



**Report of the Sind
Financial Enquiry Committee
1931
(1931)**

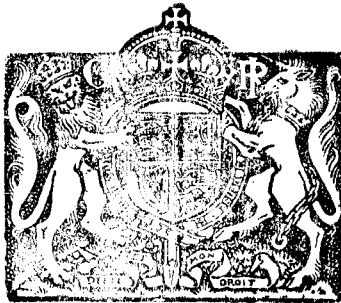


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REPORT

OF THE

SIND FINANCIAL ENQUIRY COMMITTEE



SIMLA
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1931

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CHAPTER I.

INTRODUCTORY.

In the Government of India Resolution No. F./12/V/31-R., dated the 9th July 1931, in which our Committee was constituted, it was explained that Sub-Committee No. IX of the Indian Round Table Conference had dealt with the question of constituting Sind as a separate province, and with two dissentients had accepted the principle of separation. At the same time, the Sub-Committee noted that no detailed examination of the financial consequences of separation had yet been made, and observed that on the figures available to them they were unable to express an opinion on the financial aspects of the question. They therefore recommended that an expert committee in India should examine carefully the probable revenue and expenditure of a separated Sind and the security of the debt on the Sukkur (Lloyd) Barrage, and should also recommend an equitable adjustment of the financial commitments for which Sind might properly be considered liable. The Sub-Committee considered that, if the investigation showed that separation would leave the new province with a deficit, the representatives of Sind should be asked to show satisfactorily how the deficit should be met before the new province was set up.

2. Following the directions of this Sub-Committee, our Committee was appointed with the following terms of reference:—

“ With reference to the report of Sub-Committee No. IX of the Indian Round Table Conference, to examine carefully the probable revenue and expenditure of a separated Sind and the security of the debt on the Sukkur Barrage, and also to recommend an equitable adjustment of the financial commitments for which Sind may properly be considered liable.”

3. We assembled on July 13th, 1931. We sat at Karachi from August 6th to August 19th and again from September 5th to 7th, and at Poona from August 24th to 29th. For the rest of the time we were at Simla or in transit. Our report was signed on September 23rd.

4. Our procedure has been largely influenced by our desire to take the public into our confidence and associate them in our enquiry, a course clearly indicated by the controversy that has taken place over the accuracy of all figures previously published. Our material consisted to a large extent of statistics expressly compiled for us under the orders of the Government of India, giving for three years the actual receipts and expenditure in Sind; without these figures it was obvious that neither the public, nor indeed the Government officials whose opinion we desired, could make any useful contribution to the discussion. We therefore decided to publish these figures with certain tentative conclusions drawn from them and to invite criticisms and suggestions. We did this as regards all heads of income and expenditure for which significant actual figures existed; we also published notes embodying our provisional

views as to the equitable treatment of the charges for famine relief, pensions and debt, which could not be dealt with on the basis of past actuals. Regarding the cost of separation (which lies entirely in the future) we issued a questionnaire inviting opinions as to the character and cost of the new machinery of Government that would be required. We received evidence, both written and oral, from Heads of Departments both in Karachi and Poona, and also from a considerable number of members of the public. The oral evidence was taken in public and the written memoranda supplied to us, whether by officials or the public, were made available in our office for the inspection of the public and Press. We further had the advantage of informal discussions with Members of the Bombay Government, the Financial Secretary and the Commissioner in Sind.

5. We desire to record our appreciation of the help we have received from all quarters. From departmental officers we have received memoranda and evidence of great importance, and we acknowledge with pleasure that we have had the fullest access to all the records of the Bombay Government which we desired to inspect. From the public we have received, as was to be expected, advocacy based on the evidence we produced rather than fresh evidence. But that advocacy has been of a most thought-provoking nature ; and the thoroughness with which the various sides of the question have been ventilated has been of much help to us in clearing our own ideas as well as generally educative to the public. Indeed we hope, as one result of our procedure, that future controversy, which we cannot expect our report will prevent, will cease to centre on the accuracy of statistics and will be diverted to broader questions of principle and policy. In conclusion we desire to give the fullest acknowledgment to the preliminary work of Mr. J. C. Nixon, I.C.S., on which our whole enquiry was based. This comprised not only the extraction from the records of the Accountant General of the figures of Sind but a most valuable note on the whole position which served as the framework of our enquiries.

6. We were fortunate in obtaining as our Secretary Mr. R. D. Balvally of the Indian Audit and Accounts Department, who was Mr. Nixon's assistant in his preliminary researches. His experience was invaluable to us throughout our investigation, and we are further greatly indebted to him for the very efficient organisation of our office.

CHAPTER II.

SCOPE AND METHOD OF THE ENQUIRY.

7. Our estimate of the probable revenue and expenditure of a separated Sind involves the following processes. The first stage is that of obtaining what may be termed basic figures of the normal receipts and expenditure of Sind under revenue heads after the projected date of separation, which may be taken as 1st April 1933. These basic figures do not include any estimate of the share in the present overhead charges of the Bombay Government in administering Sind. Such an estimate would be worthless for our purpose as well as misleading. If Sind is separated it will require separate overhead charges of its own, the estimation of which comes in the second stage of our enquiry. The basic figures are dealt with in detail in Appendices 1 and 2 and are summarised in Chapter III.

8. The second stage required to fill in the picture of the financial position of Sind on the day of separation has been to obtain what we term the cost of separation. This is either—

- (a) the estimate of the cost of the additional establishment required for the superior administration of the province and the provision of other amenities now provided by Bombay, or
- (b) alternatively, where Sind will not employ its own administrative officers or provide its own amenities, the estimate of the amount that the new province will have to pay by way of compensation for the purpose.

This stage is dealt with in Chapter IV.

9. Next, as the Lloyd Barrage irrigation project will not come to full fruition for many years, it is necessary to carry on the estimates from the date of separation, and to endeavour to forecast in broad outline what will be the financial position of the separated province year by year for some thirty years after the date of separation. In this, the third stage, which is dealt with in Chapter V, we frame estimates of the expansion both of expenditure and revenue which we deem probable under the various heads of account, but excluding expenditure on or revenue derived from the Lloyd Barrage project, such expenditure and revenue being introduced in the fourth and last stage, which forms the subject matter of Chapter VI.

