical order in which they were assumed, may be briefly summarised as follows :—

- (a) The issue of warnings to ports and coastal districts of the approach of disastrous storms. Since the introduction of wireless telegraphy this has been extended to include the issue of storm warnings to ships in Indian seas.
- (b) The maintenance of systematic records of meteorological data and the publication of climatological statistics. These were originally undertaken in order to furnish data for the investigation of the relation between weather and disease.
- (c) The issue to the public of up-to-date weather reports and of rainfall forecasts. These duties were originally recommended by a Committee of Enquiry into the causes of famine in India.
- (d) Meteorological researches of a general character, but particularly regarding tropical storms and the forecasting of monsoon and winter rainfall.
- (e) The issue of seasonal rainfall forecasts.
- (f) The issue of telegraphic warnings of heavy rainfall by special telegrams to district officers on departmental warning lists (*e.g.*, canal and railway engineers), and by means of the ordinary daily weather telegram, to the public in general.
- (g) Supply of meteorological, astronomical and geophysical information in response to enquiries from officials, commercial firms or private individuals.
- (h) Technical supervision of rainfall registration carried out under the control of Provincial Governments and State authorities.
- (i) The study of temperature and moisture conditions in the upper air by means of instrument—carrying balloons, and of upper winds by pilot balloons.
- (j) The issue of weather reports and warnings to aircraft.
- (k) Special investigations at the Airship base, Karachi.

In addition to these meteorological duties the Indian Meteorological Department was from time to time made responsible for various other important duties, such as—

- (l) The determination of time in India and the issue of time-signals, and also the determination of errors of chronometers for the Royal Indian Marine and the Royal Navy.
- (m) Observations and researches on terrestrial magnetism at **Bombay**.

- (n) Regular study (mainly by spectroscopic examination) of the sun at the Solar Physics Observatory at Kodaikanal.
- (o) Maintenance of seismological instruments at various centres.

90. The net total annual expenditure on Meteorology in India, including a suitable addition on account of pensionary liabilities, is Rs. 19,10,000. This, however, includes the cost of meteorological work done for civil aviation purposes. We understand that it is not possible to ascertain the proportionate expenditure on meteorological services for civil aviation, but on the basis of the net expenditure, viz. :—Rs. 8,98,000. on Meteorology for the year 1926-27, up to which no work was done for civil aviation, the expenditure for the latter purposes may be estimated at Rs. 10,12,000.

91. We understand that it is not practicable to assess the exact cost of the portion of the Meteorological Department which considers, tabulates and co-ordinates the statistics received from the various States and British Indian observatories. We have therefore taken account of the fact that Indian States render assistance in varying degrees in the general interests of Meteorology. We append a statement (Table No. XIX) which estimates roughly the value of the services rendered by them at Rs. 74,400. Credit to the States will have to be given for this after the charges indicated in paragraph 90 above and the value of services rendered by the States are distributed between British India and the States in any manner which may be decided upon.

X.

Railway Board.

92. The average annual expenditure on this account aggregates Rs. 15,75,000 inclusive of pensionary liabilities.

XI.

Net loss incurred on strategic railways.

93. The average net loss incurred on strategic railways amounts to Rs. 1,73,05,000. We are taking this into account separately under Military Expenditure.

XII.

Army, Marine and Military Works.

94. The net average annual expenditure on this account aggregates Rs. 55,06,28,281 as follows :—

	Rs.
Army	50,39,38,757
Marine	63,38,532
Military Engineer Services ..	3,96,72,045
Transfers to Military Reserve Funds	6,78,947

It is not possible to estimate at this stage what the level of expenditure will be on the termination of the present contract budget with the Army Department. It is, however, hoped that such expenditure will be in the neighbourhood of Rs. 52,50,00,000. Over and above this expenditure a net average loss of Rs. 1,73,05,000 per annum is incurred on strategic railways. The total military expenditure including this loss thus amounts to Rs. 56,79,33,281. Of this a sum of Rs. 1,20,00,000 is approximately estimated to relate to military expenditure in Burma. The latter does not include expenditure in respect of the Royal Indian Marine, as no such expenditure is incurred in Burma.

95. As regards the functions of the Royal Indian Marine, it may be mentioned that it undertakes :—

- (i) the defence of Indian coasts, harbours and ports and the protection of trade in Indian waters, and
- (ii) the marine survey of the coasts of India, including the ports.

When survey or other work is undertaken by the Marine Department solely for the benefit of *quasi*-government bodies or Indian States, the latter are required to pay the costs involved. Similarly Local Governments pay for work undertaken at their request when it is conspicuously of local interest.

96. We are required, under our terms of reference, to obtain figures classifying separately expenditure on (a) external defence and (b) internal security. We understand, however, from the Army authorities that it is impossible to do this. They consider that it is impossible to differentiate in military expenditure in India, between expenditure for purposes of external defence and for purposes of internal security. The division of the garrison in India between external defence troops and internal security troops represents the allocation in an order of battle which would come into operation in the event of an external war when general mobilization is ordered. Apart from the fact that internal security troops would be required in the interests of States and not only for British India, they consider that they would also be necessary for the purpose of guarding the lines of communication of the field army.

97. The question of dividing the military expenditure has presumably been raised for the purpose of determining from what portion of the total expenditure the States should be exempted. As it is impossible to differentiate between expenditure under the two heads, it has been suggested to us that the proper share of the States could be assessed by adding together the total military expenditure of British India and the total "effective" military expenditure incurred by the States, and dividing the whole between the two in whatever ratio may be decided upon, whether this be on a population or a revenue basis. This suggestion renders it necessary for

us to work out the "Effective" military expenditure of the States, and we have dealt with this problem elsewhere under the "Credit" side of our Report.

XIII.

The Standing Committee of the Chamber of Princes and the Chamber.

98. The following expenditure is incurred by the Government of India in connection with the Standing Committee of the Chamber of Princes and the Chamber :—

	Rs.
(a) Printing, postage and other miscellaneous expenditure ..	3,000
(b) Maintenance of the Chamber of Princes' building	20,500
(This includes charges for the maintenance of the building and furniture, house tax, electric energy and water supply, running of lifts, etc.).	
(c) Interest at 5 per cent. on the capital cost of the building ..	1,00,000
(On a rough computation the capital cost has been taken to be Rs. 20 lakhs which represents the cost of the Princes' Chamber, a share of the cost of the outer ring for that portion of the ring which is occupied during sessions and also a share of the cost of the library, which is intended for the use of all the three Houses.)	
Total ..	1,23,500

XIV.

Chiefs' Colleges.

99. We have prepared a statement (Table No. XX) which shows at a glance the average expenditure incurred on these colleges and their sources of income, with particular reference to the recurring contributions made by the Government of India and the Princes. The statement shows also the proportion of the total recurring expenditure which should be borne by the Government of India on the

basis of the number of British Indian students. The excess of the contributions by the Government of India over their share would be a debit entirely against the States. We may add that this calculation assumes that the whole credit on account of interest on investments should go to the States—an assumption which we have not been able to check.

XV

The League of Nations.

100. The Government of India incurs expenditure in connection with the League of Nations on account of :—

- (a) the annual contribution to the League of Nations,
- (b) the deputation of the Indian Delegation to Geneva.

The annual contribution depends on :—

- (1) the total expenditure of the League for the year in question, and
- (2) the proportion of the total expenditure for the time being payable by India.

The former has shown a steady tendency to increase, and it would be rash to assume that the maximum has been reached. The actual proportion of India's share depends on the scheme of allocation for the time being in force. Under the present scheme, India pays 56 units out of a total of 937. The Indian view is that she is assessed too high, and it is possible that the next revision of the scheme of allocation will result in a reduction of the number of units payable by India. There will also be a reduction in the proportion of expenditure payable by India if a new member should join the League. It would, however, be unsafe to assume that any probable reduction in the proportion would more than counterbalance the probable increase in the total cost, and having regard to the steady increase of India's contribution from Rs. 5,49,000 (roundly) in 1921-22 to Rs. 8,20,000 (budget estimate) in 1930-31, we are inclined to take the budget estimate for 1930-31, namely, Rs. 8,20,000 as a conservative estimate of the probable future annual liability. This represents a sterling liability of £61,500.

101. As regards the cost of the Delegation, the expenditure in England during the years 1926-27 to 1930-31 was as follows :—

1926-27	..	£3,746.
1927-28	..	£4,473.
1928-29	..	£5,737.
1929-30	..	£6,075 (revised estimate).
1930-31	..	£6,000 (budget estimate).

We consider £6,000 may be taken as a rough estimate of India's future liabilities on this account.

102. The expenditure in India, which is principally on account of passages, fluctuates widely in accordance with circumstances which are largely accidental ; for example, the amount of expenditure on passages depends on the number of delegates already in England at the time of their appointment to the Delegation, and it is impossible to form an estimate on scientific lines. We can only take the averages of the following five years :—

	Rs.
1926-27	12,114
1927-28	42,934
1928-29	8,686
1929-30 (revised budget)	8,403
1930-31 (budget)	25,000

The average amounts to Rs. 19,427 or Rs. 20,000 roundly.

103. To sum up we arrive at the following as representing India's liability :—

	£	Rs.
(1) Annual contribution	61,500	or 8,20,000
(2) India's Delegation :—		
(a) in England	6,000	or 80,000
(b) in India		20,000
	Rs. 9,20,000	

XVI.

Consular Representations Abroad and in India.

104. The average annual expenditure incurred by the Government of India on the various Consulates included under this head, including an allowance for pensionary liabilities is as follows :—

- (a) *Nepal Legation*.—Rs. 11,72,000. This figure includes the sum of Rs. 10 lakhs on account of the " Annual present to Nepal ".
- (b) *Tibet*.
- (i) Gyantse Trade Agency Rs. 2,28,200 roundly.
- (ii) Yatung Trade Agency Rs. 39,700 roundly.
- (iii) Gartok Trade Agency Rs. 18,000 roundly
- (c) *China*.—The Government of India make a lump annual contribution of £12,500 or Rs. 1,67,000 towards the British consular representation in China excluding

Tenguyeh and Kashgar. They also contribute an annual sum of £475 or Rs. 9,500 towards the cost of the Consulate at Tenguyeh. The expenditure on the Kashgar Consulate General which is borne by Indian revenues is Rs. 1,02,000.

(d) *Siam*.—The Government of India contribute approximately the following amounts towards the cost of consular representation at Chiengmai and Nakawn Lampang (Lakhon)

(i) Chiengmai £1,420 or Rs. 19,950.

(ii) Lakhon £800 or Rs. 10,670.

(e) *Goa*.—Ever since 1926 the incumbents of the post of British Consul for Portuguese India have been men in private employ, and the Government of India have had to pay them only an allowance of Rs. 400 per mensem for holding charge of the Consulate. The annual expenditure on this account is Rs. 5,000 including contingencies.

(f) *Pondicherry*.—The average annual expenditure incurred by the Government of India on His Majesty's Consul at Pondicherry and Karikal is Rs. 28,600.

105. The total expenditure incurred by the Government of India under the above heads may be summed up :—

(a) Nepal Legation	Rs. 11,72,000
(b) <i>Tibet</i> :	
(i) Gyantse Trade Agency	Rs. 2,28,200
(ii) Yatung Trade Agency	Rs. 39,700
(iii) Gartok Trade Agency	Rs. 18,000
(c) <i>China</i> :	
(i) Contributions to His Majesty's Government £12,500 plus £475 or	Rs. 1,76,500
(ii) Kashgar Consulate General	Rs. 1,02,000
(d) <i>Siam</i> (i) Chiengmai £1,420 or	Rs. 19,950
(ii) Lakhon £800 or	Rs. 10,670
(e) <i>Goa</i>	Rs. 5,000
(f) <i>Pondicherry</i>	Rs. 28,600
Total	Rs. 18,00,620

XVII.**Consular representation in Persia and the Persian Gulf.**

106. The expenditure on Consular representation in Persia and the Persian Gulf may be divided into two classes, *viz* :—

(i) Non-divisible, *i.e.*, expenditure which is wholly borne by India and (ii) divisible, *i.e.*, expenditure which is shared between His Majesty's Government and the Government of India. The average annual expenditure of the first category amounts to Rs. 5,96,800, while the average annual share of divisible expenditure debitable to the Government of India is Rs. 8,74,500, making a total liability of Rs. 14,71,300, including pensionary charges. In making these calculations we have also taken into account the share of the expenditure incurred in the first instance by His Majesty's Government and debited to the Government of India.

XVIII**Pilgrim Departments at Bombay, Karachi, Calcutta, and Jeddah and in Iraq and the Vice-Consulate at Jeddah.**

107. For convenience we have dealt with all these items together. After allowing for recoveries, the average annual expenditure incurred by the Government of India on the various pilgrim departments and the Jeddah Vice-Consulate, inclusive of an allowance for pensionary liabilities is as follows :—

				Rs.
(i) Bombay and Karachi	..	..	..	47,000
(ii) Calcutta	..	..	..	7,800
(iii) Jeddah	..	..	..	52,600
(iv) Iraq	..	..	..	6,900
				1,14,300
		Total	..	1,14,300

108. The figures for Jeddah include a sum of Rs. 15,500 representing the average miscellaneous expenditure on the repatriation of destitute pilgrims. Under the Pilgrim Ships rules, passage money and deposits of pilgrims lapsing to Government can be utilised towards such expenditure. The average of the amounts which lapsed to Government during the four years ended 1929-30 was Rs. 4,470.

109. The figures for Iraq represent the average expenditure on the Protector of Pilgrims for the two years (revised) 1929-30 and (budget) 1930-31. This appointment is of very recent origin, having been created only in 1929 especially in connection with the repatriation of destitute pilgrims from Iraq

110. We have ascertained that the average number of pilgrims from Indian States sailing from British Indian ports during the years 1926 to 1930 was 1,477 out of a total average of 27,303 for the same period. That is to say, 5.4 per cent. of the total number of pilgrims belong to the States. This figure relates to the Hedjaz pilgrimage. As regards the Iraq pilgrimage we have ascertained that the proportion of Indian States pilgrims to the total number of pilgrims repatriated from Iraq was 83 out of 272 or 30.5 per cent.

XIX

Aden.

111. The civil expenditure on Aden is borne partly by the Government of Bombay and partly by the Government of India. The figures of average revenue and expenditure, both Provincial and Central are as follows :—

(a) *Provincial.*

	..	..	Rs.
Average annual receipts	..	..	5,40,000
Average annual expenditure	..	..	4,67,000
			73,000
Surplus	..	..	73,000

(b) *Central.*

Average annual receipts	..	..	5,16,600
Average annual expenditure	..	..	8,08,000
			2,91,400
Deficit	..	..	2,91,400

If the Government of India were to take over the entire control of the civil administration of Aden, the deficit that would fall on Central revenues would amount to Rs. 2,18,400.

112. The following remarks are called for in respect of the calculations made by us :—

- (a) Figures for four years only ending 1930-31 have been taken as those for previous years relate to the period prior to the transfer of the political and military control of Aden from the Government of India to His Majesty's Government.
- (b) Receipts and expenditure under the central head ' Public Health ' have been ignored, as they have been taken into account in connection with the expenditure on

Port Quarantine at Bombay, Karachi and Aden, *vide* paragraph 66.

- (c) The figures of normal expenditure (both provincial and central) under the head " Superannuation Allowances and Pensions " have also been ignored, as a proportionate addition to the expenditure has been made on account of pensionary liabilities
- (d) The expenditure under the head " 19-Interest on Debt " incurred in Aden has not been included, as this cannot be regarded as a payment in the particular interests of Aden.
- (e) The figures of central expenditure include a sum of Rs. 42,000 representing the annual contribution that the Government of India have agreed to make towards the reorganisation of the armed police force at Aden.
- (f) The annual contribution by India of £250,000 for three years from the 1st April 1927 and of £150,000 thereafter to His Majesty's Government in respect of the expenditure on the military administration of Aden and relations with the Protectorate and Hinterland is not included in the figures quoted above as it is merged in the Army Budget and has been taken into account in connection with the military expenditure dealt with in paragraph 94.
- (g) Both the revenue and expenditure under the head " Salt " have been taken into account as the former represents the Excise duty on salt consumed in and around Aden, and the latter the expenditure on the operations of the local salt works. Aden salt which enters India is treated as " Foreign " salt for purposes of duty.

XX

Foreign and Political Department Secretariat.

113. The average annual expenditure incurred by the Foreign and Political Department under all the heads under the control of the Department, inclusive of an addition on account of pensionary liabilities, amounts to Rs. 11,27,500. In arriving at this figure and allocating it between the Foreign and Political sides, we have paid due consideration to the fact that the Department performs also the necessary duties connected with cypher telegrams for the whole of the Government of India and we have made a due allowance for the same on the basis of the proportion of such telegrams issued in selected months of some of the preceding years. After subjecting

the details of the expenditure to careful scrutiny we would allocate the total expenditure between Foreign and Political as follows :—

		Rs.	
Foreign	5,77,700
Political	5,49,800

114. We should, however, mention that the Department has not been divided into water-tight compartments, and although some of the higher officers work only for one or the other side, there are others who work for both sides. Similarly there are sections of the office which function for both sides. An exact division of cost has, therefore, not been possible, but we have made as reasonable a division as the data before us permitted.

XXI.

(i) The North-West Frontier Province.

115. We have been required to work out the expenditure classified under the two heads

- (a) administration of the five settled districts,
- (b) Agencies and tribal areas.

The separation of the revenue and expenditure between tribal areas and settled districts is a matter of considerable difficulty, but we have been somewhat fortunate in having before us the results of special investigations conducted by an officer of the Audit Department in 1922. Working on the basis of the division adopted in 1922, and after making suitable modifications, the Pay and Accounts Officer furnished us with figures separating the revenue and expenditure between "settled districts" and "tribal area". We have also had the benefit of the Chief Commissioner's views on the Pay and Accounts Officer's figures. We have made a few changes in the classification adopted by the Pay and Accounts Officer and the Chief Commissioner, which are indicated in Appendix No. I.

116. The distribution of revenue and expenditure between settled districts and tribal area has been made generally on a territorial basis, that is the revenue collections and the revenue expenditure—the actuals for 1927-28 to 1929-30 and the budget estimates for 1930-31—in the settled districts have been allocated to those districts and similar collections and similar expenditure in the tribal area have been allocated to that area. In some cases this method has not been followed. The departures from the general method and other special features are noted below :—

(a) *II—Taxes on Income.*—The Income-tax deducted from the salaries drawn from the settled districts by officers of the Scouts and

Militia has been shown as receipts of the tribal area, as the salaries have been treated as a charge on that area.

(b) *XIII—Irrigation—Deduct working expenses.*—The Upper Swat River Canal runs partly through a tribal area—the Dir Swat Agency—and partly through the settled district of Peshawar. A portion of the establishment charges of the Public Works Division which is in charge of this canal is paid in Dir Swat, while all other charges on extensions and improvements, maintenance and repairs, etc., are paid from the Peshawar treasury. The total working expenses on this canal have been distributed between the settled district of Peshawar and the tribal area, in the proportion of the area irrigated by the canal in the two tracts.

(c) *XXX—and 41-Civil Works.*—These heads deal only with Civil Works revenue and expenditure which are respectively paid into and out of the settled districts treasuries. In view of the revised classification of expenditure introduced in 1927, these heads do not include any expenditure incurred on trans-frontier buildings, roads, etc. The figures have accordingly been allocated entirely to the settled districts.

(d) *14—Interest on works for which capital accounts are kept.*—Under this head is recorded the interest charge on the capital outlay on major irrigation works. This charge appears in the accounts by a book adjustment. As in the case of “*XIII—Irrigation—Deduct Working Expenses*”, the interest on the capital outlay on the Upper Swat Canal has been distributed between the settled districts and the tribal area in the proportion of the area irrigated by the canal in the two tracts.

(e) *19—Interest on ordinary debt—Deduct Interest on outlay on irrigation works transferred to Provincial Government.*—Its distribution between the settled districts and the tribal area follows that of the provincial charge.

(f) *22—General Administration—Salary, Staff and household, sumptuary allowance and tour expenses of the Chief Commissioner, Civil Secretariat, Revenue Commissioner and establishment.*—All these charges are paid in the settled districts, but there are no materials for a distribution of them between those districts and the tribal area. The whole expenditure has accordingly been shown against the settled districts, but this point will be referred to again.

(g) *22—General Administration—District Administration—General Establishment.*—The General establishment is composed of Deputy and Assistant Commissioners and their staffs. The Deputy Commissioners are in charge of the settled districts and are also responsible for the management of political relations with certain tribes or sections of tribes across the border. It is not, however, possible, even approximately to distribute their cost between the settled districts and the tribal area, and no distribution has been attempted. This point will be commented on later.

(h) 25—*Jails*.—The maintenance charges of the political prisoners confined in political *hawalats* in the agencies are not debited under this head. The whole of the expenditure under this head is accordingly incurred on Jails in settled districts and taken against them. At the same time some of the prisoners of the tribal areas are also confined in jails in the settled districts and as such a share of the charges should be allocated against tribal areas, but there are no data to determine this allocation. This point will be referred to again.

(i) 29—*Political*.—Although some of the expenditure on account of Political Agents, Allowances to Frontier tribes, Political subsidies, Entertainment charges, and other miscellaneous expenditure under this head may actually be incurred in settled districts, they are properly classifiable under tribal area.

(j) 46—*Stationery and Printing—Government Presses*.—No separate account is kept locally at Peshawar of the amount of work done at the Government Press for the tribal area, and it has, therefore, not been possible to distribute the charges recorded under this head between that area and the settled districts.

(k) 47—*Miscellaneous—Durbar presents*.—The expenditure is incurred partly in the settled districts and partly in the tribal area, but has been taken wholly against the tribal area.

117. The following table shows the general financial results of General financial results of the distribution made on the lines explained in the preceding paragraph :—

(In thousands of rupees.)

	Actuals.			Budget, 1930-31.
	1927-28.	1928-29.	1929-30.	
	Rs.	Rs.	Rs.	Rs.
<i>Settled districts.</i>				
Total Revenue	84,72	79,26	81,90	88,19
Total Expenditure	1,43,58	1,53,43	1,66,85	1,85,70
<i>Deficit</i>	58,86	74,17	84,95	97,51
<i>Tribal area.</i>				
Total Revenue	2,81	3,07	2,42	3,05
Total Expenditure	1,49,95	1,60,02	1,72,52	1,75,60
<i>Deficit</i>	1,47,14	1,56,95	1,70,10	1,72,55

Detailed tables showing under each major head of revenue and expenditure, the distribution between tribal areas and settled districts will be found in Appendix No. I, in which we have also indicated together with our reasons, the departures we have made from the statements furnished by the Pay and Accounts Officer as modified by the Chief Commissioner. These figures do not include expenditure incurred in England and booked in the Home accounts as the details are not separately available.

118. If the revenue and expenditure of the settled districts shown above were distributed between "Central" and "Provincial" in accordance with the classification prescribed in the Devolution Rules for "Central" and "Provincial" subjects for Governors' Provinces, the result would be approximately as follows:—

(In thousands of rupees.)

	1927-28.	1928-29.	1929-30.	Budget, 1930-31.
<i>Central.</i>				
Total Revenue (a)	11,46	10,93	10,94	10,46
Total Expenditure (c)	—5,40	—5,55	—5,08	—4,67
Surplus ..	16,86	16,48	16,02	15,13
<i>Provincial.</i>				
Total Revenue (b)	73,26	68,33	70,96	77,73
Total Expenditure (d)	1,48,98	1,58,98	1,71,93	1,90,37
Deficit ..	75,72	90,65	1,00,97	1,12,64

(a) II—Taxes on income.

IV—Opium.

XVI—Interest—This head has been included here as the loans are financed by the Central Government, and the amount accruing to the Provincial Government when a financial settlement is reached would be set off more or less by the interest to be paid to the Central Government on the Provincial Loan Account.

XXVII—Currency.

XXXV—Miscellaneous.

(b) All other heads of revenue.

(c) 2—Taxes on income.

19—Interest on ordinary debt.

28—Ecclesiastical.

37—Miscellaneous Departments—Census.

38—Currency.

44—Territorial and Political Pensions.

(d) All other heads of expenditure.

According to the above figures the only possible means of arriving at a financial equilibrium in the sphere of provincial finances had they been separated on the basis of Governors' Provinces, would have been for the Central Revenues to make a grant to the North-West Frontier Province towards the cost of administration amounting to the following :—

(In thousands of rupees.)

1927-28.	1928-29.	1929-30.	1930-31.
75,72	90,65	1,00,97	1,12,64

119. The above apportionment of revenue and expenditure between settled districts and tribal areas is

Division on the basis of the Devolution rules not considered suitable for North-West Frontier Province.

not strictly accurate as it ignores several facts, and for this reason the further division of the revenue and expenditure of the settled districts between Central and Provincial on the basis of the Devolution Rules

is not considered to be a fair one, by the present and past Chief Commissioners of the Province. A large part of the expenditure incurred in the settled districts is occasioned by the geographical situation of the Province and the necessity of incurring expenditure here in the interests of the safety of India as a whole. It has been suggested by the Chief Commissioner that the burden under certain heads, namely, 22—General Administration, 24—Administration of Justice, 25—Jails and 26—Police, all of which have been classified in the above allocation as wholly "Provincial", should be shared between the Central and the Provincial Governments for the following reasons :—

(a) 22—*General Administration*.—But for the existence of tribal areas, the districts might have formed part of the Punjab and the necessity for a separate head of the Province, who is required mainly for reasons connected with the Frontier, might have been avoided. Then, again, if it were not for political work, fewer district

officers and smaller establishments would have been sufficient. The Chief Commissioner has accordingly recommended that the expenditure under this head should be shared between the Government of India and the Provincial Government equally, the share of the former representing the value of the functions performed here to India as a whole and their bearing on the situation in the tribal area.

(b) *24 Administration of Justice and 25 Jails.*—For similar reasons as in the case of “22—General Administration” and also the fact that in all districts, there is a larger or smaller influx of frontier immigrants from tribal territory and Afghanistan who take up much of the time of officers of almost all departments, half the expenditure under the heads of “Administration of Justice” and “Jails” has been suggested to be a fair charge against Central Revenues on account of tribal areas.

(c) *26 Police.*—It has been suggested that on the basis of the ratio of police to population in a Punjab district, 2½th or 40 per cent. of the expenditure on police would be a proper charge against central revenues.

Although we are not in a position to comment on the exactness or otherwise of the proportions suggested above, the justification for some such division seems to exist. On the basis of the settlement suggested by the Chief Commissioner, the Provincial deficit would be reduced by the following figures, a corresponding amount being transferred to the debit of either “Tribal areas” or “Central Government’s surplus” under settled districts. The former would, in our opinion, be more correct.

1927-28.	1928-29.	1929-30.	Budget. 1930-31.
24,85	25,18	27,88	29,17

These figures represent the net effect of dividing both the revenue and expenditure of the divisible heads. The actual deficits and surpluses under the modified scheme will then stand thus :—

	1927-28.	1928-29.	1929-30.	1930-31.
	Rs.	Rs.	Rs.	Rs.
(i) Provincial deficit (settled areas) .	50,87	65,47	73,09	83,47
(ii) Tribal area (Deficit) (Central) ..	1,71,99	1,82,13	1,97,98	2,01,72
(iii) Central Government’s surplus (Settled areas)	16,86	16,48	16,02	15,13

It has further been stated by the Chief Commissioner that even after these adjustments, it will be necessary for the Central Government to make an assignment not only to cover the Provincial deficit but also to bring the standards of administration in the Departments of Education, Medical, Public Health and Veterinary, etc. to the level of the neighbouring districts of the Punjab. This amount cannot be estimated at present.

120. In the above statement the deficits under (i) Provincial (settled areas) and (ii) Tribal areas represent the burden which the whole of India is required to bear. The total of these amounts is as follows:—

—	1927-28.	1928-29.	1929-30.	1930-31.
	Rs.	Rs.	Rs.	Rs.
(i) Provincial deficit (settled areas) ..	50,87	65,47	73,09	83,47
(ii) Tribal area deficit	1,71,99	1,82,13	1,97,98	2,01,72
Total Imperial burden ..	2,22,86	2,47,60	2,71,07	2,85,19

The Central Government's surplus under the settled districts (possibly with the addition of the figures under "19.—Interest on ordinary debt" and "20.—Interest on other obligations") represents the contribution of the Province itself towards its own share of all Imperial Burdens, just in the same manner as the surplus of Central Revenues over expenditure in any of the Governors' Provinces represents the contribution of that Province for Imperial burdens.

We should here add that if the indirect contribution by the Tribal areas were to be taken into account, we should reduce the deficit under that area approximately by Rs. 4,18,000* representing the duty *minus* collection charges on 3.78 lakhs of maunds of salt which we have estimated as the average number of maunds as having gone into those areas during 1926-27 to 1928-29 on the assumption that no salt is made locally. No allowance is required for customs duty on imported stores consumed in Tribal area—*vide* paragraph 13.

	Rs.
*Duty	4,73,000
Collection charges	55,000
	4,18,000

121. In conclusion we desire to emphasise that we have only attempted to explain the facts and figures available and worked out the amount of Imperial burden on account of the North-West Frontier Province and its Agencies and Tribal areas on the basis of definite proposals which have been put forward by the local authorities. We have not pronounced our views on the precise details of the financial settlement to be made with the Province, as we understand that this important problem has to be considered in relation to other questions arising out of the Statutory Commission's Report. The final figure which should be taken under this head as an Imperial Burden will depend upon the ultimate decisions reached on the recommendations of that Report.

(ii) **Baluchistan and the Political Agencies and Tribal Areas thereof.**

122. Unlike the case of the North-West Frontier Province and its Tribal areas and Agencies the revenue and expenditure of which were analysed in 1922 by local investigation and classified, as far as possible, between Tribal areas and settled districts in the manner explained in paragraph 116, no such analysis has ever been made in regard to Baluchistan. We ourselves have been unable in the short time at our disposal to undertake a local investigation. We have, nevertheless, attempted to make a broad separation of the revenue and expenditure between Tribal areas including Agencies and settled districts, and then of the latter between central and provincial. Appendix No. II contains detailed statements showing how this allocation has been made. It will be seen that the only head of revenue under which we have given some credit to Tribal areas is " Taxes on Income ". We have estimated this on the basis of the salaries of officers charged under that head.

123. As regards expenditure the principal heads taken under Tribal areas are " 29—Political " and " 29—A Frontier Watch and Ward ". Under the former head is booked the expenditure on Political Officers and their establishments who are engaged on the administration of British districts and are also in charge of political and other work connected with Tribal areas and Agencies. It has been impossible to make an exact separation but, on the advice of the Chief Commissioner and Agent to the Governor General, Baluchistan, we have taken half of the expenditure under " 29.—Political " including the subsidy of Rs. 1 lakh paid to His Highness the Khan of Kalat against Tribal areas, and the rest against the settled districts. The whole of the expenditure under " 29—A Frontier Watch and Ward " which is incurred on Frontier Levy Corps and buildings, roads, etc., on the trans-frontier is necessarily to be taken against Tribal and Agency areas.

124. On the basis of the above broad division the average revenue and expenditure under the several heads for the period from 1926-27 to 1930-31 will be as follows :--

(In thousands of rupees.)

—	(1) Tribal Area.	(2) Provincial.	(3) Central (Settled areas).
Revenue ..	25	[21,98	1,88
Expenditure ..	43,05	53,72	3,72
Deficit ..	42,80	31,74	1,84

For reasons similar to those given in paragraph 120 under the North-West Frontier Province the deficits under (1) Tribal areas and Agencies, and (2) Provincial amounting in all to Rs. 74,54,000 represent the amount of Imperial burden under this head. The Central (Settled areas) deficit of Rs. 1,84,000 becomes a surplus of Rs. 97,000 if the Central Government's expenditure of Rs. 2,71,000 under " 19—Interest on Ordinary Debt " and " 20—Interest on other obligations " is ignored and this surplus may be regarded as the contribution by the British districts of Baluchistan towards their share of all Imperial burdens.

125. As regards indirect contributions to central revenues from the Agencies and Tribal areas of Baluchistan, our scheme of apportionment provides for the credit of their share of revenue under Customs and Salt to the Indian States of Baluchistan. We have not been able to apportion further, the amount to be separated out of these for the Tribal areas as distinguished from Indian States, but we presume that this cannot be anything appreciable.

XXII.

The British Legation, Kabul.

126. The whole cost of the British Legation at Kabul, including the Consulates at Jelalabad and Kandahar is borne by Indian revenues. The expenditure is incurred on the maintenance of diplomatic relations with Afghanistan.

127. The total average annual cost is estimated at Rs. 7,65,000 roundly. This includes pensionary charges, and interest amounting to Rs. 1,25,900 (roundly) at the rate of 5 per cent. per annum on the total capital cost of the Legation buildings, which have only recently been constructed at a cost of Rs. 25,17,500 to Indian revenues.

128. For the purpose of average expenditure, *i.e.*, expenditure other than that incurred on "Works", only the actuals of the years 1926-27 to 1928-29 and the budget estimate figures of 1930-31 have been taken into account. The figures for 1929-30 have been ignored as the Legation was in a state of suspended animation during that year.

XXIII.

Maintenance of Afghan Refugees in India.

129. These refugees are the descendants of the late Amirs of Afghanistan Ayub Khan and Yakub Khan or of their relatives. The detention by the Government of India of these refugees is essential to the preservation of peaceful relations between India and Afghanistan. The average annual expenditure incurred is roundly Rs. 1,97,000 and in this sum is also included the expenditure incurred in connection with those Afghan refugees who are resident in the North West Frontier Province and Baluchistan.

XXIV.

The Military Advisory Staff of the Indian States Forces.

130. The average annual expenditure on the Military Adviser-in-Chief and his staff amounts roundly to Rs. 6,88,000, inclusive of an addition for pensionary liability in respect of officers and establishment.

XXV.

Civil Works.

131. We are required to work out the expenditure on roads and buildings (*e.g.*, Residencies, etc.), which have to be maintained in consequence of the political relations of the British Government with States. Similarly the value of free accommodation and other similar contributions provided by States have to be estimated. We have attempted with the help of such data as have been furnished to us to give as comprehensive a picture as possible of all Government buildings in the various Political Agencies classified under (i) buildings required for Government officers or residences of officers, and (ii) other buildings such as circuit houses, etc. *vide* Appendix No. III. We have also indicated the capital cost of these wherever possible and the average annual cost of maintenance. As some States have provided certain buildings and land, we have embodied the particulars available in regard to these.

132. Full particulars of capital cost are not available, but so far as they are, the total capital cost of Government buildings amounts

to Rs. 1,27,86,000* and of State buildings to Rs. 14,54,000. As regards maintenance, the annual expenditure incurred by Government amounts to Rs. 3,27,000.† Presumably interest at a suitable rate on the capital cost should be taken into consideration and the whole amount of interest and maintenance charges on all buildings should be regarded as an Imperial burden, and from the share of individual States, their actual contribution should be deducted in order to arrive at their final share.

133. As regards roads, we have classified separately roads (i) in administered areas, and (ii) in State territory. We have shown also the amounts, if any, contributed by the States. The figures of the capital cost are not available in all cases.

134. We should mention here that certain Provincial Governments also incur expenditure on roads in States, notably Bihar and Orissa and the Punjab. This is mainly on roads running through State territory and as the expenditure is of undoubted benefit to the States we have exhibited these figures also in statement B of Appendix No. III as far as they could be collected.

135. We summarise below the average expenditure incurred on the maintenance of roads :—

	Rs.
(i) by Provincial Governments ..	7,11,000
(ii) by Central Government ..	6,37,000

Towards this expenditure the cash contribution of the States amounts to Rs. 1,56,000 per annum.

XXVI.

Political Agencies.

136. The various Agencies may be divided, for convenience of treatment, into two groups, *i.e.*, (a) Agencies where the expenditure is confined to the head 29—Political, and (b) Agencies which have their own separate area demands or grants and where expenditure is incurred also under heads other than 29—Political. These will be dealt with *seriatim*.

* Provincial—Rs. 5,47,000	}	= Rs. 1,27,86,000
Central—Rs. 1,22,39,000		
† Provincial—Rs. 13,800	}	= Rs. 3,27,000
Central—Rs. 3,13,200		

137. The net average annual expenditure in regard to the Agencies in group (a) is as follows :—

<i>Agency.</i>	<i>Average annual cost.</i>		
			Rs.
1. Gwalior	88,800
2. Mysore	2,03,300
3. Baroda	1,16,700
4. Sikkim and Bhutan	1,34,700
5. Bengal	12,700
6. Madras States	1,61,300
7. Bombay :—			
(a) Mahikantha	3,05,800
(b) Southern Mahratta Country	48,500
(c) Minor Agencies and miscellaneous expenditure connected with the Bombay Political administration..			3,59,500
8. United Provinces	27,300
9. Kashmir	2,07,000
10. Gilgit	1,56,000
11. Punjab States	1,76,500
12. Punjab (Government)	80,000
13. Bihar and Orissa	1,00,300
14. Central Provinces	40,200
15. Assam	1,70,200
16. Delhi	2,000

(N.B.—The net average annual Political expenditure in Burma comes to Rs. 1,80,000 which has not been included in the above list).

138. In calculating the above figures we have given credit for all recoveries from Indian States, other than Tributes which are dealt with in a separate chapter and which ordinarily would reduce the expenditure on the Agencies. We have also excluded from consideration here the expenditure falling under the sub-head "J-- Works" as this is being dealt with separately in connection with expenditure on works in Agencies. We have further excluded the expenditure incurred in the Political Department on account of refund of customs duty on ordnance stores supplied to the Indian States Forces, as the States have not been given credit for these items under our scheme for the distribution of customs duty.

139. The figures stated above are inclusive of an allowance for pensionary liabilities. The proportion of military and civil officers in the Political Department is approximately 70 to 30. The total allowance for pensionary liability for the twenty-three officers of the

Political Department in the above Agencies (excluding Burma) amounts to Rs. 72,500, and this has been distributed over the Agencies according to the number of Political Department Officers in each Agency.

140. The following Agencies fall under class (b) referred to in paragraph 136 above:—

- (1) Rajputana,
- (2) Central India,
- (3) Hyderabad, and
- (4) Western India States.

We have included in Appendix No. IV statements showing the average annual revenue and expenditure, which may be regarded as accruing or incurred directly as a consequence of political relations with the States, and the existence of certain administered areas within these Agencies. We have excluded, however, certain heads of revenue and expenditure for the reasons detailed below:—

(1) *Tributes*.—Excepting the contributions included under this head for the maintenance of the Malwa Bhil Corps and the Mina Corps, the remaining items have been excluded as they are being dealt with separately.

(2) *Civil Works, Customs, Salt and Currency*.—The adjustments required under these heads are being dealt with separately, and therefore excluded here.

(3) *Interest*.—The receipts under this head have been excluded as the loans are financed by the Government of India; likewise the expenditure under “19-Interest on Ordinary Debt” and “20-Interest on other Obligations” has been excluded, as it has nothing to do with the ordinary administration of these Agencies.

(4) *Territorial and Political Pensions*.—The charge under this head is not connected with the administration of the Agencies.

(5) *Receipts in aid of Superannuation*.—These are recoveries from States and others for persons in foreign service, for leave and pensionary liability accruing against Government, and cannot obviously be included.

(6) *Superannuation allowances and Pensions*.—As these payments do not represent the complete liability on account of officers serving in the Agencies, the expenditure under this head has been excluded, but a suitable amount has been added, calculated on the basis of existing strength of officers and establishments entitled to pension.

(7) *Opium*.—The only Agency in which expenditure occurs under this head is the Western India States. The payment is on account of compensation, and as the expenditure on opium enters into the calculation of the cost price of opium, which is realized subsequently by the Government of India, the head should be excluded.

(8) *Excise*.—The amount of Excise revenue accruing from States as distinguished from administered areas in the Western India States Agency has been excluded as it is being dealt with separately in Chapter III. There is no Excise revenue from States which is credited to Central India or Rajputana.

141. On the above basis the average revenue and expenditure and the deficit of these areas are worked out as follows :—

—	Revenue.	Expenditure.	Deficit.
	Rs.	Rs.	Rs.
1. Rajputana	6,62,000	21,52,700	14,90,700
2. Central India	5,88,000	14,57,600	8,69,600
3. Hyderabad	2,81,500	5,96,200	3,15,000
4. Western India States ..	3,70,700	17,93,400	14,22,700

These figures include in the case of Rajputana, the expenditure incurred on the Mina Corps and the Mewar Bhil Corps, and of the Malwa Bhil Corps in the case of Central India. Similarly, on the revenue side, the contributions made by the States towards the Mina Corps and the Malwa Bhil Corps have been included.

Some explanation is necessary to elucidate the adjustments we have made as regards the Mewar Bhil Corps. As in the case of the Malwa Bhil Corps, the Mewar Bhil Corps was raised nearly a hundred years ago for the express purpose of exercising a civilising effect upon the inhabitants of the Bhil tracts. But for the existence of these corps, the administration of the Bhil country would have entailed very heavy expenditure for the occupation of the territory by regular military forces. Towards the cost of the Mewar Bhil Corps the Udaipur State used originally to contribute a sum of Rs. 50,000 annually, but in 1883 it was arranged that in lieu of this, the Government of India should take the revenues of the Mewar villages in the Merwara District and utilise them towards (i) the cost of the Corps and (ii) the cost of administration of the ceded area.

It was also arranged that any revenue in excess of Rs. 66,000 should be handed over to the Udaipur Darbar. Subsequently, certain villages in the Marwar State were also ceded to the Government of India for the upkeep of this Corps. It is now found that in both these cases the revenue of the ceded areas falls far short of the cost of administering them. As the cost of the Mewar Bhil Corps is included in figures of Rajputana, we have also included in our calculations both the revenue accruing from, and the expenditure incurred on the administration of these areas in order to present a complete picture.

142. *Miscellaneous political expenditure*.—In the course of our examination of the budgets for working out the expenditure on the various political agencies, we have discovered that in addition to the

ordinary expenditure incurred in connection with the administration of the political agencies, certain expenditure of a political character is incurred by the Government of India on miscellaneous objects, which are not directly connected with any particular Political Agency. As a consideration of these would seem to be relevant in any scheme of apportionment of Imperial burdens, we have separated them from those dealt with in the preceding paragraph. They relate to:—

- (i) the training of Political Department probationers,
- (ii) the demarcation of boundaries between Indian States and British territory,
- (iii) Expenditure in connection with pensions to the family of ex-King Thebaw,
- (iv) Expenditure incurred on the visit of Foreign Rulers and Royalty, *e.g.* the King of Afghanistan,
- (v) the repatriation of destitute Indians from foreign countries,
- (vi) any other items of political expenditure of an unusual character.

In a number of cases the expenditure is of a non-recurring nature, but as some miscellaneous expenditure is invariably incurred every year we have taken the average of such expenditure for the past five years to give an indication of the annual liability on this account. The average annual expenditure amounts to Rs. 2,82,400.

XXVII.

Watch and Ward Expenditure on the North-East Frontier including Expenditure in connection with Backward Tracts.

143. (a) *Burma*.—The average annual expenditure incurred by the Government of India on the Burma section of the North-East Frontier amounts roundly to Rs. 67,51,000. This figure also takes into account the pensionary liability for officers. It is probable that there may be some reduction of expenditure under this head when the slave redemption expeditions have completed their work, but it is conceivable that this reduction will be counter-balanced by the increased cost of administration demanded by the growth of civilised conditions.

(b) *Assam*.—The average annual expenditure incurred by the Government of India on the North-East Frontier of Assam amounts roundly to Rs. 20,41,000. In addition to a fixed contribution of Rs. 16 lakhs towards the cost of the Assam Rifles, this figure includes

expenditure on roads and buildings and also on transport and commissariat establishment. The cost of only the latter has been taken into account for pensions.

XXVIII.

Expenditure in England and Exchange.