10. Finally, in Chapter VII, we marshal the figures obtained at these four stages and explain generally the significance of the results. In the light of the totals, we deal with the question of the security of the debt on the Lloyd Barrage.

CHAPTER III.

THE BASIC FIGURES.

11. Our basic figures represent an attempt to express the normal income and expenditure of Sind on the date of separation, which we assume to be April 1st, 1933. The word 'normal' here has, we admit, a somewhat vague meaning which we find it difficult to make more precise. We do not altogether mean a budget estimate for the year 1933-34. The figures which we have taken under certain heads, such as Land Revenue, are not likely to be obtained in that year, having in view the prevailing economic depression; on the other hand, no figure applicable to the year 1933-34 can properly be regarded as a normal figure applicable to a protracted period, and it would be unfair to forecast the future finances of Sind in the light of what it is possible to realize in the present difficult times. No one can foresee what the future will bring forth, and all that we can do is, on the basis of past actuals, to take those figures whose net result will, in our opinion, most accurately represent the general financial position of a separated Sind.

12. The detailed calculations of our basic figures are given in Appendices 1 and 2, the method adopted in obtaining them being as follows. The initial figures, which appear at the heads of the notes in the Appendices in question, represent actual cash transactions through the Sind treasuries, together with adjustments of the cost of such transactions as have been carried out in the Presidency specifically on behalf of Sind, as, for example, where a book debit has been raised by the Jail Department in the Presidency on account of jail-manufactured articles supplied to a collector in Sind. The figures contain nothing in the nature of over-head charges for the administration of Sind, nor any share in the pay of Presidency officers who, while paid in the Presidency, tour in Sind and direct operations there.

13. Unless special circumstances indicated a contrary procedure, we have taken as the foundation of our basic figure the average expenditure or revenue during the triennium ending 1929-30. Before doing so, however, we have examined that figure in the light of the evidence we have received and of the revised and budget estimates of the two succeeding years. Where it was clear that the average of the triennium did not afford a fair measure of what might be anticipated in the future, we have adjusted the figure so as to bring it into accord with our forecast of probabilities, but we have utilised the average wherever possible and avoided conjecture unless based on solid facts.

14. To the figure thus obtained certain additions have, in cases, had to be made, representing expenditure borne by the Presidency directly on behalf of Sind but not brought to account through the books of the Sind treasuries. The principal item of this nature is the expenditure in England on leave salary of officers employed in Sind; other examples are the cost of the cadastral maps of Sind printed at Poona and the cost of stationery supplied by the Bombay Stationery Office for use in Sind. Additions have also been made to cover the cost of reorganization and expansion sanctioned between 1930 and 1933. Similarly, additions have had to be made to certain of the revenue figures as, for example, under Stamps on account of the share of Sind in the annual payment made to Bombay in respect of postage stamps used for revenue

purposes. Adding these items to the expenditure and revenue accounted for through the Sind treasuries, we have arrived at what we have termed our basic figures.

15. For the purpose of these basic figures we have neglected all book transfers from one head to another which appear in the accounts. Establishment, for example, is shown under the head to which it is originally debited and any subsequent distribution over other heads is neglected. Similarly, items which appear on both sides of the account, as expenditure under one head and as revenue under another, have been omitted. Such transfers and adjustments are of no value for our purpose; they are a fruitful source of error and have led to much misunderstanding and argument in the past. This question is dealt with in greater detail in Appendix 3, as comment has been evoked by the differences between our figures and those previously supplied.

16. We think it well to make it clear that neither in our basic figures nor in any other place have we taken into consideration either new sources of revenue or retrenchment. Examination of these questions formed no part of our task, it having been definitely laid down by the Sind Sub-Committee of the Round Table Conference that, if the result of our investigation was to exhibit a deficit, it was for the representatives of Sind to show how the deficit should be met. This position was generally accepted as regards new sources of revenue; but it was strongly urged by the advocates of separation that we should take into account possible retrenchment, the argument being advanced that Sind spends more per head of population than other provinces and might be administered on more economical lines. But we hold that the question lies outside our terms of reference. Moreover, even had we been disposed to consider it, we could not, in the brief time at our disposal, have assumed the functions of a retrenchment committee. We have even decided to ignore the general cut of 6 per cent. on existing expenditure ordered by the Bombay Government, knowing that it is one thing to order percentage cuts, and another to carry them out or to maintain them after a year or two. If, as a matter of fact, retrenchment is secured in Sind expenditure, it will be a comparatively easy matter to calculate its effects on our basic figures, but it would not, on our principles, be right to take account of retrenchment called for on a special emergency in fixing our figures of normal expenditure.

17. The total basic revenue under the heads in respect of which our calculations are based on past actuals, that is to say, all revenue heads except interest, is Rs. 181·77 lakhs; and the corresponding expenditure under all expenditure heads except Interest and Reduction of Debt, Famine Relief and pensionary charges, is Rs. 230·43 lakhs; leaving a deficit of Rs. 48·66 lakhs. The actual receipts and the basic figures we have adopted for our revenue estimate are shown below for total receipts and for the seven chief sources of income, namely, Land Revenue, Excise, Stamps, Forests, Registration, Scheduled Taxes, and Irrigation:—

	1927-28.	1928-29.	1929-30.	Average.	Basic figure.
	Rs. lakhs.	Rs. lakhs.	Rs. lakhs.	Rs. lakhs.	
Total ..	190·80	188·43	170·96	183·39	181·77
Chief Sources ..	181·16	175·96	158·53	171·88	168·75

For the defence of our proposals we must refer to our detailed notes in Appendix 1. The heads round which controversy centres are Land Revenue and Excise. Our basic figure for these two heads taken together is Rs. 135·05 lakhs. Suggestions that have been made to us for these two heads vary between figures of the order of Rs. 170 and Rs. 120 lakhs. We are the first to admit the impossibility of any certain prediction as to the future ; all we can hope is that our estimate hits the best possible mean between over-optimism and an excess of caution. The variations suggested under the other five main sources, for which our basic figure is Rs. 33·70 lakhs, and under the remaining heads are not important.