144. In the "Political" and "Frontier Watch and Ward" Grants appears the item of "Expenditure in England and Exchange". This expenditure is mainly on account of leave and deputation salaries of officers and others when in England, whose salaries when on duty in India are debited to the heads "29—Political" or "29-A.—Frontier Watch and Ward". It also includes expenditure on stores, etc., obtained from England for Political Agencies and Administrations in India. This expenditure is part and parcel of other expenditure which is dealt with in paragraphs 136—142, but as it is not possible to distribute it among the various administrations and agencies it has been included as a separate item.

145. Under the head "29—Political" the average annual expenditure amounts to Rs. 12,56,096, while under "29-A.—Frontier Watch and Ward" the average is Rs. 1,32,730.

146. In view of the probable separation of Burma from India, we have ascertained from the Secretary of State and the High Commissioner for India that the following proportion of the above expenditure relates to Burma, viz. :—

<i>Political.</i>	<i>Frontier Watch and Ward.</i>
Rs. 37,315	11,734

Excluding Burma, therefore, the total average annual expenditure on this account amounts to :—

<i>Political.</i>	<i>Frontier Watch and Ward.</i>
Rs. 12,18,800 round.	1,21,000 round.

making a total of Rs. 13,39,800.

XXIX.

Revenue Collection Charges.

A.—Customs.

147. The average expenditure on account of Customs (excluding Burma) is roundly as follows :—

	Rs.
1. Average per annum	78,42,000
2. Addition on account of pensionary liability :—	
(a) Officers	1,24,000
(b) Establishments .. .	5,10,000

Rs.

3. Share of overhead charges on account of the Central Board of Revenue and the Finance Department of the Government of India ..	2,30,000
Total ..	87,06,000

From this should be deducted a sum of Rs. 2,28,000 representing the share of customs duty retained by Government on articles re-exported from India (*vide* paragraph 24).

148. In these calculations we have included *inter alia* the compensation paid to the Cochin Darbar representing the moiety of the customs revenue collected at the British port of Cochin, and this is necessary as the whole of the revenue accruing at that port is included in the gross customs revenue distributed by us (*vide* paragraph 12).

149. In calculating the general overhead charges the proportionate cost of the Finance Department of the Government of India and of the Central Board of Revenue amounting to Rs. 2,66,000 on account of work connected with the administration of Customs has been taken into consideration. We have excluded 13.5 per cent. of this to allow for Burma.

150. The share of the Customs Revenue of 1928-29 allocated to Indian States under our scheme amounts to Rs. 5.99 lakhs out of a total amount of Rs. 41.48 lakhs or roughly 14.4 per cent. of the whole. Presumably the same share of the above expenditure should be debited to the States.

B.—Excise.

151. The allocation to the Indian States of their proper share of excise expenditure cannot be determined by a simple calculation. So far as Indian States are concerned, the activities of a Provincial Excise Administration are mainly limited to the wholesale supply of drugs and country liquor, whereas in the Province itself it is also concerned with retail distribution, including the control of licensed vendors and liquor shops. We asked Provincial Governments and Local Administrations for their advice and assistance in determining what charge should be made, but we have not received replies in all cases. The Assam Government pointed out that the overhead charges in their case were so small that they might be ignored. Bengal, similarly, suggested that no charge should be made on this account as the cost price of Ganja and Bhang supplied by them to States included supervision charges, while opium was distributed at a rate fixed by the Government of India, which presumably was inclusive of such charges. Bihar and Orissa and the Central Provinces for similar

reasons made the same suggestion but the latter Government fore-shadowed : small charge for the carriage of opium, if the drug were supplied free of duty.

The Punjab Government stated that no expense fell on them by reason of the supply of opium, and suggested that the duty realized from Bhang might be regarded as the equivalent of the levy of a small per contra overhead charge on all hemp drugs supplied to Indian States. This amounted in 1928-29 to Rs. 7,528-8-0.

Of the other Governments who supplied drugs to Indian States, it will be noticed from Table No. IX that in some cases the bulk of the duty is refunded by Bombay to the States and that the Madras Government have now adopted the principle of refunding the whole duty except for a centage charge. It is possible that the net amount accruing to Madras and in certain cases to Bombay represents the cost of controlling the supply, in which case the amount should be written off from both sides of the account.

152. The net amount of revenue involved after deducting refunds is comparatively small, and consequently the fact that we are not in a position to indicate the precise charge to be made will not affect the whole picture to any appreciable extent.

The cost of collection of the Imperial Excises on petrol and kerosene oil is not separately shown in the accounts. The duty is paid direct into local treasuries by the Oil Companies concerned, and any expenditure involved must be practically negligible.

C.—Salt.

153. We have been required to work out the expenditure of the Salt Department of which a share should be debited to Indian States in consideration of their claim to a share of the salt duty. The task is a somewhat difficult one, as it is obvious that the expenditure appertaining strictly to the manufacturing branch, where departmental manufacture is resorted to or to "Salt purchase and freight" and "Works" where licensees manufacture under control, should be regarded as covered by the cost price of salt and cannot, therefore, be included in the claim under this section. The accounts of the Northern India Salt Department are exhibited on commercial lines and distinguish clearly the charges which should be regarded as 'Transactions of the Manufacturing Branch'. There is, however, considerable difficulty in the separation of such charges in other cases. We shall explain in detail the method we have adopted for dealing with the problem.

154. We have worked out in Appendix No. V a statement of the average charges for the collection of salt revenue, cost of salt and

other revenue expenditure of the Salt Department, excluding Burma, for the years 1926-27, 1927-28 and 1928-29. The figures in italics are items of expenditure which are obviously included in the cost price of salt. As regards the other items the position is as follows :—

(1) *Direction*.—(a) *Northern India Salt Department*.—The accounts show the distinction between “ Manufacture ” and other transactions.

(b) *Madras*.—Almost all the manufacture is in private hands and the main duty of the factory establishment is collection of revenue and though some supervision of manufacture is done, the amount of time spent on the latter is infinitesimal and there are no means of working it out. On the suggestion of the Collector of Salt Revenue, Madras, and the Central Board of Revenue we have taken the whole of this expenditure under “ Collection of duty ”.

(c) *Bombay*.—Part of the manufacture is in private hands and part under departmental control. The apportionment is difficult but on the advice of the Collector of Salt Revenue, Bombay, we have taken 14 per cent. of the expenditure under “ Direction against “ Manufacture ”.

(d) *Bengal and Assam*.—There is no manufacture here and consequently the whole of this charge should be included.

(2) *Salt Purchase and Freight and Works*.—For reasons already stated, these charges should go against ‘ Cost price ’ and should therefore be excluded.

(3) *Compensations*.—So far as payments by the Northern India Salt Department are concerned, they have been allocated between the “ Manufacturing Branch ” and other Transactions, the former being presumably payments for permitting the working of salt sources in States and the latter for other objects designed to protect the British Indian salt revenue. The latter should accordingly be included. Compensations in all other areas are of the latter category and should also be included. We should add, however, that in certain cases, the compensations which we have taken as a charge against duty, seem to include an element to cover losses such as those consequent on the abolition of transit duties, but we have been unable to analyse them in fuller detail.

We find further that certain fixed cash compensations are being paid in lieu of stipulated quantities of salt to which some States were entitled under their agreements, either duty free, or half duty free, or free of both price and duty. Reduced to terms of fully duty free salt the amount of such salt is 2,44,000 maunds per year and in view of the treatment we have proposed to accord to this in order to avoid the refund of duty twice (*vide* paragraph 49), it is necessary to exclude from the charges to be distributed a sum representing the duty at present rates on this quantity of salt, *viz.*, Rs. 3,05,000. This deduction has been made under the head “ Compensations ”.

(4) *Expenditure in Aden.*—Aden salt is treated as foreign salt and the expenditure of the Salt Department in Aden booked in the Bombay accounts enters therefore into 'Cost price'. This should accordingly be deducted.

155. Applying the foregoing considerations to the total expenditure of the Department as exhibited in Appendix No. V, the following results are arrived at :—

		Rs.
(i) Total expenditure of the Department	.. ..	1,21,77,000
(ii) Deduct :—		
(a) Manufacturing Branch Northern India Salt Department	.. ..	88,04,000
(b) 14% of Direction charges under "Bombay"	.. ..	3,38,000
(c) Salt Purchase and Freight	.. ..
	{ Madras	.. 4,13,000
	{ Bombay	.. 5,91,000
(d) Works .. .. .	.. ..
	{ Madras	.. 3,12,000
	{ Bombay	.. 95,000
(e) Compensations in lieu of duty free salt as worked out in paragraph 154 (3) above.		3,05,000
(f) Expenditure at Aden	.. ..	3,000
		<hr/>
Deduct Total .. ..	.. ..	53,56,000
		<hr/>
Net charge	.. ..	68,21,000 (roundly).
		<hr/>

To this sum of Rs. 68,21,000 should be added a proportionate allowance for the pensionary liabilities incurred by the Government of India and the overhead charges on account of the Central Board of Revenue and the Finance Department of the Government of India. The additions on this account after making allowance in the case of pensions for charges to be excluded are :—

		Rs.
(i) Pensions	.. ..	3,45,000
(ii) Overhead charges for the Central Board of Revenue and Finance Department	.. ..	35,000
		<hr/>
Total	.. ..	3,80,000

The final figure of expenditure to be debited against duty is therefore Rs. 72,01,000 on the basis of the averages for the years 1926-27 to 1928-29, the years which we have taken into consideration in Chapter IV.

If this were distributed in the proportion in which Government salt is consumed in Indian States and the rest of India, the share of expenditure of the States under this head amounts to $\frac{94.5}{478.5} \times 100$ or 19.75 per cent. of the whole.

CHAPTER VIII.

General remarks and conclusion.

156. We are asked to indicate the kind of figures which are likely to be required for the purpose of the financial settlement with the States. In the **Census returns.** "Customs" portion of our report we have made use of certain of the Tables published in Census of India, 1921, Volume I, Part II and we have also found it necessary to consult tables in the Bombay Baroda and Travancore Volumes.

The tables we have used are detailed below:—

Volume I, Part II, Table I, Population.

Volume I, Part II, Table III, Towns and Villages classified by population.

Volume I, Part II, Table XVII, Occupation or means of livelihood. Part II, Provincial distribution, relating to Order 3, Mines: Order 4, Quarries of hard rocks: Order 6 Textiles: Group 27 Cotton sizing and weaving: Group 35 Silk Weavers.

Corresponding tables in the Bombay (Volume VIII), Baroda (Volume XVII A), Travancore (Volume XXV), and Cochin (Volume XIX) volumes are also necessary.

157. In order to present a comprehensive picture of the results of our work we have brought together all the **Summary of results.** "Credits" and "Debits" in the Statements in Appendix No. VI.

On the "Credits" side the statements show the gross revenue for India excluding Burma in the case of Customs and Salt, as also the share to be apportioned to all States, and on the "Debits" side the amount of each Imperial burden with a brief reference to such other data as we have collected as being helpful in its apportionment.

158. In concluding our report we desire to express our thanks to all Departments of the Government of India and in particular the Foreign and Political Department for the readiness with which they have rendered us all the assistance we required. We should also add our obligations to the Local Governments, Administrations and other officers who have taken considerable trouble to collect such information as we required at very short notice.

To their colleague, Mr. V. Narahari Rao, who combined the duties of Secretary with those of a Member of the Committee, the remaining two members wish to offer their warmest thanks for his most valuable help and assistance and his untiring energy which alone enabled the task to be completed in time.

Lastly, we desire to express our thanks to our office staff for their hard work, particularly in the last stages, when work had to be rushed through at an uncomfortable speed.

W. W. NIND,--*Chairman.*

SIMLA ;
24th October 1930. }
}

V. NARAHARI RAO, }
S. P. BHARGAVA, } *Members.*

TABLE No. 1.

(SEE PARAGRAPH 14.)

Population (in thousands) of India (excluding Burma) and of Indian States (excluding those which do not contribute to the customs revenue of British India) distributed according to towns of various sizes.

(*vide* Census of India, 1921, Volume I—India, Part II, Table 3; Volume VIII—Bombay, Part II, Table 3; Volume XVII-A.—Baroda State, Part II, Table 3.)

	Total.	Towns of 10,000 and over.	Towns of 20,000 and over.	Towns of 50,000 and over.	
Total India	316,018	24,525	17,529	11,662	(A)
Total of Indian States ..	69,114	4,543	2,990	1,818	(B)
<i>Excluded States—</i>					
Kashmir	3,321	169	160	137	
Travancore	4,006	280	162	72	
Cochin	979	180	75	..	
Kathiawar	2,538	417	225	59	
Portions of Baroda in Kathiawar	178	18	..	..
Total of excluded States ..	11,022	1,064	631	268	(C)
Net Participating Indian States (B—C)	58,092	3,479	2,359	1,550	(D)
Burma	13,169	845	650	516	(E)
Net India (excluding Burma and non-parti- cipating States), (<i>i.e.</i> , A—C—E)	291,827	22,616	16,248	10,878	(F)
Proportions of partici- pating States to net India, (<i>i.e.</i> , D: F)	$\frac{58092}{291827}$	$\frac{3479}{22616}$	$\frac{2359}{16248}$	$\frac{1550}{10878}$	
or	19·91%	15·38%	14·51%	14·25%	
or approximately ..	20 %	15·5%	14·5%		

TABLE NO. II.

(SEE PARAGRAPHS 17 AND 18.)

Comparison between India (excluding Burma) and Indian States (excluding those which do not contribute to the customs revenue of British India) in regard to Factory statistics.

(vide Large Industrial Establishments in India, 1927).

						Number of persons.	
<i>Factories.—Average number of persons employed daily—</i>							
Total India	..	..	..	..	..	1,670,702	A
Total Indian States	..	..	..	..	..	156,237	B
<i>Excluded Territories—</i>							
Kashmir	..	..	..	..	..	18,651	
Travancore and Cochin	..	..	..	..	..	12,303	
Kathiawar	..	..	..	..	..	6,809	
French Settlements	..	..	..	..	..	7,520	
					Total	45,283	C
Participating Indian States (B—C)	..	..	..	..	..	110,954	D
Burma	..	..	..	..	..	99,305	E
Net India (A—C—E)	..	..	..	..	..	1,536,114	F
<i>Mining Establishments. [Vide Census of India 1921, Volume I, India Part II, Table XVII, Part II—Orders 3 and 4, groups 19-22 and the corresponding tables of Bombay (Volume III), Baroda, (Volume XVII-A), Cochin (Volume XIX) and Travancore (Volume XXV) Census Volumes].</i>							
<i>Number of actual workers—</i>							
Total India	..	..	..	..	..	310,909	G
Total Indian States	..	..	..	..	..	54,372	H
<i>Excluded States—</i>							
Kashmir	..	..	..	..	..	33	
Travancore	..	..	..	..	..	1,272	
Cochin	..	..	..	..	..	..
Kathiawar	..	..	..	..	..	1,303	
Portions of Baroda in Kathiawar	..	..	..	..	..	1	
					Total	2,609	I
Participating States (H—I)	..	..	..	..	..	51,763	J
Burma	..	..	..	..	..	28,051	K
Net India (G—I—K)	..	..	..	..	..	280,249	L
<i>Total of Factories and Mines—</i>							
Participating States (D plus J)	..	..	..	..	..	162,717	M
Net India (F plus L)	..	..	..	..	..	1,816,363	N
Proportion of participating States to net India (M : N)	..	..	..	..	..	162717	
						1816363	

or 9 per cent. approximately.

TABLE No. III.

(SEE PARAGRAPH 19.)

Comparison between India (excluding Burma) and Indian States (excluding those which do not contribute to the customs revenue of British India) in regard to Special Factory statistics.

(a) Printing Presses.—(Vide Large Industrial Establishments in India, 1927.)

						Average number of persons employed daily.	
Total India	..	..	..	..	..	38,342	A
Indian States	..	..	..	..	..	2,592	B
Excluded States—							
Kashmir	..	..	..	..	..	346	
Travancore	..	..	..	..	..	210	
Gondal	..	..	..	..	..	50	
					Total	606	C
Participating Indian States (B—C)	..	..	..	..	..	1,986	D
Burma	..	..	..	..	..	2,434	E
Net India (A—C—E)	..	..	..	..	..	35,302	F
Proportion of participating States to net India (D : F)						<u>1986</u>	
						35302	

or 6% approximately.

(b) Tobacco Factories.—(Vide Large Industrial Establishments in India, 1927.)

Total India	..	..	..	..	..	7,494	A
Indian States (Bangalore)	..	..	..	..	..	1,886	B
Excluded States	..	..	..	..	..	Nil	
Burma	..	..	..	..	..	Nil	
Proportion of participating States to net India (B : A)						<u>1886</u>	
						7494	

or 25% approximately.

(c) Cotton weaving.—(Census Volumes, Table XVII—Part II, Group 27.)

(i) Number of workers and dependents in cotton sizing and weaving.

Total India	..	..	..	..	..	4,708,102	A
Indian States	..	..	..	..	..	1,110,789	B
Excluded States—							
Kashmir	..	..	..	..	..	28,662	
Travancore	..	..	..	..	..	45,460	
Cochin	..	..	..	..	..	7,287	
Kathiawar	..	..	..	..	..	63,125	
Portions of Baroda in Kathiawar	..	..	..	..	..	3,678	
					Total	148,212	C
Participating Indian States (B—C)	..	..	..	..	..	962,577	D
Burma	..	..	..	..	..	65,913	E
Net India (A—C—E)	..	..	..	..	..	4,493,977	F
Proportion of participating States to net India (D : F)						<u>962577</u>	
						4493977	

M54CPB(FD)

or 21% approximately.

TABLE No. III—continued.

(ii) Production of woven goods in India in thousands of lbs.

(Monthly statistics of cotton spinning and weaving in Indian Mills for March 1930.)

Total India	..	..	..	..	..	562,059	A
Indian States and Foreign Territory	..	..	..	..	..	77,452	B
French Settlement at Pondicherry	..	..	..	..	..	4,486	C
<hr/>							
Indian States (B—C)	..	..	..	..	..	72,966	D
Burma	..	..	..	..	..	Nil	E
Net India (A—C—E)	..	..	..	..	..	557,573	F
<hr/>							
Proportion of Indian States to net India (D : F)	..	..	..	..	..	$\frac{72966}{557573}$	

or 13% approximately.

Average percentage obtained by combining (i) "Workers' percentage" with (ii) that of output of cotton piecegoods = $\frac{21 + 13}{2}$ or 17%.

(d) *Silk weaving.*—(Census volumes—Tables XVII—Part II—Group 35.)

						Number of silk weavers.		
Total India	..	..	..	..	..	102,235	A
Indian States	..	..	..	..	..	9,379	B
Excluded States—								
Kashmir	..	..	..	..	..	238	
Travancore	..	..	..	..	..	12	
Cochin	..	..	..	..	..	..
Kathiawar	..	..	..	..	..	759	
Portions of Baroda in Kathiawar	..	..	..	..	..	..
<hr/>								
Total						..	1,009	C
<hr/>								
Participating Indian States (B—C)	..	..	..	..	..	8,370	D
Burma	..	..	..	..	..	29,436	E
Net India (A—C—E)	..	..	..	..	..	71,790	F
<hr/>								
Proportion of participating States to Net India (D : F)	..	..	..	..	..	$\frac{8370}{71790}$	

or 11·5% approximately.

(e) *Rope Works.*—(Large Industrial Establishments in India, 1927.)

						Average number of persons employed daily.		
Total India	..	..	..	..	..	9,076	A
Indian States	..	..	..	..	..	4,190	B
Excluded States—								
Travancore	..	..	..	..	..	3,490	
Cochin	..	..	..	..	..	700	
<hr/>								
Total						..	4,190	C
Participating Indian States (B—C)	..	..	..	..	..	Nil	D
Proportion of participating States to India	..	..	..	..	..	Nil	

TABLE No. III—concluded.

(f) *Mines and Quarries.*—(Census Volumes, Table XVII—Part II—Groups 21 and 22.)

						Number of workers and dependents in mines and metallic minerals and quarries of hard rocks.
Total India	..	..	..	..	..	169,149 A
Indian States	..	..	..	..	..	80,289 B
Excluded States—						
Kashmir	..	..	..	..	..	44
Travancore	..	..	..	..	..	2,666
Cochin	..	..	..	..	..	..
Kathiawar	..	..	..	..	..	3,645
Portions of Baroda in Kathiawar	..	..	..	..	..	..
Total						6,355 C
Participating Indian States (B—C)	..	..	..	..	..	73,934 D
Burma	..	..	..	..	..	25,640 E
Net India (A—C—E)	..	..	..	..	..	137,154 F
						<u>73934</u>
Proportion of participating States to net India (D : F)	..	..	..	..	..	<u>137154</u>

or 54% approximately.

TABLE No. IV.
(See PARAGRAPHS 20 AND 21.)
SCHEDULE I.

Articles of general or universal consumption.

(20% for Indian States.)

Serial No.	Articles.	All India.			Burma.		
		Duty.	Draw-backs.	Re-funds.	Duty.	Draw-backs.	Re-funds.
(The figures are given in thousands of rupees.)							
1	Kerosene oil ..	1,63,03	4	9	1,97	..	..
2	Cotton piecegoods ..	6,04,49	3,66	5,71	49,49	77	6
3	Iron and steel (10%) (nails)	9,17	..	..	1,18	..	..
4	Spices	45,85	9	8	2,18	..	..
5	Coconut oil ..	8,64	..	..	27	..	..
6	Seeds	2,60	2	5	15	1	..
7	Cowries and shells ..	51	..	..	..	..	..
8	Iron and steel (15%) Cans tinned ..	82	..	..	24	14	..
9	Celluloid Bangles ..	1,75	..	..	..	..	..
10	Umbrellas	8,34	..	1	1,45	..	..
11	Glass bangles, beads ..	28,81	8	13	23	..	1
12	Matches etc. ..	25,27	45	30	8,25	39	..
13	Firearms, Gunpowder etc.	11,34	25	20	1,29	1	..
14	Silver .. ..	..	..	..	..	..	..
	Total ..	9,10,62	4,59	6,57	66,70	1,32	7
	Add 1/7 of drawbacks	..	66	..	..	19	..
	Total ..	9,10,62	5,25	6,57	66,70	1,51	7

(A) Net amount for all India = 9,10,62 — 5,25—6,57 = 8,98,80

(B) Net amount for Burma = 66,70 — 1,51—7 = 65,12

(C) Net amount for distribution (A—B) = 8,33,68

Share of Indian States (20 % of C) = 1,66,74

N.B.—The figures in this and the subsequent schedules have been obtained from Volume II of the Annual Statement of the Sea-borne trade of British India, 1928-29 and from the corresponding Burma Volume for the same year.

TABLE No. IV—continued.

SCHEDULE II.

Articles Intermediate between A class towns and Universal.

(17·75 for Indian States.)

Serial No.	Articles.	All India.			Burma.		
		Duty.	Draw-backs.	Re-funds.	Duty.	Draw-backs.	Re-funds.
(The figures are given in thousands of rupees.)							
1	Sugar	7,77,20	3	2,28	37,66	1	1
2	Clocks and watches ..	8,11	21	2	73	..	..
3	Glass and glassware ..	32,01	18	20	4,68	..	1
4	Paper, pasteboard and stationery ..	54,46	9	30	4,78	1	2
5	Soap	23,46	6	3	4,80	..	..
6	Fireworks	5,12	1	..	14	..	..
7	Paper and stationery (protected) ..	28,10	..	..	1,48	..	5
	Total ..	9,28,46	58	2,83	54,27	2	9
	Add 1/7 of drawbacks	..	8	..	..	·3	..
	Total ..	9,28,46	66	2,83	54,27	2·3	9

(A) Net amount for all India, 9,28,46—66—2,83

= 9,24,97

(B) Ditto Burma, 54,27—2·3—9

= 54,15·7

(C) Net amount available for distribution (A—B.)

= 8,70,81·3

Share of States (17·75 per cent. of C)

= 1,44,57

TABLE No. IV.—*continued.*

SCHEDULE III.

*Articles mainly consumed in towns of 10,000 and over (Class A.)**(15·5% for Indian States).*

Serial No.	Articles.	All India.			Burma.		
		Duty.	Draw-backs.	Refunds.	Duty.	Draw-backs.	Refunds.
1	Currants	2	..	..	..	..	..
2	Salted fish	77	..	..	53	..	..
3	Manufactured tobacco (cigarettes, etc.)	1,54,46	17	13	31,63	2	..
4	Opium	2	..	..	..	..	..
5	Tin block	6,15	2	4	..	..	..
6	Silk mixtures	8,02	2	1	94	..	..
7	Fish	52	..	..	18	..	..
8	Fruits and vegetables	26,03	11	9	2,06	..	..
9	Tea	11,58	4	7	61	..	..
10	Ivory unmanufactured	2,19	6	..	..	..	..
11	Machinery for animal and manual labour	17,30	4	23	2,25	..	3
12	Cottonthread other than sewing and darning thread and all other manufactured cotton	5,57	3	3	1,12	2	1
13	Hosiery excluding silk	25,47	13	1	4,37	3	..
14	Woollen manufactures	62,67	40	39	5,25	9	2
15	Brushes and Brooms	2,00	..	..	19	..	..
16	Candles	31	..	..	1	..	..
17	Oil-cloth and floor-cloth	1,94	..	..	30	..	..
18	Pitch, tar and dammer	1,33	..	..	33	..	..
19	Toilet requisites ..	9,92	3	3	1,66	1	1
20	Coral	11	..	..	..	..	..
21	Confectionery	8,81	1	2	1,08	..	..
22	Musical instruments ..	7,28	3	11	85	1	..

(The figures are given in thousands of rupees.)

TABLE No. IV—*continued*.
SCHEDULE III—*contd.*

Serial No.	Articles.	All India.			Burma.		
		Duty.	Draw-backs.	Re-funds.	Duty.	Draw-backs.	Re-funds.
23	Prints, engravings and pictures	1,05	8	5	4	..	..
24	Toys, games, cards and sports	20,37	9	10	1,95	1	1
25	Iron and Steel wire—netting etc. 15% ..	5,10	33	15	22	..	..
26	Brass sheets, etc. ..	24,47	6	..	4	..	..
27	Copper sheets etc. ..	18,93	4	13	15	..	..
28	Lead	8	..	..	1	..	..
29	Other metals (excluding quicksilver) ..	37,90	2	4	1,42	..	..
30	Jute manufactures ..	71	..	..	10	..	..
31	Drugs and medicines	23,52	8	15	1,22	1	..
32	Cutlery	5,50	1	1	83	..	..
33	Pneumatic tyres (1/7)	4,73	1	4	47	..	..
34	Fodder, bran and oil-cake	7	..	2	..	..	..
	Total ..	4,94,90	1,81	1,85	59,90	20	10
	<i>Add 1/7 of drawbacks</i>	<i>..</i>	<i>26</i>	<i>..</i>	<i>..</i>	<i>3</i>	<i>..</i>
	Total ..	4,94,90	2,07	1,85	59,90	23	10

(A) Net amount for all India = 4,94,90—2,07—185=4,90,98

(B) Net amount for Burma = 59,90—23—10 = 59,57

(C) Net amount of duty available for distribution (A—B)=4,31,41

Share of States (15·5% of C) = 66,87 ..

TABLE IV—continued.

SCHEDULE IV.

Articles intermediate between A and B class towns.

(15% for Indian States).

Serial No.	Articles.	All India.			Burma.		
		Duty.	Draw-backs.	Re-funds.	Duty.	Draw-backs.	Re-funds.
(Figures are given in thousands of rupees).							
1	Conveyances ..	56,35	10	44	6,31	1	11
	Add 1/7 of drawbacks	..	1.4	..	..	.1	..
	Total ..	56,35	11.4	44	6,31	1.1	11

(A) Net amount for all India 56,35 — 11.4 — 44 = 55,79.6

(B) Net amount for Burma 6,31 — 1.1 — 11 = 6,18.9

(C) Net amount of duty available for distribution (A—B) = 49,60.7

Share of States (15 % of C) = 7.45

TABLE NO. IV—continued.

SCHEDULE V.

Articles consumed in towns of 20,000 and over. (Class B.)

(14.5% for Indian States.)

Serial No.	Articles.	All India.			Burma.		
		Duty.	Draw-backs.	Refunds.	Duty.	Draw-backs.	Refunds.
1	Portland cement ..	11,53	..	6	4,53	..	..
2	Vinegar in casks ..	1	..	..	..	..	..
3	Aeroplanes ..	4	..	..	..	..	..
4	Flour	25	1	14	5	..	..
5	Provisions and oilmans stores	92,03	52	29	23,21	16	2
6	Coffee	332	..	1	21	..	..
7	Other foods and drinks	39	..	..	17	..	..
8	Canes and rattans ..	80	1	..	9	..	..
9	Precious stones unset	13,99	1,25	..	2,53	40	..
10	Apparel	35,34	30	65	5,29	5	3
11	Furniture	16,09	1,30	6	42	1	..
12	Hides and skins and leather	5,13	3	3	36	1	1
13	Flax manufactures ..	4,94	..	1	30	..	..
14	Haberdashery ..	20,45	6	27	2,73	2	..
15	Hemp manufactures	43	..	..	16	..	..
16	Other textile manufactures	41,96	47	27	4,06	1	1
17	Building materials (Bricks, tiles, etc.)	11,73	1	20	1,47	..	1
18	Cinema films ..	5,00	41	4	36	3	..
19	Mats and matting ..	86	1	..	15	..	..
20	Perfumery	77	5	1	11	..	..
21	Perfumed spirit ..	5,58	..	..	92	..	2
22	Polishes, etc. ..	3,92	2	..	26	..	..
23	Manufactures of Rubber	9,43	3	3	57	1	..

(The figures are given in thousands of rupees.)

TABLE NO. IV—continued.

SCHEDULE V—continued.

Serial No.	Articles.	All India.			Burma.		
		Duty.	Draw-backs.	Re-funds.	Duty.	Draw-backs.	Re-funds.
24	Stone and marble ..	92	..	1	14	..	..
25	Miscellaneous ..	12,60	10	17	66	..	1
26	Other articles (including imports by post)	64,23	34	4,79	5,26	..	..
27	Articles plated with gold and silver ..	5,38	6	22	68	2	2
28	Gold and silver plate, thread, etc. ..	6,55	22	12	9	8	..
29	Silk piecogoods ..	87,60	17	96	12,71	3	..
30	Ivory manufactures ..	7	..	1	..	..	..
31	Jewellery and jewels	2,19	75	3	13	25	..
32	Smokers' requisites ..	196	1	2	78	1	..
33	Works of Art ..	44	..	2	4	..	..
34	Electrical control gear	3,79	..	3	6	..	..
35	Implements, instruments and apparatus	48,00	20	51	5,08	7	4
36	Lubricating oil ..	16,50	2	29	50	..	..
37	Pneumatic tyres (8/7)	28,37	5	23	2,86	..	..
38	Motor cars, motor cycles, etc. ..	1,02,14	1,58	1,02	8,86	29	7
	Total	6,64,73	7,98	10,50	85,80	1,45	26
	Add 1/7 of drawbacks	..	1,14	..	..	21	..
	Total	6,64,73	9,12	10,50	85,80	1,66	

(The figures are given in thousands of rupees).

(A) Net amount for all India	6,64,73—9,12—10,50=6,45,11
(B) Ditto for Burma	85,80—1,66—26=83,88
(C) Net amount of duty available for distribution	
(A.-B.)	=5,61,23
Share of States (14.5 % of C.)	=81,38

TABLE NO. IV—*contd.*

SCHEDULE VI.

Articles classed as Factory (General) items.

(9% for Indian States.)

Serial No.	Articles.	All India.			Burma.		
		Duty.	Draw-backs.	Refunds.	Duty.	Draw-backs.	Refunds.
(The figures are given in thousands of rupees.)							
1	Belting yarn ..	3	..	..	..	..	..
2	Scrap iron ..	9	..	..	..	..	..
3	Other raw materials (15%) ..	30	1	..	1	..	..
4	Oils other than coconut and mineral ..	13,28	3	14	1,29	..	1
5	Fuel oil ..	14,02	67	2	3,79	4	..
6	Cotton belting ..	2,14	..	5	55	..	4
7	Packing Engine and Boiler ..	1,39	..	..	32	..	..
8	Tallow grease, etc. ..	1,96	1	1	45	..	..
9	Wood and timber ..	9,48	3	28	71	..	..
10	Chemicals ..	39,25	12	22	3,65	1	1
	Total ..	81,94	87	72	10,77	5	6
	Add 1/7 drawbacks ..	..	12	..	..	·7	..
	Total ..	81,94	99	72	10,77	5·7	6

(A) Net amount for all India 81,94—99—72=80,23

(B) Ditto for Burma 10,77—5·7—6=10,65·3

(C) Net amount of duty available for distribution (A—B) =69,57·7

Share of States (9 per cent. of C) .. 6,26

TABLE NO. IV—continued.

SCHEDULE VII.

Articles intermediate between A class towns and factory.

(12.25% for Indian States.)

Serial No.	Articles.	All India.			Burma.		
		Duty.	Draw-backs.	Re-funds.	Duty.	Draw-backs.	Re-funds.
(The figures are given in thousands of rupees.)							
1	Gums (raw) ..	5,14	2	1	26	..	..
2	Denatured spirit ..	70	..	..	7	..	1
3	Iron and steel 10% ..	36,78	11	45	3,95	7	10
4	Iron and steel (Protective)	2,44,06	57	3,67	16,55	..	19
5	Dyes, paints, etc. ..	26,19	65	12	2,26	..	..
6	Cordage and rope ..	1,63	2	1	34	1	..
7	Hardware, Iron-mongery and tools ..	88,46	1,04	55	10,13	10	8
8	Quicksilver ..	1,38	..	..	5	..	..
	Total ..	4,04,34	2,41	4,81	33,61	18	38
	<i>Add 1/7 of drawbacks</i>	..	34	..	..	3	..
	Total ..	4,04,34	2,75	4,81	33,61	21	38

(A) Net amount for all India. $4,04,34 - 2,75 - 4,81 = 3,96,78$ (B) Ditto for Burma. $33,61 - 21 - 38 = 33,02$

(C) Net amount of duty available for distribution (A—B) = 3,63,76

Share of States (12.25 per cent. of C) .. 44,56

TABLE NO. IV—continued.
 SCHEDULE VIII.
 Factory Special, etc.

Serial No.	Articles.	All India.			Burma.		
		Duty.	Draw-backs.	Re-funds.	Duty.	Draw-backs.	Re-funds.
(The figures are given in thousands of rupees.)							
(a) <i>Printing Presses.</i> (6% for Indian States.)							
1	Printing material ..	11	..	..	..	..	..
2	Printer's ink ..	44	..	..	2	..	..
	Total ..	55	..	..	2	..	..
	Net amount to be distributed	..	..	..	53	..	..
	Share of Indian States ..	..	..	..	3	..	..
(b) <i>Tobacco Factories.</i> (25% for Indian States.)							
3	Unmanufactured tobacco ..	1,04,02	..	4	..	..	..
	Net amount to be distributed	..	..	..	1,03,98	..	..
	Share of Indian States ..	..	..	..	25,99	..	..
(c) <i>Cotton weaving.</i> (17% for Indian States.)							
4	Cotton yarn ..	45,80	69	14	1,90	18	..
5	Art silk yarn ..	10,43	3	5	21	..	..
	Total ..	56,23	72	19	2,11	18	..
	Add 1/7 of drawbacks	..	10	..	..	3	..
	Total ..	56,23	82	19	2,11	21	..
	Net amount to be distributed	..	..	55,22—1,90=	53,32	..	..
	Share of Indian States ..	..	..	..	9,06	..	..
(d) <i>Silk weaving.</i> (11.5% for Indian States.)							
6	Silk yarn ..	12,60	18	..	1	..	..
7	Raw silk ..	18,28	3	..	41	..	..
	Total ..	30,88	21	..	42	..	..
	Add 1/7 of drawbacks	..	3	..	..	..	..
	Total ..	30,88	24	..	42	..	..
	Net amount to be distributed	..	..	30,64—42=	30,22	..	..
	Share of Indian States ..	..	..	..	3,48	..	..

TABLE NO. IV—continued.
SCHEDULE VIII—continued.

Serial No.	Articles.	All India.			Burma.		
		Duty.	Draw-backs.	Re-funds.	Duty.	Draw-backs.	Re-funds.

(The figures are given in thousands of rupees.)

(e) *Rope works.* (*Nil* for Indian States.)

8	Raw flax coir fibre ..	1,91	..	..	3	..	..
	Net amount to be distributed	..	..	..	1,88		
	Share of Indian States ..	..	..	..	<i>Nil</i>		

(f) *Mines and Quarries.* (5½% for Indian States.)

9	Explosives (blasting)	3,67	..	..	82	..	..
	Net amount to be distributed	..	..	..	2,85		
	Share of Indian States ..	..	..	..	1,54		

TABLE NO. IV—continued.

SCHEDULE IX.

Railway materials.

(30% for Indian States.)

Serial No.	Articles.	All India.			Burma.		
		Duty.	Draw-backs.	Re-funds.	Duty.	Draw-backs.	Re-funds.
(The figures are given in thousands of rupees.)							
1	Railway track material (protected) ..	18,39	..	..	69	..	..
2	Railway track material (non-protected)	37	..	..	..	..	..
3	Railway telegraph instruments ..	7	..	..	..	..	..
4	Railway plant and Rolling stock 10%..	20,16	..	3,33	99	..	1
	Total ..	38,99	..	3,33	1,68	..	1

(A) Net amount for all India 38,99—3,33=35,66

(B) „ „ for Burma 1,68—1=1,67

(C) Net amount of duty available for distribution (A-B) 33,99

Share of States (30% of C) =10,20

TABLE NO. IV—*continued.*

SCHEDULE X.

Articles intermediate between Railway materials and Factory stores.

(19.5% for Indian States.)

Serial No.	Articles.	All India.			Burma.		
		Duty.	Draw-backs.	Re-funds.	Duty.	Draw-backs.	Re-funds.
(The figures are given in thousands of rupees.)							
1	Coal, coke, etc. ..	95	19	1	11	..	..
	Add 1/7 of drawbacks	..	3	..	..	..	..
	Total ..	95	22	1	11	..	..
(A)	Net amount for all India .. .. .	..	..	..	95-22-1=72		
(B)	„ „ for Burma .. .. .	..	..	..	..	=11	
(C)	Net amount of duty available for distribution (A-B)	..	..	..	..	=61	
	Share of States (19.5 per cent. of C) .. .. .	..	..	..	..	=12	

TABLE NO. IV—continued.

SCHEDULE XI.

Liquors.

(10% for Indian States.)

Serial No.	Articles.	All India.			Burma.		
		Duty.	Draw-backs.	Re-funds.	Duty.	Draw-backs.	Re-funds.
(The figures are given in thousands of rupees.)							
1	Ale, Beer, etc. ..	21,98	3	29	3,81	..	..
2	Liqueurs	18,77	} 5*	1,79*	2,59	..	13
3	Other spirit ..	1,89,85			28,31	2	24
4	All wines	15,11	1	19	1,88	..	2
	Total ..	2,45,71	9	2,27	36,59	2	39
	Add 1/7 of drawbacks	..	1	..	..	..	..
	Total ..	2,45,71	10	2,27	36,59	2	39

(A) Net amount for all India 2,45,71—10—2,27=2,43,34

(B) Ditto for Burma 36,59—2—39 = 36,18

(C) Net amount of duty available for distribution (A-B) .. =2,07,16

Share of States (10% of C) = 20,72

* Includes denatured and perfumed spirits.

M54CQB (F.D.)

TABLE NO. IV—concluded.

SCHEDULE XII.

Steamers and Launches.(Share of Indian States *nil.*)

Serial No.	Articles	All India.			Burma.		
		Duty.	Draw-backs.	Re-funds.	Duty.	Draw-backs.	Re-funds.
(The figures are given in thousands of rupees.)							
1	Steamers and Launches	48	1	1	3	..	..
Share of Indian States		..	..	<i>Nil.</i>			

TABLE NO. V.

(SEE PARAGRAPH 23.)

Changes necessary in the Revenue Returns for the working out of the Customs scheme.

Heading in Revenue Returns.	Changes necessary.
<i>Oils—special rate of duty.</i>	
Kerosene.	} Refunds and drawbacks to be separately recorded.
Motor spirit.	
Lubricating oil.	
Fuel oil.	
<i>Iron and Steel—10% ad valorem—</i>	
Nails	} Do.
Railway track material.	
<i>15% ad valorem—</i>	
<i>Oils.</i>	
Coconut oil	Do.
<i>Chemicals Drugs and Medicines.</i>	
Chemicals to be separated from drugs and medicines.	Duty figures as well as refunds and drawbacks to be recorded separately.
<i>Iron and Steel.</i>	
Cans, tinned.	Refunds and drawbacks to be shown separately.
Cutlery, hardware implements and instruments, electrical control gear.	Figures of duty and refunds and drawbacks to be shown separately.

TABLE NO. VI.

(SEE PARAGRAPH 29.)

Comparison between India (excluding Burma) and Indian States in regard to statistics of production of those articles on which export duty is levied in British India.

[Vide Estimates of Area and Yield of Principal Crops in India, 1928-29, Statistical Abstract for British India from 1918-19 to 1927-28 (7th issue) and Indian Live-stock statistics, 1924-25.]

						Production in thousand bales.		
						1929		
1. Jute raw—								
Total India	..	..	..	..	..	9,717	A
Burma	..	..	..	..	..	nil	
Indian States—								
Cooch Behar	..	..	..	..	..	69	
Tripura	..	..	..	..	..	8	
						77	B	
Proportion of Indian States to India (B : A) = $\frac{77}{9717}$						..	or .8%
2. Jute manufactures.—All Jute mills are in British India.								
3. Raw hides and skins—								
(a) Cow hides—								
						1924-25 Census		
						Number of oxen in thousands.		
British India	..	..	..	..	..	120,340	A
Burma	..	..	..	..	..	5,077	B
British India excluding Burma	..	..	..	..	..	115,263	C
Indian States including Baroda	..	..	..	..	..	25,964	D
Excluded States—								
Travancore	..	..	..	..	..	842	
Cochin	..	..	..	..	..	195	
						1,037	E	
Participating Indian States (D—E)						..	24,927	F
Net India including participating States (C plus F)						..	140,190	G
						24927		
Proportion of participating States to Net India (F : G)						140190		
						or 18% approximately.		
						Number of buffaloes in thousands.		
(b) Buffalo hides—								
British India	..	..	..	..	..	30,812	A
Burma	..	..	..	..	..	1,190	B
British India excluding Burma	..	..	..	..	..	29,422	C
Indian States including Baroda	..	..	..	..	..	6,761	D
Excluded States—								
Travancore	..	..	..	..	..	87	
Cochin	..	..	..	..	..	51	
						138	E	
Participating Indian States (D—E)						..	6,623	F
Net India including participating States (C plus F)						..	36,045	G
						6623		
Proportion of participating States to Net India (F : G)						36045		
						or 18% approximately.		

TABLE VI—*continued.*

						1924-25 Census—number in thousands.
<i>(c) Sheep and goats—</i>						
British India	..	..	..	..	..	62,470 A
Burma	..	..	..	..	..	348 B
British India excluding Burma	..	..	..	..	..	62,122 C
Indian States including Baroda	..	..	..	..	..	21,293 D
Excluded States—						
Travancore	..	..	..	..	..	212
Cochin	..	..	..	..	..	67
						<hr/>
Total						279 E
Participating Indian States (D—E)..	..	..	..	..	..	21,014 F
Net India including participating States (C plus F)	..	..	..	..	..	83,136 G
						<hr/>
Proportion of participating States to Net India (F : G)						21014
						<hr/>
						83136
						or 25% approximately.
						Production in thousand tons.
						1927-28.
<i>4. Rice—</i>						
Total India	..	..	..	..	..	28,234 A
British India including Burma	..	..	..	..	..	27,262 B
Indian States (A—B)	..	..	..	..	..	972 C
Burma	..	..	..	..	..	4,886 D
India including States but excluding Burma (A—D)	..	..	..	..	..	23,348 E
						<hr/>
Proportion of Indian States to Net India (C : E)						972
						<hr/>
						23348
						or 4% approximately.