18. The average expenditure under the above heads is Rs. 219·63 lakhs. We have adhered to these averages with the following additions, all of which are defended in their proper places :—

	Rs. lakhs.
Establishment paid by Bombay on behalf of Sind	0·76
Supplies by Bombay to Sind for which no charge was levied in the accounts	2·46
Expenditure in England	3·19
Expansion and reorganization sanctioned between 1930 and 1933	4·44
Less services rendered by Sind	0·05
	<hr/> 10·80

We have excluded from our purview questions of retrenchment, and are unable to accept the view that the deficit should be reduced by charging to capital what is normally charged to revenue. Nor are we able so to predict the course of prices as to make any reduction in the cost of works on this account. On the other hand, the growth of expenditure due to specific objects of expansion is separately provided for outside these figures. For the rest we have had to assume that, on the whole, what growth of expenditure cannot be definitely predicted will be balanced by the equally unpredictable growth of revenue. We therefore feel with some confidence that our basic estimate on the expenditure side is as good a representation of normal basic expenditure as can be made within the limitations of our task.

19. Finally, we observe that the permissible margin of error under these heads is not such as to affect the problem materially. On the most optimistic forecast we do not think that more than Rs. 10 lakhs could be added to our estimates under Land Revenue, Excise and Forests, and under the other revenue heads the increases proposed by the protagonists of separation do not amount to a lakh. On the expenditure side we find no margin for reduction at all. Even were the deficit under these heads reduced by as much as Rs. 12 lakhs it would make no appreciable difference to the problem of separation ; nor indeed, would the addition of the same amount.

20. The method of calculating the figures of basic expenditure which we have already explained applies to all heads of account in respect of which estimates of future probabilities can be made on the basis of past actuals. This is not the case in respect of the heads Famine Relief, Pensions, and Interest and Reduction of Debt, and these items are separately dealt with in the paragraphs which follow.

21. The question of the amount of the Famine Relief Fund to be maintained by Sind is discussed under the relevant head in Appendix 2. We have there proposed that, of the fund of Rs. 75 lakhs maintained by Bombay, to which Sind must be considered to have contributed its quota, Rs. 11·25 lakhs should be regarded as referable to Sind and that this amount should be made over to Sind on separation. Thereafter Sind will be required to make an annual assignment of Rs. 1·80 lakhs for the purposes of the fund.

22. Coming now to the question of pensions we have, under the relevant head in Appendix 2, given an approximate estimate of what we regard as Sind's liability in this respect. The question is an extremely complicated one and we have not the actuarial data necessary for its full disposal. Not only the pensions of officers who have already retired, but also the part earned pensions of those who are still in service, have to be taken into consideration; and differentiation has to be made between pensions which will be drawn in Sind and those which will be drawn in Bombay and in England. A further complication is introduced by the fact that, in the Lloyd Barrage loan, which Sind will take over, a considerable sum is included as payment against future pensionary liabilities. As a result of the best analysis which we have been able to make, it appears to us that Sind's pensionary liability can be discharged by the payment of all future pensions drawn from Sind treasuries, and of a lump sum of the order of Rs. 99·3 lakhs to the Government of Bombay on the date of separation, in consideration of which that Government will assume responsibility for the pensions of all officers borne on the joint cadre, whether already retired before, or still in service on, the date of separation, which are drawn elsewhere than in Sind. Assuming that Sind borrows this sum and repays it in 30 equated annual payments, its initial basic liability, including payments in Sind, will amount to Rs. 16·50 lakhs, rising ultimately to Rs. 28·1 lakhs.

23. The last heads for which basic figures are required are those relating to interest and the reduction of debt and we have had no more difficult, and certainly no more contentious task than that of arriving at an equitable adjustment of the financial commitments for which Sind may properly be considered liable. The suggestions which we have received in evidence in this connection have been many and various, and, before we put forward the solution which we recommend, we shall deal briefly with the more important of them and explain why, in our view, they are unacceptable.

24. The problem involves two closely connected questions, the distribution of the assets of the partnership and the distribution of the liabilities attached thereto. The first suggested solution is that the case should be dealt with as if it were one of an ordinary business partnership. When such a partnership is dissolved, it is (or should be) a simple matter to divide assets and liabilities in the ratio in which the partners have contributed to the joint stock. On this basis it has been argued that, so long as Bombay and Sind constituted a single province, the tangible assets formed a joint property towards which each contributed its share, the Sind contribution being about 15 per cent, this being the proportion which the net revenue realized under the principal heads of revenue in Sind bears to that realized under these heads in the Presidency as a whole. On this basis of calculation, Sind should be liable

for 15 per cent of the debt of the whole Presidency, and receive 15 per cent of the assets ; and if, on separation, a valuation were made and it were found that the value of the tangible assets existing in Sind was less than 15 per cent of that of the tangible assets in the Presidency as a whole, the difference should be regarded as payable by Bombay to Sind, and should be deducted from the amount of the debt of which residual Bombay would be relieved on separation. Conversely, if the value of the assets in Sind exceeded 15 per cent, Bombay should, to that extent, be regarded as having a lien on them.

25. There are, in the first place, certain very real and practical difficulties in the way of giving effect to such a proposal, of which the following are the more important :—

- (a) It makes real separation impossible. If Sind is responsible for 15 per cent of the Back Bay scheme, or Bombay for 15 per cent of the Lloyd Barrage, then they are also entitled to 15 per cent of the profits, and there would be a constant adjustment of revenues.
- (b) Such an adjustment would be without precedent. It would be as if, at the Meston Settlement, the Punjab had been charged not with the value of irrigation works in the Province, but with the percentage of the total irrigation debt of India represented by its pre-reforms contribution to central revenues.
- (c) Any percentage that could be suggested would be more or less arbitrary, and
- (d) It is clearly against natural justice that a province should be forever required to pay interest on projects with which it has no concern.

26. But apart from these considerations the proposal must, in our view, be ruled out on the ground that, in fact, no valuation of assets is possible. Even if it were possible to value the tangible assets of Government in the shape of canals, buildings, roads and so forth (a task which is really not feasible), the greater proportion of public income is devoted to the securing of intangible assets, such as those represented by a law-abiding, healthy and educated population. If these are taken into consideration, it must be assumed that the assets are equivalent to the expenditure. The distribution of assets then comes to ascertaining the share which each party has received out of the joint expenditure. This leads to a second proposal which has been advanced, namely, that if Sind has contributed 15 per cent to the joint fund, while the expenditure in Sind has only been 10 per cent, the difference should be deducted from Sind's 15 per cent of the joint debts, while if Sind's expenditure has exceeded its contribution, the excess should be regarded as a debt to Bombay.