TABLE NO. VII.
(SEE PARAGRAPH 29.)
Export Duty.

[In thousands of rupees.]

Serial No.	Name of articles.	All India.		Burma.	
		Export Duty.	Refunds.	Export Duty.	Refunds.
1	Jute, raw	Rs. 2,11,51	Rs. 3,98	Rs. ..	Rs. ..
	Net amount to be distributed	..	2,07,53		
	Share of Indian States (0·8 per cent of above) ..	..	1,66		
2	Jute manufactures	2,10,48	1,55	..	..
	Net amount to be distributed	..	2,08,93		
	Share of Indian States ..	..	Nil.		
3	Raw Hides and Skins—				
	(a) Cows	13,55	*6	1,37	..
	(b) Buffaloes	2,89	*1	25	..
	Total	16,44	7	1,62	..
	Net amount to be distributed	..	16,37	—1,62=14,75	
	Share of Indian States (18 per cent of above) ..	..	..	2,65	
	(c) Goat sheep and kid skins	20,38	*10	1	..
	Net amount to be distributed	..	20,28	—1=20,27	
	Share of Indian States (25 per cent of above) ..	..	..	5,07	
	Rice	99,45	3,78	83,99	3,43
	Net amount to be distributed	95,67	— 80,56 =	15,11	..
	Share of Indian States (4 per cent. of above) ..	..	..	60	..
	Total share of States—				
	(1) Jute raw	1,66			
	(2) Jute manufactures .. ..	..		
	(3) Raw Hides and Skins ..	2,65			
		5,07			
	(4) Rice	60			
	Total	9,98			

*Estimated share of total refunds made under 3.

TABLE NO. VIII.

(SEE PARAGRAPH 30.)

Estimated share of Indian States in the customs revenue.

(Summary of all Schedules.)

							In thousands of rupees.	
Table IV—								
Schedule I	..	..	..	..	..	..	1,66,74
" II	..	..	..	..	..	..	1,44,57
" III	..	..	..	..	..	..	66,87
" IV	..	..	..	..	..	..	7,45
" V	..	..	..	..	..	..	81,38
" VI	..	..	..	..	..	..	6,26
" VII	..	..	..	..	..	..	44,56
" VIII (a)		..	..	..	..	..	3
" " (b)		..	..	..	..	..	25,99
" " (c)		..	..	..	..	..	9,06
" " (d)		..	..	..	..	..	3,48
" " (e)		..	..	..	..	..	..
" " (f)		..	..	..	..	..	1,54
" IX	..	..	..	..	..	..	10,20
" X	..	..	..	..	..	..	12
" XI	..	..	..	..	..	..	20,72
" XII	..	..	..	..	..	..	..
<hr/>								
Total Import Duty	..	..	..	..	..	..	5,88,97
Table No. VII—Export duty	..	..	..	..	..	..	9,98
<hr/>								
Grand Total							..	5,98,95
<hr/>								

NOTE.—The net imports of silver into India (excluding Burma) in 1928-29 amounted to 63,673,037 ounces. On the basis of the duty at 4 as. an ounce, prevailing in 1930-31, the customs revenue from this source would have amounted to Rs. 1,59,18,000 and the States share would have been Rs. 31,84,000 approximately.

TABLE No. XIV.
(SEE PARAGRAPH 48.)

Statement showing the quantities of salt supplied to Indian States free of duty or at concessional rates and the cash compensations paid to them.

Serial No.	Name of State.	Quantity of duty free salt per annum.	Cash compensation.	Remarks.
	RAJPUTANA.	Mds.	Rs.	
1	(a) Jaipur ..	7,000	2,75,000 per annum, and 3/8ths of the total royalty payable on excess sales of salt beyond 8,95,000 maunds annually. (Compensation for Sambhar lake.)	Under the Treaty of 1869 the Darbar also became entitled to obtain for consumption, salt not exceeding 1,72,000 maunds annually at 9 annas per maund.
	(b) Jaipur ..	..	4,00,000 per annum ..	Under the Agreement of 1879, the amount is paid in lieu of 172,000 maunds of salt which the Darbar were entitled to receive under the Treaty of 1869.
			1,854 per annum .	For payment to the Thakur of Kachor.
			1,000 per annum ..	For payment to the Thakur of Khur.
			146 per annum ..	For payment to Bhumias of Ralasta.
			2,309-2-7 per annum	For payment to certain villagers.
			8,000 per annum ..	For payment to the Rao of Khandola.
2	(1) Jodhpur	7,000	1,25,000 per annum ..	1st Treaty of 1870.
	(2) Jodhpur	7,000	3,00,000 per annum and 5/8ths of the total royalty payable on excess sales of salt beyond 9,00,000 maunds annually.	2nd Treaty of 1870. This sum represents the annual rent to cover all subordinate claims.

Serial No.	Name of State.	Quantity of duty free salt per annum.	Cash compensation.	Remarks.
		Mds.	Rs.	
	(3) Jodhpur	2,35,000	3,76,000 per annum ..	Agreement of 1879. Annual lease payment for the four large salt works.
			15,800 per annum ..	Annual payment on account of losses sustained owing to suppression of Khari works in Khalsa land.
			19,595	Lump payment on account of losses of jugdars and landholders owing to suppression of works.
			3,00,000	Lump payment to Kharols and other salt manufacturers.
			25,000 per annum ..	Annual compensation for transit and export duty on salt.
			50,000 per annum ..	Annual payment on account of preventive establishment.
			50,000 per annum ..	Annual payment on account of "miscellaneous revenue and incidental emoluments".
3	Alwar ..	1,000	1,25,000 per annum ..	The amount represents compensation on account of suppression of manufacture of salt and non-levy of customs duty. It is understood that it has recently been decided to restore to the Darbar the right of the levy of customs duties and that the amount of compensation has been reduced to Rs. 85,000 per annum. The revised agreement has, however, not been signed as yet.
4	Dholpur ..	300	25,788 per annum ..	Agreements of 1879 and 1920.
5	Lawa ..	10	700 per annum ..	Agreement of 1879.

Serial No.	Name of State.	Quantity of duty free salt per annum.	Cash compensation.	Remarks.
		Mds.	Rs.	
6	Kishengarh ..	50	25,000 per annum.	
			5,000	Compensation to salt manufacturers of the State.
7	Bharatpur ..	1,000	1,50,000 per annum ..	His Highness the Maharaja declined to receive any compensation on account of the suppression of salt. This sum is paid in consideration of the due observation of the other stipulations of the Agreement, <i>e.g.</i> , not to levy duties on certain articles.
			2,26,000	Lump sum compensation for distribution to salt manufacturers.
			500 per annum ..	For relinquishing salt manufacture in two villages (Bahd and Bhalna).
8	Bikaner ..	20,000*	6,000 per annum ..	* Half the duty is charged. The Darbar can manufacture up to a limit of 30,000 maunds annually.
9	Udaipur .. (Mewar.)	1,000	2,900 per annum ..	Compensation to the Darbar and certain landholders.
			10,000 per annum ..	Charges connected with preventive arrangements.
			35,000 per annum ..	On account of loss of revenue derived from transit duties on salt.
			1,56,250 per annum ..	Paid in lieu of right to purchase of 1,25,000 maunds of salt at half the British rate of duty. The Darbar can reopen salt works after giving 12 months' notice to Government and work them up to a limit of 15,000 maunds annually.

Serial No.	Name of State.	Quantity of duty free salt per annum.	Cash compensation.	Remarks.
		Mds.	Rs.	
10	Sirohi ..	..	10,800 per annum ..	The amount includes Rs. 9,000 in lieu of 18,000 maunds at half duty.
11	Jaisalmer ..	..	....	Allowed to manufacture salt up to 15,000 maunds annually.
12	Jhalawar ..	..	2,500 per annum ..	Out of this Rs. 250 is paid for distribution to Jagirdars as compensation.
13	Karauli ..	50	5,694-15-0 per annum	Rs. 694-15-0 represents compensation for losses of Jagirdars.
14	Bundi ..	..	8,000 per annum.	
15	Tonk ..	..	20,000 per annum.	
16	Shahpura ..	..	5,000 per annum.	
17	Kotah ..	300	(a) 19,175 per annum (b) 15,905 ..	Rs. 3,175 for distribution to Jagirdars. Lump sum payment for distribution to Jagirdars.
CENTRAL INDIA.				
18	Datia ..	..	10,000 per annum ..	The Darbar can make specified quantities at certain works.
19	Samthar ..	..	1,450 per annum ..	In lieu of 500 maunds of salt free of cost.
20	Indore ..	..	61,875 per annum	No salt sources. These are really compensations for loss of transit and other duties.
21	Bhopal ..	..	10,000 per annum	
22	Jaora ..	..	2,500 per annum	
23	Sitamau ..	..	2,000 per annum	
24	Ratlam ..	..	1,000 per annum	
25	Dewas (Senior).	..	412-8-0 per annum	
26	Dewas (Junior).	..	412-8-0 per annum	
27	Sailana ..	..	412-8-0 per annum	
28	Rajgarh ..	..	618-12-0 per annum	
29	Narsingarh ..	..	618-12-0 per annum	

Serial No.	Name of State.	Quantity of duty free salt per annum.	Cash compensation.		Remarks.
		Mds.	Rs.		
	GWALIOR.				
30	Gwalior* ..	..	3,12,500 per annum ..		*Allowed to manufacture 54,000 maunds annually.
	BOMBAY. (Gujerat).				
31	Patri ..	340½	11,300 per annum	}	(Vide Bombay Salt Manual, Volume II).
32	Jhinjhwada Thakurs of—	340½	7,788 per annum		
33	Radhanpur	350½*	11,048 per annum ..		*Of this, 88 maunds are for distribution to charitable institutions.
	OTHER BOMBAY STATES.				
34	Cambay ..	500	40,000 per annum.		
35	Janjira ..	10,614	13,000 per annum ..		Compensation for preventing all contraband trade or practice of smuggling salt. opium and liquor.
	DECCAN AND SOUTHERN MAHARATTA COUNTRY.				
36	Jath ..	..	1,118 per annum.		
37	Daphlapur ..	..	114-11-2 per annum.		
38	Phaltan ..	..	2,010-9-9 per annum.		
39	Akalkot ..	..	142-0-10 per annum.		
40	Aundh ..	..	1,045-1-7 per annum.		
41	Miraj (Senior)	..	62-1-2 per annum ..	}	Set-off against tribute.
42	Miraj (Junior)	..	6-12-0 per annum ..		
43	Kurundwad (Senior).	..	1,193-9-3 per annum		
	Jamkhandi	..	1,490-12-9 per annum		
	Savanur ..	..	32-0-0 per annum.		
46	Sangli ..	..	233-10-6 per annum.		
47	Konhar Rao Wadikar.	..	8-12-0 per annum.		

Serial No.	Name of State.	Quantity of duty free salt per annum.	Cash compensation.	Remarks.
		Mds.	Rs.	
48	Savantvadi	..	5,500 per annum.	
49	Khairpur	The Darbar have agreed to stop all salt production in the State in return for receiving from neighbouring British works a supply of salt sufficient for the consumption of their people at cost price <i>plus</i> the cost of carriage, the retail price of the salt in Khairpur being not less than the rate current in Sind.
50	Wao ..	..	361 per annum.
51	Idar ..	..	..
52	Danta ..	..	..
53	Samera ..	..	..
54	Pol ..	..	..
55	Derol	These States prevent the smuggling of salt through their territories, and presumably receive annually small sums of money as compensation. The amounts are not known.
56	Degamra ..	..	..
PUNJAB STATES.				
57	Bahawalpur ..	..	80,000 per annum.
MADRAS STATES.				
58	Bangnapalle	..	3,000 per annum.	
59	Pudukkottai	..	38,000 per annum ..	It is optional with Government to cancel the arrangement if they find it to be in their interest to do so.
UNITED PROVINCES.				
60	Rampur ..	5,000	..	(Vide Northern India Salt Revenue Department Manual, Volume II, page 161.)

TABLE NO. XV.
(SEE PARAGRAPHS 51-52).

STATEMENT A.

Statement showing the Tributes paid by Indian States to the Government of India, which are available for the general expenditure of the latter.

Serial No.	State.	Tribute.	Remarks.
		Rs.	
1	Mysore	24,50,000	For protection against all external enemies and in consideration of being relieved of the obligation to keep troops ready to serve with the British Army when required. Treaty of 1913, Article 4. The original subsidy amounted to Rs. 35,00,000 but it was reduced by 10½ lakhs with effect from 1st April 1928.
2	Baroda	3,75,000	Annual subsidy, under the agreement of 1881, for the maintenance of a body of mounted and foot police in commutation of the previous engagement to maintain a force of 3,000 cavalry. (Aitchison's Treaties, Volume VIII, page 94.)
	CENTRAL INDIA.		
3	Ajaigarh	7,014	Tribute for Khera and Bachon districts. (Aitchison's Treaties, Volume V, page 28.)
4	Bhopal	1,61,290	By the Treaty of 1818 Bhopal was guaranteed protection and undertook to provide a contingent of 600 horse and 400 infantry. Since 1949, however, the State has paid an annual contribution of Rs. 1,61,290 in lieu. (Pages 284, 287-288, and 303, Aitchison's Treaties, Volume IV.)
5	Bihat	1,400	Tribute for Lohargaon district. (Aitchison's Treaties, Volume V, page 36.)
6	Charkhari	8,584	Tribute for Bhina and Chandla districts. (Aitchison's Treaties, Volume V, page 24.)
7	Dewas (Senior and Junior Branches).	28,474	In place of the quota of troops formerly maintained by these two States as part of the Malwa Contingent. (Aitchison's Treaties, Volume IV, pages 8, 247, 252-253.)

Serial No.	State.	Tribute.	Remarks.
		Rs.	
8	Indore	1,11,214 (Capitalised in 1865).	By the treaty of Mundisore, 1818, several districts and tributes paid to Holkar were ceded to the British Government who undertook to support a field force for the defence and protection of Holkar's territories and the State was required to keep in readiness three thousand horse to co-operate with British troops. The State was subsequently relieved of the obligation and in place of the horse paid Rs. 1,11,214 a year towards the support of the Mehidpur (Malwa) Contingent which mutinied in 1857. The Central India Horse, which was raised in 1858, took the place of the disbanded contingent. By the capitalization of payments for the Mehidpur (Malwa) Contingent and Malwa Bhil Corps the State has been "released from all pecuniary demands, present or future, and from service with troops". (Aitchison's Treaties, Volume IV, pages 188-189, 198-199 and 204-205.)
	Indore	660	Tribute (Tanka) originally paid by Holkar to the Chiefs of Sailana and Bakhtgarh and assigned by them to the British Government. (Aitchison's Treaties, Volume IV, page 8.)
	Indore	5,283	Annual payment on account of excess of land made over to Holkar in the territorial exchange of 1861. (Aitchison's Treaties, Volume IV, pages 8 and 212.)
9	Jaora	1,37,127	In place of the quota of troops formerly maintained by the State as part of the Malwa Contingent. (Aitchison's Treaties, Volume IV, pages 8, 374 and 378.)
10	Khilchipur	11,134	This tribute was originally paid to Maharaja Scindia and was assigned by him to the British Government for the maintenance of the Gwalior contingent. (Aitchison's Treaties, Volume IV, pages 320, 348 and 349.)
11	Paldeo	242	Object of payment not known.
12	Panna	9,955	Tribute for Seorajpur and Ektana districts. (Aitchison's Treaties, Volume V, page 20.)

Serial No.	State.	Tribute.	Remarks.
		Rs.	
13	Ratlam	42,000	These tributes were originally paid to Scindia and were assigned to the British Government in part payment of the Gwalior Contingent which was replaced by the Subsidiary Force. (Aitchison's Treaties, Volume IV, pages 8, 86, 90, 384 and 388.)
14	Sailana	21,000	
	Total for Central India	5,45,377	
	Gwalior.		
15	Gwalior	33,019	Amjhera tribute, transferred to the British Government for the Gwalior Contingent by the treaties of 1844 and 1860. Amjhera was formerly a mediatised State in Central India and paid a tribute of Rs. 35,000 (Ujjain Hali) to the Gwalior Darbar. This tribute was one of the items ceded to the British Government by the Gwalior Darbar in 1844 for the payment of the Gwalior Contingent. In 1857, the Raja of Amjhera rebelled, and his estate was confiscated and given to the Gwalior Darbar, who now pay the tribute to the British Government on account of Amjhera.
	RAJPUTANA.		
16	Banswara	17,500	Price of protection. (Aitchison's Treaties, Volume III, pages 2,23—25.)
17	Bundi	1,20,000	Rs. 40,000 paid as the price of protection and Rs. 80,000 paid in consideration of the cession by the British Government of sovereignty over two-thirds share of the District of Kishoraipatan.
18	Dungarpur	17,500	Price of protection. (Aitchison's Treaties, Volume III, pages 2 and 21.)
19	Jaipur	4,00,000	Price of protection. (Aitchison's Treaties, Volume III, pages 90-91, 104-105 and 107.)
20	Jhalawar	30,000	Price of protection. (Aitchison's Treaties, Volume III, pages 366 403-404.)

Serial No.	State.	Tribute.	Remarks.
		Rs.	
21	Jodhpur	98,000	Price of protection. (Aitchison's Treaties, Volume III, pages 3, 4, 140—142, 159—160.)
22	Kotah	2,34,720	Rs. 1,31,250 paid as the price of protection, and the balance represents payments originally due to Scindhia and since assigned for the maintenance of the Gwalior Contingent.
23	Lawa	225	Price of protection. (Aitchison's Treaties, Volume III, pages 100—101.)
24	Shahpura	10,000	Annual tribute on account of Pargana Phulia. The Pargana was granted in jagir by Aurangzeb Alungeer, King of Delhi, to the founder of the family of the Chief of Shahpura, and has been in the possession of his descendants since then. It is held as a right of succession by the Chief and the Government therefore decided under the Sanad, dated the 27th June 1848, that the Pargana should remain in the possession of the Ruler and his heirs and fixed a sum of ten thousand Company's rupees as its annual tribute. (Aitchison's Treaties, Volume III, page 256.)
25	Udaipur	2,00,000	Price of protection. (Aitchison's Treaties, Volume III, page 2.)
	Total for Rajputana ..	11,27,945	
	MADRAS STATES.		
26	Cochin	2,00,000	Price of protection and the maintenance of troops. (Aitchison's Treaties, Volume X, pages 155 and 162.)
27	Travancore ..	7,96,430	
	Total for Madras States	9,96,430	
	WESTERN INDIA STATES. (Salute States.)		
28	Bhavnagar ..	1,28,060	Aitchison's Treaties, Volume VI, pages 98 and 196.

Serial No.	State.	Tribute.	Remarks.
		Rs.	
29	Cutch	82,253	On account of "Anjar equivalent", <i>vide</i> Article 4 of Treaty of 1832. The town and district of Anjar was made over to the British Government (Article 10 of Treaty of 1816) "as a friendly return for the essential services thus engaged to be performed". They were re-transferred to the Cutch Darbar, <i>vide</i> Article I of Treaty of 1822 "for a pecuniary equivalent", which was fixed at Ahmedabad Sica Rs. 88,000. (Aitchison's Treaties, Volume VII, pages 4, 5, 10, 16, 27 and 29.)
30	Dharangadhra	40,671	As peshkash. (Aitchison's Treaties, Volume VI, page 101.)
31	Gondal	49,096	Aitchison's Treaties, Volume VI, page 78, and Appendix I, pages x and xi.
32	Junagadh	28,394	This apparently represents Government share of the tribute termed "Zortalbi" collected by the Government for the State from a large number of the Kathiawar Rulers. The levy is remnant of the Muhammadan revenue from Kathiawar. (Aitchison's Treaties, Volume VI, pages 90, 92 and 168.)
33	Limbdi	44,128	Aitchison's Treaties, Volume VI, page 78 and Appendix I, pages ii, iii, x and xi.
34	Morvi	9,263	Aitchison's Treaties, Volume VI, page 78, and Appendix I, pages x and xi.
35	Nawanagar	50,312	Aitchison's Treaties, Volume VI, page 94.
36	Porbandar	21,202	Aitchison's Treaties, Volume VI, pages 78 and 99.
37	Rajkot	18,991	Aitchison's Treaties, Volume VI, page 78, 107-108.
38	Vankaner	17,422	Aitchison's Treaties, Volume VI, page 78 and Appendix I, pages ii, iii, x and xi.
39	Wadhwan	26,009	Of this sum Rs. 25,922 is for Peshkash, and Rs. 87 for villages in the Ahmedabad district. (Aitchison's Treaties, Volume VI, page 109.)

Serial No.	State.	Tribute.	Remarks.		
		Rs.			
	WESTERN INDIA STATES. (<i>Non-salute States.</i>)				
40	Akadia	129	} Aitchison's Treaties, Volume VI, Appendix I.		
41	Amrapur	511			
42	Anandpur	715			
43	Ankewalia	1,300			
44	Bajana	7,880			
45	Bamanbor	76			
46	Bastwa. { Manavadar Sardargadh Two other divi- sions. }	} 29,642			
47				Bhadli	1,101
48				Bhadvana	998
49	Bhadwa	1,394			
50	Bhalala	474			
51	Bhalgam	} 204			
52	Bhaldoi				
53	Bhalgamda	1,400			
54	Bharejda	94			
55	Bhathan	641			
56	Bhimora	308			
57	Bhoika	1,759			
58	Chachana	318			
59	Chhalala	971			
60	Chobari	154			
61	Chotila	652			
62	Chuda	6,324			
63	Darod	366			
64	Dasada	12,968			

Serial No.	State.	Tribute.	Remarks.
		Rs.	
65	Devalia	467	Aitchison's Treaties, Volume VI, Appendix I.
66	Dhrafa	3,706	
67	Dudhrej	1,102	
68	Gadhka	643	
69	Gavridad	1,011	
70	Gedi	1,200	
71	Gundiala	1,408	
72	Itaria	252	
73	Jakhan	242	
74	Jasdan	7,694	
75	Jetpur	50,262	
76	Jhamar	464	
77	Jhampodad	138	
78	Jhinjhuvada	11,073	
79	Kamadhia	377	
80	Kamalpur	776	
81	Kankasiali	84	
82	Kanpur-Ishwaria	230	
83	Kantharia	1,491	
84	Kariana	850	
85	Karmad	140	
86	Karol	703	
87	Kesaria	278	
88	Khambhala	406	
89	Khambhlav	730	
90	Khandia	806	
91	Kherali	678	
92	Khiraara	2,366	
93	Kotdapitha.	4,850	

Serial No.	State.	Tribute.	Remarks.
		Rs.	
94	Kotdasangani ..	10,189	Aitchison's Treaties, Volume VI. Appendix I.
95	Kotharia	948	
96	Lakhtar	6,163	
97	Laliad	362	
98	Lodhika	1,287	
99	Matra-timba ..	290	
100	Mengani	3,412	
101	Mewasa	445	
102	Mowa	120	
103	Muli	7,501	
104	Mulila -Deri ..	1,279	
105	Munjpur	603	
106	Nilvala	511	
107	Pal	1,253	
108	Palali	357	
109	Paliad	907	
110	Patdi	5,901*	
111	Rai Sankli	556	
112	Rajpur	2,412	
113	Rajpura Halar ..	2,022	
114	Ramparda	75	
115	Sauka	519	
116	Samla	959	
117	Sanosra	186	
118	Satudad-Vavdi ..	1,466	
119	Sayla	15,001	
120	Sajakpur	316	
121	Shahpur	464	
122	Sisang-Chandli ° ..	720	
123	Sudanda-Dhandhalpur	2,381	

*Includes Rs. 2,681 on account of Political Peshkashi.

Serial No.	State.	Tribute.	Remarks.	
		Rs.		
124	Talsana	913	} Aitchison Treaties, Volume VI, Appendix I.	
125	Tavi	310		
126	Untdi	493		
127	Vadali	246		
128	Vadod (Jhalawar) ..	1,252		
129	Vala	4,090		
130	Vana	3,715		
131	Vanala	396		
132	Vanod	1,953		
133	Vasavad	766		
134	Virpur	3,418		
135	Virva	150		
	Total for Western India States.	7,67,814		
	BOMBAY.			
136	Akalkot	14,592		In 1868 the Contingent of 100 horse-men, which the Chief was bound to maintain under the treaty of 1820, was disbanded, and a money payment of Rs. 14,952 a year, being two-thirds of the actual cost of the contingent was substituted ; <i>vide</i> Aitchison's Treaties, Volume VII, page 148.
137	Balasinor	9,766	Aitchison's Treaties, Volume VI, page 332.	
138	Bansda	7,351	Aitchison's Treaties, Volume VII, Page 94.	
139	Bhor	4,684	Aitchison's Treaties, Volume VII, page 150.	
140	Cambay	21,924	This is presumably the sum paid by the Cambay State to the British Government for the Chauth farmed to the State. (Aitchison's Treaties, Volume VII, pages 58-59.)	
141	Jamkhandi	20,841	On account of military service. (Aitchison's Treaties, Volume VII pages 227 and 282.)	

Serial No.	State.	Tribute.	Remarks.
	<i>BOMBAY—contd.</i>	Rs.	
142	Jath	11,247	Rs. 6,400 in lieu of a service of 50 horsemen and the balance on account of certain rights inherited from the Rajas of Satara and on account of rights in other districts (Aitchison's Treaties, Volume VII, page 152).
143	Kurundvad (Senior) } Kurundvad (Junior) }	9,619	On account of military service (Aitchison's Treaties, Volume VII page 228).
144	Lunawada	9,230	This tribute was originally paid to Scindia, but is now payable to the British Government under the Treaty of 1860 with Scindia (Aitchison's Treaties, Volume VI, page 330).
145	Malpur	430	Aitchison's Treaties, Volume VI, page 281.
146	Miraj (Senior)	12,557	} On account of military service (Aitchison's Treaties, Volume VII, pages 226-227).
147	Miraj (Junior)	6,413	
148	Mudhol	2,672	In lieu of service with horsemen (Aitchison's Treaties, Volume VII, pages 230 and 233).
149	Phaltan	9,600	In lieu of service of 75 horsemen (Aitchison's Treaties, Volume VII, page 154).
150	Ranasan	3	Aitchison's Treaties, Volume VI, page 281.
151	Sunth	5,385	This tribute was originally paid to Scindia, but is now payable to the British Government under the Treaty of 1860 with Scindia (Aitchison's Treaties, Volume VI, page 333).
	Total for Bombay	1,46,314	
	<i>Punjab States.</i>		
152	Bilaspur	8,000	In 1887, the request of the Raja of Bilaspur for the restoration of the Parganas of Basse and Bacheeta which originally belonged to the Bilaspur family, was granted on the condition of his paying an annual nazarana of Rs. 8,000, <i>vide</i> page 304 of Aitchison's Treaties, Volume VIII.
153	Chamba	2,307	

Serial No.	State.	Tribute.	Remarks.
	<i>Punjab States—contd.</i>	Rs.	
154	Kapurthala ..	<i>Nil</i>	A tribute of Rs. 1,31,000 is payable by the Darbar in lieu of military service (Aitchison's Treaties, Volume VIII, page 353). This was, however, remitted conditionally in 1924 in connection with the re-organisation of State Forces.
155	Mandi	1,00,000	Aitchison's Treaties, Volume VIII, pages 358 and 363.
156	Suket	11,000	Aitchison's Treaties, Volume VIII, page 102.
	Total for Punjab States	1,21,307	
	PUNJAB.		
157	Bashahr	3,945	Aitchison's Treaties, Volume VIII, page 306.
158	Jubbal	2,520	Aitchison's Treaties, Volume VIII, page 311.
159	Nalagarh	5,000	Aitchison's Treaties, Volume VIII, pages 305 and 326.
	Total for the Punjab	11,465	
	BENGAL.		
160	Cooch Behar ..	67,701	Aitchison's Treaties, Volume I, pages 291-292.
	UNITED PROVINCES.		
161	Benares	2,19,000	Tribute fixed under the Supplementary Instrument of Transfer of 6th August 1919. The amount represents the approximate net revenue lost by Government by the transfer of territory.
	BIHAR AND ORISSA.		
162	Athgarh	2,800	Aitchison's Treaties, Volume I, pages 300 and 319.
163	Athmalik	480	Aitchison's Treaties, Volume I, pages 300 and 321.
164	Bamra	7,500	Aitchison's Treaties, Volume I, page 310.
165	Baramba	1,398	} Aitchison's Treaties, Volume I, page 301.
166	Baud	800	

Serial No.	State.	Tribute.	Remarks.
	BIHAR AND ORISSA— contd.	Rs.	
167	Bonai	2,700	Aitchison's Treaties, Volume I, page 308.
168	Daspalla	661	} Aitchison's Treaties, Volume I, page 302.
169	Dhenkanal	5,099	
170	Gangpur	10,000	
171	Hindol	551	Aitchison's Treaties, Volume I, page 302.
172	Kalahandi	16,000	Aitchison's Treaties, Volume I, page 311.
173	Keonjhar	1,710	} Aitchison's Treaties, Volume I, page 303.
174	Khandpara	4,212	
175	Mayurbhanj	1,068	Aitchison's Treaties, Volume I, page 304.
176	Narsingpur	1,456	} Aitchison's Treaties, Volume I, page 305.
177	Nayagarh	5,525	
178	Nilgiri	3,900	
179	Patna	13,000	Aitchison's Treaties, Volume I, page 363.
180	Rairakhol	2,000	Aitchison's Treaties, Volume I, page 364.
181	Ranpur	1,401	Aitchison's Treaties, Volume I, page 306.
182	Sonpur	12,000	Aitchison's Treaties, Volume I, page 365.
183	Talcher	1,040	Aitchison's Treaties, Volume I, page 306.
184	Tigiria	882	Aitchison's Treaties, Volume I, page 307.
	Total for Bihar and Orissa.	96,183	
	CENTRAL PROVINCES.		
185	Bastar	20,000	Aitchison's Treaties, Volume I page 396.
186	Changbhakhar	150	
187	Chhuikhadan	12,000	Aitchison's Treaties, Volume I, page 400.

Serial No.	State.	Tribute.	Remarks.
	CENTRAL PROVINCES-- <i>contd.</i>	Rs.	
188	Jashpur	2,000	
189	Kawardha	30,000	} Aitchison's Treaties, Volume I, page 399.
190	Khairagarh	80,000	
191	Korea	750	Aitchison's Treaties, Volume I, page 401.
192	Nandgaon	80,000	Aitchison's Treaties, Volume I, page 403.
193	Raigarh	5,500	} Aitchison's Treaties, Volume I, page 404.
194	Sakti	1,500	
195	Sarangarh	4,500	Aitchison's Treaties, Volume I, page 405.
196	Sirguja	3,500	Aitchison's Treaties, Volume I, page 406.
197	Udaipur	1,200	
	Total for the Central Provinces.	2,41,100	
	ASSAM.		
198	Manipur	5,000	Aitchison's Treaties, Volume II, page 264. The tribute was reduced from Rs. 50,000 to Rs. 5,000 for a term of 10 years from 1st April 1920, and this term has been further extended for another 2 years.
	GRAND TOTAL ..	72,03,655	

TABLE NO. XV—Continued (vide paragraphs 51-52).

STATEMENT B.

List of payments made by Indian States for Special or local purposes.

Serial No.	Name of State.	Amount paid.	Object of payment.	Remarks.
		Rs.		
1	Indore	7,862	Towards the cost of the Malwa Bhil Corps.	*Rs. 12,000 capitalised.
2	Dhar	*18,602		
3	Jhabua	1,271		
4	Barwani	3,390		
5	Alirajpur	1,271	Towards the cost of the Mina Corps, stationed at Deoli and Erinpura, in place of the 42nd Deoli and 43rd Erinpura Regiments, which were disbanded in 1921.	
6	Jodhpur	1,15,000		
7	Kotah	2,00,000		
8	Tonk	5,000	The tribute payable under Article 3 of the Treaty, dated 5th October 1818 is Salim Shahi Rs. 72,700-Government Rs. 36,350-0-0. The British Government acquired the right of this tribute from Holkar under the terms of Article 4 of the Treaty of Mandsaur, but it was decided that the amount should continue to be received by him, and accordingly, though levied by Government, it is still paid annually to Holkar from the British Treasury. The payment is made one year in arrears, and amounts to Rs. 57,874-3-2, being the equivalent of Salim Shahi Rs. 72,700 at the time the decision was made. (Page 2 of Aitchison's Treaties, Volume III.)	
9	Partabgarh	36,350		
	<i>Punjab.</i>			
10	Baghal	3,600	Payment in commutation of liabilities for the supply of <i>begar</i> (Aitchison's Treaties, pages 309 and 311-316).	
11	Balsan	1,080		
12	Bhajji	1,440		
13	Bija	124		

Serial No.	Name of State.	Amount paid.	Object of payment.	Remarks.
		Rs.		
14	Dhami	720	} Payment in commutation of liabilities for the supply of <i>begar</i> (Aitchison's Treaties, pages 309 and 311-316, Volume VIII).	
15	Kothar	1,000		
16	Kumharsain ..	2,000		
17	Kunhiar	180		
18	Mailog	1,440		
19	Mangal	72		
20	Tiroch	288		
	Total	4,00,690		
	<i>Deduct contributions on account of Malwa Bhil Corps and Mina Corps, which have been taken into account in calculating the nett cost of the Rajputana and Central India Agencies — vide paragraphs 140-141 ..</i>	3,52,396		
	Net total	48,294		

TABLE NO. XVI.
(SEE PARAGRAPH 56).

Statement showing the expenditure incurred by the Indian States on their Armies.

(In thousands of Rupees.)

Serial No.	Name of Stato.	Expenditure on Indian States Forces.	Other military expenditure.	Remarks.
1	Hyderabad	11,55	47,18	
2	Mysore	9,19	10,17	
3	Baroda .. ..	..	24,36	
4	Gwalior	35,80	8,28	
5	Kashmir	48,70	1,90	
	CENTRAL INDIA.			
6	Ajaigarh .. ..	..	30	
7	Alirajpur	25	17	
8	Baoni .. ..	..	7	
9	Baraundha .. ..	..	3	
10	Bhopal*	7,90	36	*Expenditure on the State Band has been eliminated.
11	Bijawar .. ..	..	15	
12	Charkhari .. ..	..	41	
13	Chhatarpur .. ..	..	31	
14	Datia	73	1,75	
15	Dewas (Senior Branch) .. ..	..	43	
16	Dewas (Junior Branch) .. ..	..	38	
17	Dhar	82	41	
18	Indore	4,60	14,04	
19	Jaora .. ..	..	46	
20	Jhabua .. ..	..	16	
21	Khilchipur .. ..	..	11	
22	Maihar .. ..	..	15	
23	Nagod .. ..	..	4	
24	Narsingarh .. ..	..	40	
25	Orehha .. ..	..	92	

TABLE No. XVI—continued.

(In thousands of Rupees.)

Serial No.	Name of State.	Expenditure on Indian States Forces.	Other military expenditure.	Remarks.
26	Panna	45	20	
27	Rajgarh .. .. .	..	51	
28	Ratlam .. .. .	..	47	
29	Rewa	71	5,26	
30	Sailana .. .. .	.	45	
31	Samthar		85*	*In the form of grants of land to officers and men, the rental value being of this amount.
32	Sitamau		24	
	Total for Central India ..	15,46	29,03	
	RAJPUTANA.			
33	Alwar	6,10	..	
34	Bharatpur	4,26	56	
35	Bikaner	7,09	1	
36	Bundi .. .. .	..	78	
37	Dholpur	73	1,76	
38	Dungarpur .. .. .	..	24	
39	Jaipur	15,02	..	
40	Jaisalmer .. .. .	..	17	
41	Jhalawar .. .. .	..	53	
42	Jodhpur	13,92	..	
43	Karauli .. .. .	..	1,28	
44	Kishengarh .. .. .	..	45	
45	Kotah .. .. .	..	6,88†	†Separate figure in respect of troops under the Re-organisation scheme are not available.
46	Sirohi .. .. .	..	43	
47	Tonk .. .. .	..	2,24	
48	Mewar	97	7,23	
	Total for Rajputana ..	48,09	22,56	

TABLE No. XVI—*contd.*

(In thousands of Rupees.)

Serial No.	Name of State.	Expenditure on Indian States Forces.	Other military expenditure.	Remarks.
MADRAS STATES.				
49	Cochin .. .. .	..	68	
50	Pudukkottai .. .. .	..	38	
51	Travancore .. .. .	..	4,33	
	Total for Madras States ..	..	5,39	
WESTERN INDIA STATES.				
52	Bhavnagar	4,09	..	
53	Cutch	93	3	
54	Dhrangadhra	1,76	16	
55	Junagadh	3,93	24	
56	Nawanagar	4,76	27	
57	Palanpur.. .. .	67	..	
58	Porbandar	83	..	
59	Radhanpur .. .. .	..	20	
60	Wankaner .. .. .	..	26	
	Total for Western India States	16,97	1,16	
BOMBAY.				
61	Baria	69	5	
62	Bhor .. .. .	..	30	
63	Idar	69	..	
64	Khairpur	1,15	..	
65	Kolhapur .. .. .	..	2,61	
66	Lunawada .. .. .	..	28	
67	Mudhol	29	..	
68	Rajpipla*	77	10	* Figure of overhead charges is not available.
69	Sachin	57	..	
	Total for Bombay	4,16	3,34	

TABLE No. XVI—*concl'd.*

(In thousands of Rupees.)

Serial No.	Name of State.	Expenditure on Indian States Forces.	Other military expenditure.	Remarks.
PUNJAB STATES.				
70	Bahawalpur	4,86	30	
71	Bilaspur .. ..	..	7	
72	Chamba	50	11	
73	Faridkot	1,57	..	
74	Jind	3,14	140	
75	Kapurthala	4,00	..	
76	Loharu	8	..	
77	Malerkotla	2,07	43	
78	Mandi	65	..	
79	Nabha	2,00	2	
80	Patiala	16,94	94	
81	Sirmur	2,22	..	
82	Suket .. ..	..	12	
	Total for Punjab States ..	38,03	3,39	
UNITED PROVINCES.				
83	Benares	2,49	43	
84	Rampur	6,33	1,86	
85	Tehri	1,50	..	
	Total for United Provinces ..	10,32	2,29	
BENGAL.				
86	Tripura	44	66	
87	Punjab .. ..	..	..	} The States concerned do not maintain an army.
88	Bihar and Orissa .. ..	..	..
89	Central Provinces .. ..	..	..
90	Assam .. ..	..	..
91	Sikkim .. ..	..	..
	Grand Total ..	2,38,71	1,59,71	

TABLE No. XVII.

(SEE PARAGRAPH 62.)

EXPORT TRADE.

1928-29.

	Value of export from India including Burma.	Estimated percentage share of the India: States.	Estimated value of the export trade originating from the Indian States.
	Rs. (lakhs).		Rs. (lakhs).
Jute raw	32,35	0·8	26
Jute manufactures	56,90	..	..
Cotton raw	66,25	41	27,16
Cotton yarn	1,96	12	24
Cotton manufactures (excluding twist and yarn)	5,84	13	76
Rice	26,46	3·4	90
Wheat and wheat flour	2,86	18·8	54
Tea	26,60	7·6	2,02
Groundnut	19,37	8·2	1,59
Linseed	3,31	7·7	25
Cotton seed	1,33	41	55
Leather	9,44	12	1,13
Hides and skins—			
Buffalo hides	66	18	12
Cow hides, etc.	3,39	18	61
Sheep and goat skins, etc.	5,41	26	1,40
Lao	8,64	11	95
Wool and woollen manufactures	5,91	9	53
Oil cakes	3,84	22	84
Iron and steel	2,35	12·7	30
Manganese ore	1,96	22	43
Total	2,84,83	..	40,58 or 14% of the total of items shown.
Grand total of exports including Burma	3,30,13	..	..

TABLE NO. XVIII.

(SEE PARAGRAPH 62.)

Percentages to be applied to the exports of principal commodities from British India in order to determine the proportion of the trade originating in Indian States.

1927-28.

<i>Cotton raw—</i>	Production in thousand bales.	
<i>(Vide Estimates of Area and yield of Principal Crops in India, 1928-29, Statistical Abstract for British India from 1918-19 to 1927-28 (7th issue).)</i>		
Total India including Indian States	5,963	(1)
British India including Burma	3,498	(2)
Indian States (1—2)	2,465	(3)
Proportion of Indian States to total India (3) : (1)	41%	

1927.

Production in million lbs.

<i>Tea—</i>		
Total India including Indian States	390.92	(1)
British India including Burma	361.16	(2)
Indian States (1—2)	29.76	(3)
Proportion of Indian States to total India (3) : (1)	7.6%	

1927-28.

Production in thousand tons.

<i>Groundnuts—</i>		
Total India including Indian States	2,718	(1)
British India including Burma	2,496	(2)
Indian States (1—2)	222	(3)
Proportion of Indian States to total India (3) : (1)	8.2%	

Linseed—

Total India including Indian States	348	(1)
British India including Burma	321	(2)
Indian States (1—2)	27	(3)
Proportion of Indian States to total India (3) : (1)	7.7%	

Cotton seed—

Same ratio as in the case of raw cotton.

1927-28.

Production in thousand tons.

Rice—

Total India including Indian States	28,234	(1)
British India including Burma	27,262	(2)
Indian States (1—2)	972	(3)
Proportion of Indian States to total India (3) : (1)	3.4%	

Wheat—

Total India including Indian States	7,791	(1)
British India including Burma	6,325	(2)
Indian States (1—2)	1,466	(3)
Proportion of Indian States to total India (3) : (1)	18.8%	

1929.
Production in thousand bales.

Jute raw—

Total India including Indian States	9,717	(1)
<i>Indian States—</i>		
Cooch Behar	69	
Tripura	8	
	77	
Total	77	(2)
Proportion of Indian States to total India (2) : (1) ..		0·8 %

Jute manufactures—

Entirely from British India.

Cotton manufactures.—(Monthly statistics relating to cotton spinning and weaving in India for March 1930).

Yarn—

1929-30.
Production in thousands of lbs.

British India	730,801	(1)
Indian States and Foreign territory	102,608	
Less French Settlements in Pondicherry	5,486	
	97,122	(2)
Indian States	97,122	(2)
Total India including States (1 plus 2)	827,923	(3)
Proportion of Indian States to total India (2) : (3) ..		12%

Woven goods—

British India	484,607	(1)
Indian States and Foreign territory	77,452	
Less French Settlements in Pondicherry	4,486	
	72,966	(2)
Indian States	72,966	(2)
Total India including States (1 plus 2)	557,573	(3)
Proportion of Indian States to total India (2) : (3) ..		13%

Wool and Woollens. (Statistical Abstract of British India, 7th issue).

1927.
Number of looms and spindles.
looms. spindles.

British India	1,769	84,770	(1)
Indian States (Mysore and Baroda)	173	9,259	(2)
	1,942	94,029	(3)
Total India	1,942	94,029	(3)
Proportion of Indian States to total India (2) : (3) ..	9%	9·8%	

1927.

Production in tons.

Manganese ore—

British India	879,137	(1)
Indian States	250,216	(2)
	1,129,353	(3)
Total India	1,129,353	(3)
Proportion of Indian States to total India (2) : (3) ..	22 %	

1927.
Average number of persons
employed.

Pig iron, steel ingots and finished steel. (Large Industrial Establishments in India, 1927).

Bengal Iron Works	6,249	..
Indian Iron and Steel Works	2,800	..
Tata Iron and Steel Company	21,791	..
Total British India	30,840	(1)
Mysore Iron Works	4,481	(2)
Total	35,321	(3)
Proportion of (2) : (3)	12.7%	

1927.
Average number of
persons employed
daily.

Oil cakes—

Oil mills—

India including Indian States	13,983	(1)
Madras States	1,885	
Bombay States	439	
Baroda	114	
Mysore	550	
Hyderabad	75	
Kashmir	50	
Total Indian States	3,113	(2)
Proportion of Indian States to total India (2) : (1) ..	22%	

1927.
Average number of persons
employed daily.

Leather—

Tanneries—

India including Indian States	3,463	(1)
Indian States (Hyderabad and Mysore)	420	(2)
Proportion of Indian States to total India (2) : (1)	12%	

1927.
Average number of persons
employed daily.

Lac—

Factories—

India including States	2,199	(1)
Indian States	245	(2)
Proportion of Indian States to total India (2) : (1)	11%	

Live-stock census 1924-45.
Number in thousands.