27. Apart from the practical objections already stated, which apply to this solution also, there are no materials for carrying such a distribution of receipts and expenditure back to the date of annexation, nor in our opinion would the figures, if obtained, be of value. In the first place it must be remembered that, prior to the Reforms, neither Bombay, nor Sind, nor even

both jointly had separate revenues: the revenues of the provinces were the property of the Government of India who allotted them to the provincial Governments as their agents, for expenditure on their behalf. Proposals made by such Governments amounted to little more than recommendations to the central Government as to how the latter's money should be spent. All schemes of any magnitude were, almost up to the date of the Reforms sanctioned by the Government of India, who, in theory at least, weighed the relative urgency of the various claims arising throughout India as a whole. The decision lay with them and Sind has no more claim against Bombay, or *vice versa*, as regards assets, tangible or intangible, which came into existence prior to the Reforms than had, for example, the Punjab against Bengal on the separation of revenues which then took place.

28. Therefore on this ground alone we are quite clear that, so far as the pre-Reforms period goes, there is no case whatever for opening the question of mal-distribution of assets. Sind must clearly pay that portion of the pre-reforms irrigation debt which was incurred on works situated in Sind, on the same lines as similar debt is paid by other provinces; but there the matter ends. The debt on account of the pre-reforms Provincial Loans Account will, by the date of separation, have been discharged by recoveries.

29. For the period after the Reforms, there is no doubt that Sind has received more than it has contributed. During this period, the Presidency proper has subscribed largely not only to the charges in connection with the current administration of Sind and to the creation of non-productive assets in the sub-province, but also to the creation of all those productive assets in Sind which have been built up from revenue since the Reforms. Among these is included an expenditure from revenue of Rs. 81 lakhs on the Lloyd Barrage. As an alternative to the proposals already discussed, it has been urged that the amount supplied to these productive assets at least should form part of the debt of the new province or, to put it in another way, that the Presidency proper has a lien on the assets thus provided.

30. It is unnecessary for us to examine in detail the numerous variants of this position which have been laid before us, because we consider that the whole case is based on a false analogy between the relationship of the local areas into which an administration is divided and the partners in a firm.

31. A Government is not a partnership between the various local areas that compose it, and it does not and should not attempt to make the expenditure in any one such area correspond with the revenue derived from it. On the contrary, its policy should be as between them to take from each according to his means and to give to each according to his needs. It is the mark of a well-ordered government so far as possible to level up the amenities of civilised life among all the local areas subject to it. If Sind has received from the Government of Bombay more than it has contributed, that Government has acted no otherwise than as a good government should act towards its poorer areas, and to suggest a return of any part of this expenditure is simply *ex post facto* to relieve it of its duty.

32. Our conclusion therefore is that no question of debt arises at all in respect of past expenditure from revenue. Throughout the years prior to

separation, the revenues of the joint province were devoted to those objects which, at the time, appeared to be the most deserving in the interests of the province as a whole ; it is quite immaterial in which particular division of the province the expenditure occurred ; and all such revenue transactions must, in our opinion, be regarded as finally closed. It follows that the only debt which requires to be distributed is that which entails continuing liabilities in the shape of payment of interest and repayment of capital.

33. After consideration of all the various views which have been expressed and a full examination of the question in all its bearings, we have reached the conclusion that the only equitable distribution both of assets and debt is for Bombay to take over all assets situated in the Presidency proper, and for Sind to take over all those situated in Sind ; each party taking, with its assets, any liabilities attaching to them. We are fortified in our conclusion by the fact that this is the principle which has been adopted in the past whenever redistributions of territory have been made, as, for example, when the present provinces of Bengal, Bihar and Orissa and Assam were formed. The adoption of this principle leads to a purely geographical distribution of practically the whole of the debt, the only exceptions being the debts incurred to finance the commutation of pensions and the deficits which have occurred since 1930. In the former case the debt has been divided between the Presidency proper and Sind in proportion to the cost of the pensionable establishment employed in each ; in the latter in proportion to their respective contributions to the joint revenues.

34. Before concluding our general remarks on this subject, we think it advisable to dispose of an argument to which some prominence has been given. This is based on the administrative accounts of the Sind productive canals, which exhibit a large accumulated surplus of receipts over expenditure, as contrasted with the irrigation works in the Presidency proper which have no such surplus. It is suggested either that the Presidency has spent this property on itself or has it accumulated, and that it should in either case refund it. The answer is that there is no such thing in reality as the accumulated surplus shown in the administration reports. Those reports regard the productive works in isolation, and show the profit that would have accumulated on each if there had been nothing to spend it on. The money has, in point of fact, been spent, and there is no reason to suggest that it has been spent peculiarly in Bombay. It has, in fact, gone into the joint purse of the whole Presidency from which the expenditure of both portions has been financed. There is no more reason to suggest an accumulated balance of canal revenue than one of excise ; if administrative accounts in the same form were maintained for the Excise Department, a large accumulated surplus of receipts over expenditure would be shown, but it would have been spent just as the canal revenue has been spent. Against this position and a number of variants of it we hold that no conclusion can be based on a consideration of the receipts and expenditure under any one head in isolation ; it is only from the receipts and expenditure taken as a whole that reliable conclusions can be drawn.

35. The calculation of the debt charges of Sind, with a full account of the methods employed, is given in Appendix 2. For the years 1930-31 to 1932-33

we have had to utilize the figures of borrowing in the revised and budget estimates for the first two years, and to make the best estimate in our power for the third. These figures will require to be recalculated on the basis of actuals if and when separation actually takes place. Subject to this proviso, we consider that Sind is properly liable for debt to the extent of Rs. 554.41 lakhs, and our basic figure of Rs. 31.09 lakhs under Interest and the Reduction of Debt is based on this sum.

36. The following is a summary of the basic figures arrived at in Appendices 1 and 2 under each head of revenue and expenditure.