Hides and skins—

(Indian live-stock statistics 1924-25 and statistical abstract for Baroda 1918-19 to 1927-28).

Cow hides—

Oxen in British India including Burma	120,340	(1)
Indian States	25,283	
Baroda (excluding Amreli and Okhamandal)	681	
	<hr/>	
Total States including Baroda	25,964	(2)
	<hr/>	
Total India including States	146,304	(3)
Proportion of Indian States to total India (2) : (3)	18%	

Buffalo hides—

Buffaloes in British India including Burma	30,612	(1)
Indian States	6,411	
Baroda	350	
	<hr/>	
Total	6,761	(2)
	<hr/>	
Total India including States	37,373	(3)
Proportion of Indian States to total India (2) : (3)	18%	

Sheep and goats—

Sheep and goats in British India including Burma	62,470	(1)
Indian States	21,038	
Baroda	255	
	<hr/>	
Total	21,293	(2)
	<hr/>	
Total India including States	83,763	(3)
Proportion of Indian States to total India (2) : (3)	26%	

TABLE No. XIX.

(SEE PARAGRAPH 91.)

Value of Meteorological, etc., services rendered by States (excluding cost of rainfall registration).

State.	Services rendered.	Estimated Annual Value to Central Government.
		Rs.
Hyderabad ..	(1) Nizamiah Astronomical Observatory, which also takes meteorological observations ..	37,000
	(2) Maintenance of reporting observatories at Aurangabad, Bidar, Gulbarga, Hanamkonda, Nizamabad, Raichur and Parbhani ..	1,550
Mysore ..	(1) Bangalore.—Supervision of meteorological work in Mysore; maintenance of full 1st class observatory: printing of observations ..	20,000
	(2) Maintenance of reporting observatories at Mysore, Hassan, Chitaldrug and Bahihonnur ..	1,000
Travancore ..	1st class observatory at Trivandrum ..	5,450
Kashmir ..	(1) Srinagar.—Part-supervision of meteorological work in Kashmir and maintenance of 2nd class observatory in Srinagar ..	2,000
	(2) Maintenance of reporting observatories at Dras, Gulmarg, Muzaffarabad, Skardu, Sonamarg, Jammu and Gurez ..	1,250
Jaipur ..	1st class observatory ..	2,370
Bhopal ..	3rd class observatory; and value of instruments and telegrams ..	1,000
Bahawalpur ..	3rd class observatory, and value of telegrams ..	800
Jhalawar ..	Maintenance of 2nd class observatory ..	400
Jodhpur ..	Ditto ditto ..	400
Kotah ..	Ditto ditto ..	400
Jamnagar ..	Maintenance of 3rd class observatory ..	240
Cooch-Behar ..	Ditto ditto ..	240
Patiala ..	Maintenance of 4th class observatory ..	170
Udaipur ..	Maintenance of 5th class observatory ..	80
Bikaner ..	Part-maintenance of 3rd class observatory ..	25
Jagdalpur ..	Ditto ditto ..	25
Kanker ..	Ditto ditto ..	25
	Total ..	74,425

TABLE No.
SEE PARA
Income and expenditure

1 Serial No.	2 College.	3 Total expenditure.	4 Fees.	5 Net expenditure after deducting fees.	6 Interest on Investments and other Revenue.	7 Contributions by Government of India.		
						(a) In cash.	(b) Leave salary pension, etc.	(c) Total.
						Rs.	Rs.	Rs.
1	Mayo College	1,99,300	37,900	1,61,400	81,100	53,400	34,100	87,500
2	Daly College	1,88,200	29,900	1,58,300	79,600*	50,000	26,400	76,400
3	Aitchison College.	2,09,200	93,500	1,15,700	74,600	15,000	15,700	30,700
4	Rajkot College.	1,08,900	54,000	54,900	39,400	10,000	9,600	19,600

XX.

GRAPH 99.

of the Chiefs' Colleges.

8 Contributions by Prin- ces.	9 Composition of students.	10 Government of India's share of net expenditure on the basis of composi- tion of students.	11 Excess of Government of India's contribution over the share as work- ed out in column 10.	12 Remarks.
Rs.		Rs.	Rs.	
4,700	61% of the total number of boys come from British India.	5,469	82,031	The figures are based on actuals for 1925-26 to 1927-28.
2,300	All the students are from Indian States.	Nil.	76,400	*This varies according to expenditure as the grant from the income account is based on requirements to balance the expenditure.
10,500	78% from British India and 22% from Indian States.	23,046	6,754	The figures are based on the averages of three years 1926-27 to 1928-1929.
No regular contributions are made.	All the students are from Indian States.	Nil.	19,600	The figures are based on the averages of 1925-26 to 1927-28.

APPENDIX No. I.

(SE. PARAGRAPHS 115—121.)

Statement showing the distribution of the Revenue and Expenditure of the North-West Frontier Province from 1927-28 to 1930-31 between the Settled Districts and the tribal area.

STATEMENT A.

TRIBAL AREA.

Revenue. (In thousands of rupees.)

Minor Heads.	Accounts.			Budget.
	1927-28.	1928-29.	1929-30.	1930-31.
<i>Principal Head of Revenue.</i>				
I—Customs* .. .. .	..	..	..	..
II—Taxes	15	15	15	15
V—Land Revenue	95	101	..	..
VI—Excise	2	2	..	..
VII—Stamps .. .. .	..	..	..	..
VIII—Forests .. .. .	..	..	..	..
IX—Registration .. .. .	..	..	..	..
Total	112	118	15	15
XIII-A—Irrigation for which capital accounts are kept	70	67	85	95
<i>Direct Receipts.</i>				
Portion of Land Revenue due to works .. .. .	..	..	..	..
Deduct working expenses	55	46	62	45
Net receipts	15	21	23	50
XIV—Irrigation in charge of Civil Officers .. .. .	..	..	..	..
<i>Debt Services.</i>				
XVI—Interest	4	7	10	7
<i>Civil Administration.</i>				
XVII—Administration of Justice	3	9	..	..
Carried over	3	9	..	..

*We have ignored this, vide paragraph 13.

Minor Heads.	Accounts.			Budget.
	1927-28.	1928-29.	1929-30.	1930-31.
Brought forward ..	3	9	..	..
XVIII—Jails and Convict Settlement ..	..	..	..	..
XIX—Police .. .. .	..	..	..	..
XXI—Education .. .. .	..	..	..	..
XXII—Medical .. .. .	..	..	..	..
XXIII—Public Health .. .. .	..	..	..	..
XXIV—Agriculture .. .. .	..	..	..	..
XXVI—Miscellaneous Departments ..	..	..	..	..
Total ..	3	9	..	..
<i>Currency.</i>				
XXVII—Currency .. .. .	..	..	..	..
Buildings, Roads and Miscellaneous Public Improvements .. .. .	..	..	..	..
XXX—Civil Works .. .. .	..	..	..	..
<i>Miscellaneous.</i>				
XXXIII—Receipts in aid of Superannuation* .. .. .	..	..	..	..
XXXIV—Stationery and Printing ..	..	..	..	..
XXXV—Miscellaneous	147	152	194	233
Total ..	147	152	194	233
Total Revenue ..	281	307	242	305

*The credits given under this head by the Pay and Accounts Officer were under a misapprehension. They have been transferred against "Settled areas" by us.

STATEMENT B.

North-West Frontier Province.

TRIBAL AREA.

Expenditure. (In thousands of rupees.)

Heads of expenditure.	Accounts.			Budget.
	1927-28.	1928-29.	1929-30.	1930-31.
Direct demands on the Revenue :—				
1—Customs* .. .. .	..	..	..	..
2—Taxes on Income .. .. .	..	..	..	..
5—Land Revenue * .. .. .	..	..	..	..
6—Excise	12	13	13	21
7—Stamps .. .. .	..	..	..	..
8—Forest .. .. .	..	..	..	..
9—Registration .. .. .	..	..	..	..
Total	12	13	13	21
Forest and other Capital Outlay charged to Revenue :—8-A Forest Capital Outlay .. .. .	..	..	..	..
Irrigation Revenue Account :—14— Interest on works for which capital accounts are kept	70	71	71	72
Interest on Debt.—15—Other Revenue Expenditure	50	184	212	130
Total	120	255	283	202
Irrigation Capital Account (charged to revenue) :—16—Construction of Irrigation Works. Financed from ordinary revenues	14	17	5	4
Debt Services :—19—Interest on Ordinary Debt	—70	—71	—71	—72
20—Interest on other obligations .. .. .	..	..	57	64
Total	—70	—71	—14	—8

* We have ignored this, vide paragraph 13.

Heads of expenditure.	Accounts.			Budget.
	1927-28.	1928-29.	1929-30.	1930-31.
<i>Civil Administration.</i>				
22—General Administration .. ..	..	..	..	..
24—Administration of Justice .. ..	..	..	..	..
25—Jails and Convict Settlements .. ..	..	..	..	..
26—Police .. ..	..	..	..	..
28—Ecclesiastical .. ..	..	..	..	..
29—Political	22,65	23,87	24,40	28,25
29-A. Frontier Watch and Ward	1,26,53	1,34,00	1,45,24	1,45,15
30—Scientific Departments .. ..	..	..	..	..
31—Education .. ..	..	..	..	..
32—Medical .. ..	..	..	..	..
33—Public Health .. ..	..	..	..	..
34—Agriculture .. ..	..	..	..	..
35—Industries .. ..	..	..	..	..
37—Miscellaneous Departments .. ..	..	..	..	..
Total	1,49,18	1,57,87	1,69,64	1,73,40
Currency and Mint. 28—Currency .. ..	..	..	..	..
Civil Works.— 41—Civil Works .. ..	..	..	..	..
<i>Miscellaneous.</i>				
44—Territorial and Political Pensions	1	1	1	1
45—Superannuation allowances and Pensions .. ..	..	..	..	..
46—Stationery and Printing .. ..	..	..	..	..
47—Miscellaneous .. ..	..	..	..	..
Total	1	1	1	1
Capital Expenditure not charged to Revenue.				
55—Irrigation Works .. ..	..	..	..	..
Grand Total	1,49,95	1,60,02	1,72,52	1,75,60

STATEMENT C.
North-West Frontier Province.

SETTLEMENT DISTRICTS.

Revenue. (In thousands of rupees.)

Minor Heads.	Accounts.			Budget, 1930-31.
	1927-28.	1928-29.	1929-30.	
<i>Principal Heads of Revenue.</i>				
I.—Customs .. .. .	..	..	..	..
II.—Taxes	970	9,58	9,72	9,05
V.—Land Revenue.. .. .	22,00	18,84	21,07	22,87
VI.—Excise	15,39	11,64	9,58	10,04
VII.—Stamps	11,29	11,52	10,91	11,20
VIII.—Forests	7,57	8,29	8,64	9,60
IX.—Registration	77	78	76	78
Total ..	66,72	60,65	60,68	63,54
XIII.—Irrigation for which capital accounts are kept.				
Direct receipts—	15,08	13,73	17,43	19,25
Portion of Land revenue due to works	1,76	1,30	1,67	1,38
Deduct working expenses	8,83	7,09	9,89	7,83
Net Receipts ..	8,01	7,94	9,21	12,80
XIV.—Irrigation in charge of civil offi- cers .. .. .	..	1	1	1
<i>Debt services.</i>				
XVI.—Interest	1,19	85	68	89
<i>Civil Administration.</i>				
XVII.—Administration of Justice ..	2,55	2,18	1,92	1,87
XVIII.—Jails and Convict Settlements	1,23	1,19	1,38	1,44
Carried over ..	3,78	3,37	3,30	3,31

Minor Heads.	Accounts.			Budget, 1930-31.
	1927-28.	1928-29.	1929-30.	
Brought forward ..	3,78	3,37	3,30	3,31
XIX.—Police	46	55	67	45
XXI.—Education	50	56	64	60
XXII.—Medical	1	50	37	89
XXIII.—Public Health	2	2	2	5
XXIV.—Agriculture	14	30	32	30
XXVI.—Miscellaneous Departments ..	1	3	4	2
Total ..	4,92	5,33	5,36	5,71
Currency—				
XXVII.—Currency, Buildings, Roads and Miscellaneous Public Improvements.	7	6	7	6
XX.—Civil Works	74	63	45	66
Miscellaneous.				
XXXIII.—Receipts in aid of superan- nuation*	46	36	39	37
XXXIV.—Stationery and Printing ..	15	26	62	43
XXV.—Miscellaneous	2,46	3,17	4,43	3,72
Total ..	3,07	3,79	5,44	4,52
Total Revenue	84,72	79,26	81,90	88,19

*See remarks under same head under 'Tribal areas'.

STATEMENT D.
North-West Frontier Province.
 SETTLED DISTRICTS.
 Expenditure.

(In thousands of rupees.)

Head of expenditure.	Accounts.			Budget 1930-31.
	1927-28.	1928-29.	1929-30.	
Direct demands on the Revenue—				
1.—Customs .. .. .	..	..	..	..
2.—Taxes on Income	71	70	73	79
5.—Land Revenues	6,23	5,83	4,46	3,86
6.—Excise	5,87	5,55	5,70	5,86
7.—Stamps	30	26	28	24
8.—Forests	6,92	7,72	8,06	8,65
9.—Registration	13	15	14	15
Total ..	20,16	20,21	19,37	19,55
Forest and other Capital outlay charged to Revenue—				
8-A.—Forest Capital Outlay ..	2,58	80	33	34
Irrigation Revenue Account—				
14.—Interest on works for which capital accounts are kept	9,02	9,15	9,23	9,26
Interest on debt—				
15.—Other Revenue expenditure ..	1,84	4,34	2,47	5,18
Total ..	10,86	13,49	11,70	14,54
Irrigation Capital Account (charged to Revenue)—				
16.—Construction of Irrigation works Financed from ordinary revenues.	1,25	1,53	48	39
Debt services.—				
19.—Interest on ordinary debt ..	-7,65	-7,77	-7,73	-7,80
20.—Interest on other obligations ..	..	..	..	..
Total ..	-7,65	-7,77	-7,73	-7,80

Head of expenditure.	Accounts.			Budget, 1930-31.
	1927-28.	1928-29.	1929-30.	
Civil Administration—				
22.—General Administration ..	17,23	17,37	19,05	19,79
24.—Administration of Justice ..	7,42	7,55	7,71	7,66
25.—Jails and convict settlements ..	7,24	7,55	8,28	8,74
26.—Police	27,42	28,36	29,46	30,82
28.—Ecclesiastical	88	88	81	91
29.—Political .. .. .	..	..	..	..
29.—A.—Frontier Watch and Ward..	..	..	..	..
30.—Scientific Departments ..	5	5	5	5
31.—Education	17,73	18,59	19,77	20,81
32.—Medical	4,21	4,21	6,17	6,91
33.—Public Health	85	1,02	1,05	1,29
34.—Agriculture	1,56	1,53	1,93	2,51
35.—Industries .. .. .	..	7	..	..
37.—Miscellaneous Departments ..	2	2	2	39
Total ..	84,61	87,20	94,30	99,88
Currency and Mint—				
38.—Currency	3	4	3	4
Civil Works—				
41.—Civil Works	24,64	30,82	38,05	50,37
Miscellaneous—				
44.—Territorial and Political Pensions	47	44	52	47
45.—Superannuation allowances and Pensions	4,90	4,59	4,80	4,86
46.—Stationery and Printing ..	1,07	1,01	1,23	130
47.—Miscellaneous	59	71	78	75
Total ..	7,03	6,75	7,33	7,38
Capital expenditure not charged to Revenue—				
55.—Irrigation works	7	36	299	101
GRAND TOTAL ..	1,43,58	1,53,43	1,66,85	1,85,70

Explanatory Remarks.

1. Our reasons for departing from certain figures in the foregoing statements as furnished by the Pay and Accounts Officer have been stated in the remarks against the heads concerned.

2. In distributing revenue and expenditure as worked out in the foregoing statements between Central and Provincial in paragraph 118 above, we have dealt with the recommendations of the Chief Commissioner as follows :—

- (1) The receipts on account of interest under the head " XVI interest " on loans to local bodies and cultivators have been taken by us under Central instead of under Provincial as done by the Pay and Accounts Officer, *vide* also notes explaining the distribution in paragraph 118. This is in accordance also with the views of the Chief Commissioner.
- (2) The Chief Commissioner has suggested that a sum of Rs. 4,47,000 charged under 6 Excise, on account of compensation for the loss of still-head duty on liquors manufactured in those provinces and consumed in the North-West Frontier Province should be allocated against Central instead of Provincial. The Pay and Accounts Officer has correctly taken it against Provincial under which head he has also credited all the revenue from Excise. We have been unable to accept the Chief Commissioner's suggestion.
- (3) The Chief Commissioner has suggested the transfer of certain items of capital expenditure on Forests and Irrigation works charged to revenue from the head " Provincial " under which they have been classified by the Pay and Accounts Officer to Central on the ground that interest on these items is paid to the Central Government. The Chief Commissioner is under a misapprehension and we have retained the classification of the Pay and Accounts Officer.
- (4) The Chief Commissioner has suggested that the cost of the Pay and Accounts Officer and the Audit Officer of the North-West Frontier Province should wholly be shown against Central instead of under Provincial as done by the Pay and Accounts Officer. We have taken only the expenditure on Audit estimated at Rs. 40,000 (excluding local Fund Audit) against Central and the expenditure on the Pay and Accounts Office against Provincial in accordance with accepted principles of classification.
- (5) The Pay and Accounts Officer has taken a sum of Rs. 16,000 on account of Ecclesiastical buildings under Provincial instead of Central. We have taken this against Central which is the correct head. We have been unable to identify the exact figure under this head for the several years and we have therefore assumed Rs. 16,000 for all years.

APPENDIX No. II.

(SEE PARAGRAPHS 122—125.)

(A) Statement showing Revenue and Receipts of the Baluchistan Agency.

Receipt Heads.	Allocation under			
	Average.	I.—Tribal area.	II.—Settled Districts.	
			Central.	Provincial.
I.—Customs	Rs. 1,330	Rs. ..	Rs. 1,330	..
II.—Taxes on Income	1,74,442	24,715	1,49,727	..
III.—Salt .. .. .	..	..	*	..
V.—Land Revenue	10,48,874	..	..	10,48,874
VI.—Excise	6,25,400	..	..	6,25,400
VII.—Stamps	1,80,215	..	..	1,80,215
VIII.—Forest	27,046	..	..	27,046
IX.—Registration	6,603	..	..	6,603
XIII.—Works for which capital accounts are kept	60,448	..	..	60,448
XIV.—Works for which no capital accounts are kept	793	..	..	793
XVI.—Interest	35,379	..	35,379	..
XVII.—Administration of Justice ..	31,133	..	..	31,133
XVIII.—Jails and Convict Settlements	4,926	..	..	4,926
XIX.—Police	10,971	..	..	10,971
XXI.—Education	43,223	..	..	43,223
XXII.—Medical	5,932	..	..	5,932
XXIV.—Agriculture	16,101	..	..	16,101
XXVI.—Miscellaneous Departments	1,331	..	..	1,331
XXVII.—Currency	1,660	..	1,660	..
XXX.—Civil Works	51,060	..	..	51,060
XXXIII.—Receipts in aid of superannuation	15,660	..	..	15,660
XXXIV.—Stationery and Printing ..	1,703	..	..	1,703
XXXV.—Miscellaneous	58,044	..	..	58,044
Total	24,11,274	24,715	1,88,096	21,98,463

* This head has been taken into account separately.

APPENDIX No. II—contd.

(B)—Statement showing Expenditure of the Baluchistan Agency.

Major Heads.	Average expenditure.	Allocation under		
		I.—Tribal area.	II.—Settled Districts.	
			Central.	Provincial.
	Rs.	Rs.	Rs.	Rs.
1.—Customs	13,425	..	13,425	..
2.—Taxes on Income	16,855	..	16,855	..
5.—Land Revenue	3,59,245	..	..	3,59,245
6.—Excise	42,428	..	..	42,428
7.—Stamps	4,533	..	..	4,533
8.—Forest	36,864	..	..	36,864
9.—Registration	2,970	..	..	2,970
14.—Irrigation works, etc.	1,16,124	..	..	1,16,124
15.—Miscellaneous irrigation Expenditure	2,77,145	..	..	2,77,145
16.—Construction of irrigation works from ordinary revenues	2,52,117	..	2,52,117	..
19.—Interest on ordinary debt	18,835	..	18,835	..
20.—Interest on other obligations	1,69,959	..	..	1,69,959
22.—General Administration	71,488	..	..	71,488
24.—Administration of Justice	1,51,298	..	..	1,51,298
25.—Jails and Convict Settlements	11,59,613	..	..	11,59,613
26.—Police	32,657	..	32,657	..
28.—Ecclesiastical	15,22,234	7,61,117	..	7,61,117
29.—Political	35,44,055	35,44,055	..	..
29-A.—Frontier Watch and Ward	11,208	..	..	11,208
30.—Scientific Departments	3,31,212	..	..	3,31,212
31.—Education	3,34,325	..	..	3,34,325
32.—Medical	20,603	..	..	20,603
33.—Public Health	1,32,001	..	..	1,32,001
34.—Agriculture	25,251	..	..	25,251
37.—Miscellaneous Departments	1,553	..	1,553	..
38.—Currency	10,27,616	..	..	10,27,616
41.—Civil Works	36,718	..	36,718	..
44.—Territorial and political pensions	77,078	..	..	77,078
45.—Superannuation allowances and pensions	1,079	..	..	1,079
46.—Stationery and Printing	2,58,702	..	..	2,58,702
47.—Miscellaneous				
Total	1,00,49,191	43,05,172	3,72,160	53,71,859
<i>Deduct—</i>				
Revenue and Receipts	—24,11,274	—24,715	—1,88,096	—21,98,465
DEFICIT	76,37,917	42,80,457	1,84,064	31,73,396

APPENDIX No. IV.

(SEE PARAGRAPH 140.)

RAJPUTANA.

Receipts.		Expenditure.	
Head.	Average per annum.	Head.	Average per annum.
	Rs.		Rs.
II.—Taxes on Income ..	26,822	5.—Land Revenue ..	5,468
V.—Land Revenue ..	10,044	6.—Excise ..	52,760
VI.—Excise ..	26,414	15.—Irrigation ..	2,00,272
VII.—Stamps ..	353	24.—Administration of Justice	19,466
IX.—Registration ..	88	26.—Police ..	3,83,378
X.—Tributes ..	3,15,000*	28.—Ecclesiastical ..	2,210
XIII.—Irrigation ..	1,30,439	29.—Political ..	6,73,052†
XVII.—Administration of Justice.	2,667	31.—Education ..	34,452‡
XVIII.—Jails and Convict Settlements.	188	32.—Medical ..	9,231
XIX.—Police ..	57,163	33.—Public Health ..	876
XXI.—Education ..	206	43.—Famine Relief ..	200
XXII.—Medical ..	916	46.—Stationery and Printing.	801
XXXVI.—Miscellaneous Departments.	3	47.—Miscellaneous ..	31,298§
XXXIV.—Stationery and Printing.	263	Census ..	6,000¶
XXXV.—Miscellaneous|| ..	15,644	Refunds ..	1,09,739
Total ..	5,86,210	Total ..	15,29,212
		<i>Deduct</i> —Proportion of Pay and Sumptuary allowance of Agent to the Governor-General, debitable to Ajmer-Merwara Administration (based on proportion of Rajputana to Ajmer-Merwara budgets) ..	27,855
			15,01,357
		<i>Add</i> —Allowance for pensionary liability ..	1,29,000
Total C. O. ..	5,86,210	Total C. O. ..	16,30,357

*Represents contributions towards the cost of the Mina Corps.

†Excludes refund of customs duty on ordnance stores. Includes cost of the Mina Corps.

‡Excludes contribution of Rs. 53,400 to the Mayo College dealt with in connection with item Chiefs' Colleges in paragraph 99.

§Excludes compensation paid to the Kishengarh Darbar for loss of transit duties taken into account under Customs.

||Includes contribution from Tonk State towards cost of Mina Corps.

¶Census is undertaken approximately every 10 years, therefore one-tenth of the expenditure in the budget estimate for 1930-31 has been taken into account.

APPENDIX No. IV—*contd.*RAJPUTANA—*contd.*

Receipts.		Expenditure.	
Head.	Average per annum.	Head.	Average per annum.
	Rs.		Rs.
Brought forward ..	5,86,210	Brought forward ..	16,30,357
<i>Add for Mewar Bhil Corps (not included in above)</i>			
Average annual revenue from the <i>Mewar-Merwara</i> villages†	59,000†	Average annual cost of Mewar Bhil Corps	2,53,000*
Average annual revenue from the <i>Marwar-Merwara</i> villages†	16,800†	Average annual cost of administration of <i>Mewar-Merwara</i> villages	2,07,000†
		Average annual cost of administration of <i>Marwar-Merwara</i> villages	62,400†
Total ..	75,800	Total ..	5,22,400
Total Receipts ..	6,62,010	Total Expenditure ..	21,52,757
		Total Receipts ..	6,62,010
		Net expenditure ..	14,90,747 or 14,90,700 round.
<i>Receipts and expenditure not included in the above statement.</i>			
	Rs.		Rs.
X.—Tributes	10,14,189	41—Civil Works	7,91,192
XVI.—Interest	42,343		
XXX.—Civil Works	33,410		
XXXIII.—Receipts in aid of superannuation	66,744		
Total ..	11,56,686	Total ..	7,91,192

*Under 29-Political-India General.

†Taken from the Ajmer-Merwara revenue and expenditure.

‡These villages were ceded to the British Government for the upkeep of the Mewar Bhil Corps.

APPENDIX No. IV—*contd.*
CENTRAL INDIA.

Receipts.		Expenditure.	
Head.	Average per annum.	Head.	Average per annum.
	Rs.		Rs.
II.—Taxes on Income ..	45,873	2.—Taxes on income ..	191
V.—Land Revenue	17,576	5.—Land Revenue	27,880
VI.—Excise	3,44,088	6.—Excise	94,227
VII.—Stamps	68,515	7.—Stamps	1,911
VIII.—Forest	26,866	8.—Forest	11,232
IX.—Registration	2,568	9.—Registration	1,514
XVII.—Administration of Justice	8,421	22.—Genl. Administration ..	11,243
XVIII.—Jails and Convict Settlements.	10,782	24.—Administration of Justice	55,774
XIX.—Police	11,007	25.—Jails and Convict Settlements	2,456
XXII.—Medical	60	26.—Police	2,23,589
XXIII.—Public Health	73	28.—Ecclesiastical	31,452
XXVI.—Miscellaneous Depts.	1,220	29.—Political	5,54,270*
XXIV.—Stationery and Printing	947	31.—Education	78,569†
XXV.—Miscellaneous	17,668	32.—Medical	62,215
		33.—Public Health	7,717
		34.—Agriculture	1,140
		37.—Misc. Departments	277
		46.—Stationery and Printing	1,725
		47.—Miscellaneous	39,665
		Census‡	5,000
		Refunds	16,161
Total C. O. ..	5,55,664	Total	12,28,208
		Add: Allowance for pensionary liability.	94,400
		Total C. O. ..	13,22,608

*Excludes refund of customs duty on ordnance stores.

†Excludes contribution of Rs. 50,000 to the Daly College dealt with under item Chiefs Colleges in paragraph 99.

‡Census is undertaken approximately every 10 years therefore one-tenth of the expenditure in the budget estimates of 1930-31 has been taken into account.

APPENDIX No. IV—*contd.*
CENTRAL INDIA—*contd.*

Receipts.		Expenditure.	
Head.	Average per annum.	Head.	Average per annum.
Brought forward ..	Rs. 5,55,664	Brought forward ..	Rs. 13,22,608
<i>Add for Malwa Bhil Corps</i>	(not included in above).		
X—Tributes (contributions towards cost of Malwa Bhil Corps) —		Average annual expenditure—	1,35,000
		under 29—Political—India	
		—General.	
Indore	7,862*		
Dhar	18,602†		
Jhabua	1,271		
Barwani	3,300		
Alirajpur	1,271		
Total	32,396	Total	1,35,000
Total Receipts ..	5,88,060	Total expenditure ..	14,57,608
		Net expenditure ..	8,69,600 round.

Receipts and expenditure not included in above statement.

	Rs.		Rs.
X.—Tributes ..	4,54,369	19—Interest on ordinary Debt ..	10,17,837
XVI.—Interest ..	1,222	38—Currency	5,779
XXVII.—Currency ..	670	41—Civil Works	6,40,985
XXX.—Civil Works ..	76,321	44—Territorial and Political Pensions	34,235
XXXIII.—Receipts in aid of Superannuation	33,187	45—Superannuation allowances and Pensions	1,24,551
Total	5,65,769	Total	18,23,387

N. B.—The Revenue and expenditure of the small portion of British administered territory, viz. :—the Manpur Pargana is included in the figures of the Central India Agency. The amounts, however, are small and do not materially affect the picture.

*Represents annual value of capitalised contribution.

†Partially capitalised contribution.

APPENDIX No. IV—*contd.*
HYDERABAD.

Receipts.			Expenditure.		
Head.		Average per annum.	Head.		Average per annum.
		Rs.			Rs.
II.—Taxes on Income ..		52,847	5.—Land Revenue ..		174
VII.—Stamps		3,296	7.—Stamps		101
IX.—Registration		151	9.—Registration		92
XVII.—Administration of Justice.		3,425	24.—Administration of Justice		4,766
XVIII.—Jails and Convict Settlements ..		160	26.—Police		1,52,890
XIX.—Police		1,60,715	28.—Ecclesiastical		42,365
XXII.—Medical		117	29.—Political		2,60,324*
XXXIV.—Stationery and Printing.		13,149	31.—Education		31,768
XXXV.—Miscellaneous ..		47,547	32.—Medical		6,822
			33.—Public Health		15,037
			46.—Stationery and Printing		11,532
			47.—Miscellaneous		4,500
			Census		200†
			Refunds		5,475
Total		2,81,407	Total		5,36,046
			Add—Allowance for pensionary liability ..		60,200
			Total Expenditure		5,96,246
			Total Receipts		2,81,407
			Net expenditure		3,14,839 or Rs. 3,15,000 round.

*Excludes refund of customs duty on ordnance stores.

† Represents one-tenth of the expenditure in the budget estimates of 1930-31 as census is undertaken approximately every tenth year.

APPENDIX No. IV—*contd.*HYDERABAD—*contd.*

Receipts.		Expenditure.	
Head.	Average per annum.	Head.	Average per annum.
	Rs.		Rs.
<i>Receipts and expenditure not included in the above statement.</i>			
XVI.—Interest	7,643	19.—Interest on ordinary Debt	10,77,318
XXX.—Civil Works	24,103	38.—Currency	6,514
XXXIII.—Receipts in aid of Superannuation ..	32,556	41.—Civil Works	99,183
		44.—Territorial and Political Pensions	41,458
		45.—Superannuation allowances and Pensions ..	1,02,365
Total ..	64,302	Total ..	13,26,838

APPENDIX No. IV—*contd.*
WESTERN INDIA STATES AGENCY.

Receipts.		Expenditure.	
Head.	Average per annum.	Head.	Average per annum.
	Rs.		Rs.
II.—Taxes on income ..	32,140	2.—Taxes on Income ..	420
VI.—Excise	2,94,756*	6.—Excise	3,40,863*
VII.—Stamps	4,575	7.—Stamps	1,267
XVII.—Administration of Justice	2,879	26.—Police	5,82,855
XIX.—Police	19,614	28.—Ecclesiastical ..	2,836
XXII.—Medical	3,378	29.—Political	6,97,099
XXIII.—Public Health ..	166	31.—Education	19,757
XXXIV.—Stationery and Printing.	376	33.—Public Health ..	8,397
XXXV.—Miscellaneous ..	12,782	43.—Famine Relief ..	1,310
Total ..	3,70,666	Total ..	16,54,804
		Add allowance for pensionary liability.	1,38,600
		Total Expenditure ..	17,93,404
		Total Receipts	3,70,666
		Net Expenditure	14,22,738
		or Rs.	14,22,700 round.

* The Excise figures are based on three years' average and exclude duty on excisable articles consumed by States as distinguished from administered areas, as such duty is taken into consideration in Chapter III.

APPENDIX No. IV.—*concl'd.*
WESTERN INDIA STATES AGENCY—*concl'd.*

Receipts.		Expenditure.	
Head.	Average per annum.	Head.	Average per annum.
	Rs.		Rs.
<i>Receipts and expenditure not included in the above statement.</i>			
I.—Customs	15,000	3.—Salt	12,725
X.—Tributes	8,85,581	4.—Opium	31,200
XVI.—Interest	59,161	38.—Currency	4,571
XXX.—Civil Works	7,568	41.—Civil Works	1,01,432
XXXIII.—Receipts in aid of superannuation.	67,906		
Total	10,35,216	Total	2,39,928

APPENDIX No. V.

APPENDIX NO. VI.
SUMMARY OF RESULTS.
(See PARAGRAPH 157.)

I.—Credits.

A.—REVENUE.

Serial No.	Heads of credit.	Total revenue or other figures.	State's share.	Remarks.
		Rs.	Rs.	
		*	(a)	
1	Customs	41,48,50,000	5,88,97,000 (b) 9,98,000	*Based on Revenue of 1928-1929. The figure is exclusive of refunds and draw-backs and of customs duty on salt. (a) Import Duty. (b) Export Duty.
2	Excise— (a) Imperial† (1) Petrol .. (2) Kerosine .. (b) Provincial ..	1,35,45,000 70,27,000 ..	20,02,000 15,46,000 15,36,000	†The calculations are based on imports from Burma and production in India during 1928-29.
3	Salt	5,94,25,000‡	1,11,20,000	‡This is calculated on the average amount consumed throughout India in the years 1926-27 to 1928-29 (vide Table No. XII) after allowing for duty-free supplies to Indian States (vide paragraph 48).
4	Tributes	(i) 72,04,000 (ii) 48,000	(i) 72,04,000 Nil	(i) This figure represents the total amount of those Tributes which are paid by Indian States to the Government of India and which are available for general expenditure. (ii) This represents the net total of tributes received from Indian States for special or local purposes, after deducting those amounting to Rs. 3,52,000 which have been taken into account in reducing expenditure on the debit side.
	Total	50,20,99,000	8,33,03,000	

APPENDIX NO. VI—*contd.*I.—*Credits*—*contd.*

B.—ARMY EXPENDITURE OF STATES.

Item.	Total expenditure incurred.	Credit to States,	Remarks.
1. Armies maintained by States.	(i) Indian States Forces Rs. 2,38,71,000	(i)*Rs. 2,38,71,000	* <i>Vide</i> paragraph 57.
	(ii) Other Army expenditure Rs. 1,59,71,000	(ii) †	†We are unable to say for how much out of this credit should be given to the States, <i>vide</i> paragraph 57.

APPENDIX NO. VI—*contd.*II—*Debits.*

IMPERIAL BURDENS.

Serial No.	Item.	Total amount of Imperial Burden.	Facts relevant to apportionment, and other remarks.
		Rs.	
1	Agency services performed by the High Commissioner for India (paragraphs 60-63).	(a)2,05,300 (b)2,39,500 1,55,900	(a) Represents the cost of the Education Department, excluding the Hyderabad State which has its own Educational Agent in England. The proportion of the cost of this Department debitable to Indian States, on the basis of the average of passports issued to students, amounts to Rs. 7,080. (b) Represents the cost of the Trade Department. On the basis of the export trade of India the share of the States would be 14%.
2	Agency services performed by the Agent of the Government of India in South Africa (paragraphs 64-65).	1,41,600	The proportion of Indian States' subjects in South Africa to the total resident Indian population is estimated not to exceed one fourth.
3	Port Quarantine (Paragraph 66).	1,61,200	....
4	Central Agricultural and Veterinary Research (Paragraphs 67-72).	12,94,500 11,61,000 3,00,000	....
5	Central Medical Research (Paragraphs 73-79).	7,50,000 2,38,000 17,700*	*Over a period of five years ending 1929, patients from Indian States represented nearly one-fourth of the total number treated at the Pasteur Institute. A few contributions have been received from the States, e.g. in 1928-29 a total of Rs. 2,325 and in 1929-30 a total of Rs. 959.
6	The Lady Hardinge Medical College and Hospital, New Delhi. (Paragraphs 80-83).	3,14,000	....
7	Forest Institute and College, Dehra Dun (Paragraphs 84-87).	9,01,500	The average number of Indian States students deputed to the College during the years 1926-27 to 1928-29 was exactly one half of the total.

APPENDIX VI—*contd.*II—*Debits—contd.*IMPERIAL BURDENS—*contd.*

Serial No.	Item.	Total amount of Imperial Burden.	Facts relevant to apportionment, and other remarks.										
		Rs.											
8	Agency services in Ceylon and Malaya (Paragraph 88).	Nil.										
9	Meteorology (Paragraphs 89—91).	19,10,000	If the suggestion in paragraph 91 is accepted, a sum of Rs. 74,400 should be added.										
10	Railway Board (Paragraph 92).	15,75,000										
11	Strategic Railways (Paragraph 93).	..	The average net loss incurred on strategic railways is taken into account under Military expenditure.										
12	Army, Marine and Military Works. (Paragraphs 94—97).	56,79,33,300	This figure represents the total cost including the net loss on strategic railways. Of this sum military expenditure in Burma is estimated approximately at Rs. 1,20,00,000. If the suggestion in paragraph 97 is accepted, the "effective Army expenditure" incurred by States should be added.										
13	Chamber of Princes (Paragraph 98).	1,23,500										
14	Chiefs' Colleges (Paragraph 99 and Table No. XX).	2,14,200	The figure represents the average total expenditure by the Government of India on the following Colleges :— <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th style="text-align: right;">Rs.</th> </tr> </thead> <tbody> <tr> <td>(i) Mayo College ..</td> <td style="text-align: right;">87,500</td> </tr> <tr> <td>(ii) Daly College ..</td> <td style="text-align: right;">76,400</td> </tr> <tr> <td>(iii) Aitchison College</td> <td style="text-align: right;">30,700</td> </tr> <tr> <td>(iv) Rajkot College ..</td> <td style="text-align: right;">19,600</td> </tr> </tbody> </table>		Rs.	(i) Mayo College ..	87,500	(ii) Daly College ..	76,400	(iii) Aitchison College	30,700	(iv) Rajkot College ..	19,600
	Rs.												
(i) Mayo College ..	87,500												
(ii) Daly College ..	76,400												
(iii) Aitchison College	30,700												
(iv) Rajkot College ..	19,600												
15	League of Nations (Paragraphs 100—103).	9,20,000	This figure represents (a) India's annual contribution (Rs. 8,20,000 and (b) cost of India's delegation (Rs. 1,00,000).										
16	Consular representation abroad and in India (Paragraphs 104-5).	18,00,800										
17	Consular representation in Persia and the Persian Gulf (Paragraph 106.)	14,71,300										

APPENDIX No. VI—*contd.*
 II.—*Debits*—*contd.*
 IMPERIAL BURDENS—*contd.*

Serial No.	Item.	Total amount of Imperial burden.	Facts relevant to apportionment and other remarks.
		Rs.	
18	Pilgrim Departments at Bombay, Karachi, Calcutta and Jeddah and in Iraq and the Vice-Consulate at Jeddah (paragraphs 107-110).	1,14,300	In the case of the Hedjaz pilgrimage Indian States' pilgrims represented on an average 5·4 per cent. of the total number of pilgrims; while in the case of Iraq pilgrimage repatriates to Indian States from Iraq averaged 30·5 per cent. of the total.
19	Aden (paragraphs 111-112)	2,91,400	If the present civil administration of Aden, which is under the Bombay Government, were transferred to the control of the Central Government, the net cost would be reduced from Rs. 2,91,400 to Rs. 2,18,400.
20	Foreign and Political Department Secretariat (paragraphs 113-114).	(i) Foreign 5,77,700 (ii) Political 5,49,800	
21(a)	North-West Frontier Province. (paragraphs 115-121).	(i) Tribal areas. 1,88,45,000 (ii) Provincial deficit of settled districts. 68,23,000	Average of four years figures.
21(b)	Baluchistan (paragraphs 122-125).	(i) Tribal areas. 42,80,000 (ii) Provincial deficit of settled districts. 31,74,000	
22	British Legation, Kabul (paragraphs 126-128).	7,65,000	This includes interest at the rate of 5% on the total capital cost of the new Legation buildings.
23	Maintenance of Afghan Refugees in India (paragraph 129).	1,97,000	
24	Military Advisory Staff of the Indian States Forces (paragraph 130).	6,88,000	

APPENDIX No. VI—*contd.*
 II.—*Debits—contd.*
 IMPERIAL BURDENS—*contd.*

Serial No.	Item.	Total amount of Imperial burden.	Facts relevant to apportionment and other remarks.
		Rs.	
25	Civil Works— (i) Buildings ..	(a) 3,13,200	(i) Buildings.—The figures at (a) represent the approximate annual expenditure on maintenance by the Central Government and those at (b) by Provincial Governments. The approximate capital cost of Government buildings so far as known is:— Rs. (1) Central 1,22,39,000 (2) Provincial 5,47,000 The capital cost of States buildings available for Government use is Rs. 14,54,000. The figures for maintenance of State buildings are not known. (ii) Roads.—The figures at (a) represent the average Central expenditure on the maintenance of roads and the figures at (b) the Provincial expenditure. Towards these items, States contribute:— Rs. 1,18,000 to Central, and Rs. 38,000 to Provincial making a total contribution of Rs. 1,56,000 per annum.
		(b) 13,800	
	(ii) Roads— (vide paragraphs 131—135 and Appendix No. III)	(a) 6,37,000	
		(b) 7,11,000	
26	Political Agencies (paragraphs 136—142 and Appendix No. IV).	(i) 23,91,000	This figure represents the total cost of the various Agencies in group (a), i.e., Agencies in which the expenditure is confined to the head "29-Political". This excludes Political expenditure in Burma amounting to Rs. 1,80,000.
		(ii) 40,98,000	This figure represents the total net expenditure, or deficit, incurred in connection with the administration of the following Agencies:— Rs. (a) Rajputana .. 14,90,700 (b) Central India 8,69,600 (c) Hyderabad .. 3,15,000 (d) Western India States .. 14,22,700
		(iii) 2,82,000	This item represents the average of miscellaneous political expenditure not directly connected with, or included in any other items of expenditure.

APPENDIX No. VI—concl'd.

II.—Debits—concl'd.

IMPERIAL BURDENS—concl'd.

Serial No.	Item.	Total amount of Imperial burden.	Facts relevant to apportionment and other remarks.
27	Watch and Ward— on the North-East Frontier (paragraph 143).	Rs. (i) (Burma) 67,51,000 (ii) Assam 20,41,000	
28	Expenditure in England and Exchange (paragraphs 144—146).	(i) 12,56,000 (ii) 1,32,700	This is (i) Political and (ii) Frontier Watch and Ward expenditure relating to leave and deputation salaries of officers and expenditure on stores purchased in England. If the portion relating to officers from Burma is omitted the figures will be (i) 12,18,800 and (ii) 1,21,000.
29	Revenue collection charges (paragraphs 147—155).	(i) Customs 84,78,000 (ii) Salt 72,01,000	(i) If the proportion suggested as the share of Customs revenue to be allocated to the States is accepted, the share of this expenditure to be debited against the States will be 14.4 per cent. (ii) If the expenditure is distributed in the proportion in which Government salt is consumed in Indian States and the rest of India, the share to be debited against the States would be 19.75 per cent.
	Total	65,24,39,000*	* See remarks against items 9, 12 and 25.