<i>Revenue.</i>							<i>Rs. lakhs.</i>
V	Land Revenue	...	..	...	..	..	102.05
VI	Excise	..	..	..	..	..	33.00
VII	Stamps	..	..	..	..	..	20.30
VIII	Forests	..	..	..	..	..	6.60
IX	Registration	..	..	..	..	..	1.52
IX-A.	Scheduled taxes	..	..	..	..	..	0.55
XIII	Irrigation Revenue	..	..	..	..	..	4.51
XIV	Irrigation Miscellaneous	..	..	..	..	..	0.22
XVI	Interest	..	..	..	..	..	0.65
XVII	Administration of Justice	..	..	..	..	..	2.03
XVIII	Jails and Convict Settlements	..	..	..	..	..	1.17
XIX	Police	..	..	..	..	..	0.67
XXI	Education	..	..	..	..	..	1.18
XXII	Medical	..	..	..	..	..	1.32
XXIII	Public Health	..	..	..	..	..	0.75
XXIV	Agriculture	..	..	..	..	..	0.57
XXVI	Miscellaneous Departments	..	..	..	..	..	1.38
XXX	Civil Works	..	..	..	..	..	1.29
XXXIII	Receipts in aid of superannuation	..	..	..	..	..	1.53
XXXIV	Stationery and Printing	..	..	..	..	..	0.42
XXXV	Miscellaneous	..	..	..	..	..	0.16

Expenditure.

	Ra. lakhs.
5. Land Revenue	14.39
6. Excise	3.39
7. Stamps	0.45
8. Forests	4.01
9. Registration	0.82
XIII Irrigation Working Expenses	33.22
15. Irrigation Miscellaneous	16.36
19. Interest	31.09
21. Reduction of debt }	
22. General Administration	23.50
24. Administration of Justice	11.93
25. Jails and Convict Settlements	6.37
26. Police	41.21
31. Education	27.24
32. Medical	6.78
33. Public Health	2.81
34. Agriculture	7.42
35. Industries	0.10
37. Miscellaneous Departments	0.34
41. Civil Works	26.32
43. Famine Relief	1.80
45. Superannuation allowances and pensions	16.50
46. Stationery and Printing	2.32
47. Miscellaneous	1.45
Total expenditure	279.82

37. Our estimate of the total basic revenue is Rs. 182.42 lakhs and of the total basic expenditure Rs. 279.82 lakhs. The basic deficit is thus Rs. 97.40 lakhs, this being the extent to which, on the best calculation we can make, and excluding any allowance for overhead or direction charges, Sind is at present financed by the rest of the Presidency.

CHAPTER IV.

THE COST OF SEPARATION.

38. By the cost of separation we mean those charges which will be incurred and fall upon Sind as a consequence of its constitution as a separate province. It is the cost of separation alone that imposes a fresh burden on the revenues of India as a whole. In all other cases, the charges which we have assumed as debitable to Sind represent an equal relief to the Presidency.

39. Although, in accordance with our terms of reference, we have attempted to confine our investigation so far as possible to the financial consequences of separation, we have not been able to ignore entirely the many difficult administrative questions which will arise in this connection. While, on the one hand, it is no part of our duty to draw up a complete and detailed scheme for the administration of the new province, it will be clear that it would have been impossible for us to frame any estimate, however rough, of the cost of separation, had we not first prepared an outline sketch of the organization which, in our opinion, it will be necessary to create for the future Government of Sind.

40. For the purpose of this sketch, we have deemed it advisable to adhere strictly to existing standards both of salary and of administration. We could, indeed, hardly have done otherwise with the material at our disposal. As already explained, it was never the intention that we should, as some who have given evidence before us have urged, play the part of a retrenchment committee, and draw up a scheme for a province administered on lines, and staffed by officers on salaries, widely different from those which are in force elsewhere in India. It has, for example, been stated that Sind could be administered with a much cheaper headquarters staff than that of a conventional Governor's province, and that it is, as a matter of fact being so administered at present. The latter statement is true, but the former seems to us to ignore the difference between government through the agency of an experienced officer, whose main requirement is assistance rather than advice, and government through the agency of ministers, often without previous experience of administration, to whom, in ordinary fairness, the advice of a reasonably strong and competent secretariat must be available. Any attempt on our part to devise a constitution or system of government different from that which obtains elsewhere would, we consider, involve the discussion and solution of problems which fall far outside our terms of reference, and we have, therefore, for the purpose of our estimates, envisaged a separated Sind administered on the same lines as other small provinces, such as Assam.

41. The considerations which we have mentioned apply not only to the secretariat but also to the direction of the various departments of the administration. At present the Commissioner in Sind is himself the head of several departments, such as those of Land Revenue, Excise, Stamps and Registration; others are in the charge of comparatively low paid officers who work under the control of senior officers in the Presidency. While a system under which the commissioner functions as the head of certain of the departments in his charge may be convenient in practice, the centralization of these functions in a provincial Government would constitute a wide departure from precedent elsewhere and be, in our opinion, objectionable in principle.

We have, therefore, in our detailed recommendations, proposed the creation of a special appointment of Revenue Commissioner to obviate the objection.

42. In so far as other departments are concerned it has been argued, in some quarters, that the situation can be met merely by utilizing the officer who is at present occupying the highest post in Sind. But there is a vast difference between having to take final decisions oneself and having behind one a chief to whom one can refer for advice and on whom one can place the final responsibility. In the detailed notes in Appendix 2 we have discussed each department separately. There are some, such as Police, Forests, Agriculture and Public Works, which are, for all practical purposes, already separated under officers fully competent to assume complete control; in these cases, the only question which arises is whether any addition to pay is necessary in view of the increased responsibility of their position. We feel however that it would lie outside the scope of our enquiry, and might prove embarrassing, if we offered anything that might at a later date be interpreted as a recommendation as to the amount of such increase, or even as to whether any increase is required at all. For our purposes it will be sufficient to take a conventional figure of Rs. 0.02 lakhs (Rs. 200 per mensem) for every such case. In other cases, such as the Medical, Prison, Public Health and Co-operative Departments, it seems to us impossible to place full responsibility in the hands of those at present employed, nor do we believe that Sind itself would be prepared to place itself in so inferior a position *vis-à-vis* the other provinces of India in respect of the administration of the departments in question as action on these lines would involve. In these cases, the appointment of a head with distinctly increased emoluments will, in our opinion, be necessary.

43. We realize that an administration, framed on the lines which we contemplate, is open to the charge of being top-heavy. To this we can only reply that top-heaviness is almost inevitable in a province so small as Sind will be. The government and headquarters staff for which we have estimated could doubtless administer a considerably larger area, but it by no means follows that the corollary is true and that, because the area is small, the staff can be correspondingly reduced. The arrangements which we propose are, we consider, only such as are necessary in order to provide an efficient administration on existing standards; that the cost of constituting a separate Government for a comparatively small area is inevitably disproportionately high is, in our view, a fact which cannot be controverted and which must be squarely faced when the arguments for and against separation are being weighed.

44. But even if those of our proposals which deal with the headquarters administration are attacked on the ground of extravagance there are others, such as those which deal with the composition of the services and with the provision of educational and similar institutions which, we are equally convinced, will be attacked on the ground of parsimony. Dealing first with the services, we contemplate that, in certain cases, Sind will be unable to maintain a cadre of officers of its own and will be forced to resort to the expedient of borrowing men either from the Presidency or from some other province. We realize the cogency of the argument that any such system is unsatisfactory from the point of view of the Government of the province, since naturally they cannot have the same control over officers who are merely lent for a period

and whose future advancement does not lie in their hands as they have over their own permanent servants, but this is a disability which must, we think, be faced. We would make it clear that our proposals in this regard are framed not in the interests of the officers in question but entirely in the interests of efficient administration. It is impossible to secure an even flow of promotion if the total number of men borne on a cadre falls below a certain point; a very small departure from the normal scale of casualties, such as would hardly affect a large service, will result, in a small one, either in a complete block in promotion, with the result that senior officers have to be retained in junior posts, or in undesirably accelerated promotion, junior officers being promoted to senior posts before they have the experience necessary to enable them to fill them efficiently. Moreover, these effects are complementary; a block in promotion almost invariably entails accelerated promotion as soon as the block clears and *vice versa*. Where, therefore, the number of officers required for a service is small or where, as in the case of the judicial cadre, it is impossible to obtain, in the junior appointments, the kind of experience necessary to enable the duties of the higher ones to be efficiently discharged, we can see no alternative to resorting to the expedient of borrowing officers of the required qualifications from elsewhere.

45. Where it is possible for Sind to maintain its own cadre, it should maintain its own leave reserves, and, theoretically, where it borrows officers from the Presidency it should contribute to the cost of the Presidency leave reserve. But we have not thought it necessary to make any estimate of cost in either case. The actual cost of a service is the pay of the officers on duty *plus* the leave salary of those on leave, and unless the leave reserve is excessive for its purpose, the only difference caused by the place of officers on leave being filled from the reserve, instead of by the promotion of an officer of a lower service, is that they are filled in a somewhat more expensive way. What is budgeted for is pay *plus* leave salary, and these are included in our basic figures. Our estimates for new appointments should strictly include leave salary less probable savings but the financial effect of this would be so slight that we have not thought it necessary to allow for it.

46. Another question in regard to which we have not been able to see eye to eye with some of those who have given evidence before us is that of the provision of independent institutions of all kinds for the new province. It has been stated, for example, that one of the main arguments adduced in favour of separation has been the fact that, during the connection with Bombay, Sind has never been provided with a University of its own nor with other institutions for advanced vocational training such as exist in the Presidency, and that any scheme of separation will fail to meet the case unless provision is made for such institutions at the outset. We cannot endorse this view, nor do we consider that a discussion of the question involved falls within the scope of our terms of reference. Our task is to assess the cost of separation, and we do not feel that the provision of such institutions falls properly under this head. There are varying views held as to the gain or loss which would accrue to Sind were it removed from the sphere of the Bombay University and given a University of its own, but we cannot see that the case, one way or the other, depends to any large extent upon administrative territorial readjustments. If a University in Sind is desirable, it is equally desirable whether

Sind is separated or not ; if it is undesirable, it is equally undesirable in either case. And we are clearly not required nor are we in a position to express an opinion upon the merits of so complicated an educational question. So long as Sind falls within the area of jurisdiction of the Bombay University we see no reason to believe that, merely on account of territorial readjustments, that body will withdraw from the institutions and students of Sind the recognition and facilities which they at present respectively enjoy, and we have had no hesitation in suggesting that where, in our opinion, the demand for special training in Sind is too small to justify the opening of local institutions, advantage should continue to be taken of the facilities obtainable in other provinces subject, in certain cases, to payment of part of the expenses incurred by the Government concerned in supporting the institution in question.

47. The arrangements which separation will necessitate in each department are described and the cost is estimated in the detailed notes in Appendix 2. A summary of the cost under each head of expenditure is given below :—

	Rs. lakhs.					
8 Forests	0.14
19 Interest	} 1.45
21 Reduction of debt	
22 General Administration	5.18
25 Jails and Convict Settlements	1.26
26 Police	0.12
31 Education	0.56
32 Medical	0.57
33 Public Health	0.42
34 Agriculture	0.47
35 Industries	0.02
41 Civil Works	0.86
Total ..						11.05

The total cost of separation thus amounts to Rs. 11.05 lakhs. The most important items are those in connection with the headquarters of Government, which are as follows :—

	Rs. lakhs.					
Head of province	3.13
Secretariat	0.95
Legislative Council	1.10
Total ..						5.18

In addition, the provision of the necessary buildings will involve a capital expenditure of Rs. 19·95 lakhs, which can be liquidated in 30 equated annual payments of Rs. 1·45 lakhs.

48. The cost of separation under other heads amounts in all to Rs. 4·42 lakhs, of which Rs. 0·79 lakhs represents contributions to Bombay for the use of various institutions, and the remainder the additional establishment charges that will be required. The contributions to Bombay, although forming part of the cost of separation in so far as Sind is concerned, will give rise to an equal entry in the receipts of the separated Presidency and do not therefore impose any additional burden on the revenues of India as a whole. Viewed in the light of its effect on the revenues of India, the cost of separation is Rs. 10·26 lakhs.

49. Adding the cost of separation to the basic deficit, the total deficit on the date of separation will amount to Rs. 108·45 lakhs. Of this sum, Rs. 98·19 lakhs represents the expenditure of which the Presidency proper will be relieved on separation and Rs. 10·26 lakhs new expenditure.

CHAPTER V.

GROWTH OF EXPENDITURE AND REVENUE AFTER SEPARATION.

50. In order to complete our picture of the future finances of the separated province, we have found it necessary to forecast the probable growth of expenditure and revenue over a considerable period of years. Any such forecast must, necessarily, be highly conjectural, and we have therefore confined it to items in respect of which increase seems to be inevitable, either owing to the construction of new works or to the increased demands on the administration which appear to us to be bound to arise as the area under the Lloyd Barrage project is brought under cultivation and population increases. Under certain heads we have, in the detailed notes in Appendices 1 and 2, given reasons for not anticipating any expansion; under others it is probable that there will be development in other directions than those which we have been able to indicate. But it is quite impossible to give any forecast either of its pace or of its cost, and we have, therefore, made the general assumption that the total increases of revenue and expenditure respectively under these heads will roughly balance and that the surplus or deficit of the province will not be affected thereby.

51. We deal with the probable growth of expenditure and revenue under three heads, namely,

(a) Growth of capital expenditure and consequent growth of charges for interest and the reduction of debt.

b) Growth of expenditure charged to revenue.

(c) Growth of revenue.

52. (a) *Growth of capital expenditure.*—Capital expenditure is anticipated during the thirty years after the date of separation on the following schemes and to the following amounts :—

Item.	Total expenditure.	Receipts on capital account.	Net expenditure.
	Rs. lakhs.	Rs. lakhs.	Rs. lakhs.
Remodelling of Karachi and Fuleli canals systems	87.89	11.16	76.73
Other capital irrigation works	9.00	..	9.00
Artillery Maidan scheme	7.62	74.45	—66.83
Road development	135.78	32.00*	103.78
Judicial Commissioner's Court	0.52	..	0.52
Judicial District at Nawabshah	0.54	..	0.54
New district at Dadu	2.82	..	2.82
New district at Guni	12.00	..	12.00
Agricultural buildings	6.50	..	6.50
Mental hospital at Hyderabad	0.50	..	0.50
Departmental charges	31.65	..	31.65
Total	294.82	117.61	177.21

* Contribution from the Road Development Fund.

53. The objects on which it is proposed to incur this expenditure and the rate at which it will be incurred are fully described in the detailed notes in

Appendix 2, under the heads 55, Construction of Irrigation Works, and 60 and 60-A, Civil Works and other Capital Expenditure not charged to Revenue; and in Appendix 4 is given a statement showing the expenditure to be incurred in each year and the resulting increase in the charges for interest and reduction of debt. This increase, which represents the burden on the annual revenues of the province due to the execution of the capital programme, is estimated to amount to 1.06 in the year after separation, rising to 12.64 in 1953-54 and subsequent years.

54. (b) *Growth of expenditure charged to revenue.*—The growth of expenditure charged to revenue which we anticipate after the date of separation is briefly described in Appendix 2 under the various revenue heads concerned. In some cases we have had official estimates to guide us in making our forecast but in others we have had to take entirely arbitrary figures. This is particularly the case in respect of Education, Medical and Public Health. The Bombay Government have assumed that, on the full development of the Lloyd Barrage project, the expenditure on education in Sind will rise to a figure of Rs. 5 lakhs in excess of what is spent at present and we have assumed Rs. 2 lakhs and Rs. 1.50 lakhs as comparable figures for the expansion of expenditure under Medical and Public Health, respectively. But, seeing that cultivation in the area under the Barrage project is to be increased from 1.8 million to 5 million acres, the figure taken for the expansion of educational charges seems to us to be decidedly low, and our figures for medical and public health, which are based upon the educational figure, probably err in the same direction. In adopting them we feel that they may well be found, in practice, to be less than will be actually required.

55. In Appendix 5 is given a statement showing the growth of expenditure charged to revenue which we anticipate during the period while the Barrage project is coming into full operation. In this statement are included the interest and sinking fund charges necessary to defray the loans which will be taken to finance the capital programme already described and the sum necessary to defray the growing bill for pensionary charges, the calculation of which is given in the detailed note in Appendix 2. It will be seen that we have estimated for increased expenditure to the extent of Rs. 8.72 lakhs in the year after separation rising to Rs. 47.68 lakhs in 1961-62.

56. (c) *Growth of revenue.*—The increases of revenue which we anticipate after separation are dealt with in the notes under each revenue head in Appendix 1. The only material increases are under Land Revenue, due to the remodelling of the Karachi and Fuleli canals systems, under Stamps and Administration of Justice, due to the creation of a Chief Court at Karachi, and under Civil Works, on account of the revenue from ground rents anticipated as a result of the Artillery Maidan scheme. We have also credited as revenue the establishment and tools and plant charges on the capital roads and buildings programme, since these will be charged to loan funds and a corresponding relief given to general revenues. Additional revenue is also probable under such heads as Education, Medical and Public Health. But our forecasts of the expansion of expenditure under these heads are so rough and our estimates so moderate, having in view the present backward condition of Sind in respect of these

subjects, that we prefer that the figures of expenditure which we assume should be regarded as net.

57. In Appendix 6 is given a statement showing the growth of revenue which we anticipate under the heads mentioned above. The additional revenue amounts to 6.75 in the year after separation, rising to 11.94 in 1953-54 and subsequent years.

58. Finally, we append a statement, based on the figures in Appendices 5 and 6, showing the net increase in expenditure charged to revenue which we anticipate, that is to say, the probable increase of expenditure less the probable increase of revenue.

Year.				Additional expenditure.	Additional revenue.	Net additional expenditure.
				Rs. lakhs.	Rs. lakhs.	Rs. lakhs.
1933-34	..	..	..	8.72	6.75	1.97
34-35	..	..	..	12.59	7.02	5.57
35-36	..	..	..	15.81	8.97	6.84
36-37	..	..	..	21.46	9.39	12.07
37-38	..	..	..	26.62	10.08	16.54
38-39	..	..	..	29.17	10.75	18.42
39-40	..	..	..	31.25	11.20	20.05
40-41	..	..	..	32.26	11.58	20.68
41-42	..	..	..	34.09	11.99	22.10
42-43	..	..	..	35.43	12.31	23.12
43-44	..	..	..	36.20	12.38	23.82
44-45	..	..	..	37.33	12.54	24.79
45-46	..	..	..	38.57	12.61	25.96
46-47	..	..	..	40.00	12.66	27.34
47-48	..	..	..	40.54	12.77	27.77
48-49	..	..	..	41.12	12.88	28.24
49-50	..	..	..	42.25	12.99	29.26
50-51	..	..	..	42.62	13.10	29.52
51-52	..	..	..	43.15	13.21	29.94
52-53	..	..	..	44.29	12.97	31.32
53-54	..	..	..	45.18	11.94	33.24
54-55	..	..	..	45.18	11.94	33.24
55-56	..	..	..	45.83	11.94	33.89
56-57	..	..	..	45.83	11.94	33.89
57-58	..	..	..	46.08	11.94	34.14
58-59	..	..	..	46.78	11.94	34.84
59-60	..	..	..	46.78	11.94	34.84
60-61	..	..	..	46.78	11.94	34.84
61-62	..	..	..	47.68	11.94	35.74
62-63	..	..	..	47.68	11.94	35.74

CHAPTER VI.

THE LLOYD BARRAGE AND CANALS PROJECT.

59. We now come to the effect upon the finances of a separated Sind of the opening of the Lloyd Barrage and Canals Irrigation Project. It is never an easy matter to forecast with confidence the financial prospects of a new irrigation scheme, and to do so during the period of a serious economic crisis, the duration and ultimate effect of which are at present and will for some time to come remain unknown, is clearly an impossibility. We do not deem it necessary to describe in detail either the scheme itself or the various objects which it is designed to serve; a full description will be found in the pamphlet "Sind and the Lloyd Barrage" which is published annually by the Government of Bombay. It will suffice for our purposes to state that work on the project was commenced in July 1923 and that it is now so far advanced that the canals will be opened in January next although the works will not be completed in their entirety and the construction estimate closed until the spring of 1935. The latest estimate of the cost of the project is Rs. 20·30 crores, exclusive of interest charges, of which sum about Rs. 67 lakhs and Rs. 27 lakhs have been incurred on behalf of the Government of India and the Khairpur State, respectively, and are recoverable from those Governments, leaving Rs. 19·36 crores debitable to Sind.

60. This sum does not, however, represent the full amount of the loans taken for the project. As a special arrangement, permission was given for interest on the sums borrowed for the purposes of the scheme to be added to the capital cost throughout the period of construction. Full advantage has not been taken of this permission; although most of the interest charges have thus been dealt with, the Government of Bombay have made certain contributions from their own revenues to the interest account, the amounts thus contributed up to the end of 1930-31 being about Rs. 23 lakhs from general revenues and Rs. 58 lakhs from the Famine Fund. Further contributions, although to the extent of Rs. 10,000 per annum only, will be made during the years 1931-32 and 1932-33. In accordance with the general principle which we have enunciated in Chapter III, under which all revenue transactions occurring before the date of separation are to be regarded as closed, we have omitted these sums from the amount of debt which Sind will be required to take over; we have also assumed that all receipts from sales of land which accrue prior to the date of separation will be utilised in full for the repayment of debt. On these assumptions, the amount of debt chargeable on Sind on the 31st March 1933 on account of the scheme will, according to the best calculation which we are in a position to make, amount to Rs. 23·21 crores.

61. It will be understood that we have not held it to be part of our task to conduct a complete and independent investigation into the prospects of the scheme, an investigation which would have necessitated a lengthy tour throughout the areas to be irrigated. But we have discussed the project at great length with both the engineering and revenue authorities in Sind and, as a result, are prepared to accept that the lines upon which the project has been framed and constructed are sound and that the area which it is proposed to irrigate can be developed at approximately the rate assumed. We also see no reason to doubt that the various forecasts which have been prepared to demonstrate

the financial prospects of the scheme under various assumptions as to the future trend of the prices of agricultural produce depict the probable course of revenue and expenditure as accurately as any which can at present be framed.

62. As in the case of most irrigation schemes, the future prospects of the project depend upon the rates which can be obtained for water and the prices at which the waste Government land, which will be rendered culturable by the canals, can be sold. Dealing first with the latter question, it is the firm conviction of both the irrigation and revenue authorities in Sind that both the area which can be disposed of and the prices which will be obtained for it can safely be considered as being independent of the value of agricultural produce from time to time, and that the estimate of the receipts from this source may be accepted as reliable, even should a fall in the price of grain necessitate a revision of the rates which it was originally proposed to charge for the supply of water. There is, we consider, some force in the contention that the prices of land originally assumed were so low that they are no higher than would be anticipated elsewhere, even under the most unfavourable economic conditions. We see no reason, therefore, why the full amount forecasted should not ultimately be obtained, but, if the present depression continues, it is, in our view, unlikely that it will be obtained as quickly as was originally anticipated and both sales and payments will probably have to be spread over a considerably greater number of years. So long as prices generally remain low, the amount of money available for land purchase must inevitably be limited.

63. We think, however, that it would be possible to prevent this delay from having an unduly adverse effect on the finances of the project. To a large extent at least, the project assumes that land destined for sale will not come under irrigation until it is sold. If in any year it is not found possible to sell all that is proposed, it should be possible to bring it under temporary cultivation. And if, in lieu of land revenue, rent (including water rate) is taken for this land at 6 per cent. of its estimated value, the only effect will be that instead of paying off a portion of the debt the Barrage will be paying simple interest on it; the delay in selling land can thus be prolonged indefinitely without adding to the burden of debt. It is not, we consider, in the receipts from land that the chief risk of the failure of the project lies; the really important consideration is that of the rates which can be obtained from the cultivators for the supply of water.

64. In regard to this question, it is important to bring out how the system and theory of water rates found in Sind differ from those found, say, in the great canals of the Punjab. In the Punjab the sharpest distinction is maintained between land revenue and water rates. Land Revenue is, as in Sind, based on a percentage of the net assets of the owner and cannot be altered during the period of settlement. But water rates in the Punjab are regarded purely and simply as the price for water, which only technical and administrative difficulties prevent being sold by the cubic foot; they are, like charges for electric power or railway freight, based on what the traffic will carry and can be altered at any time. In Sind, however, the charge for water is consolidated with that for land revenue; the consolidated charges cannot exceed 40 per cent. of the net assets and are unalterable during the period of settlement.

65. The result is that in Sind the charge for water is related to two factors which chiefly build up the net assets estimate ; outturn and price of crops. The accurate estimate of the average outturn over any considerable area is always a matter of the greatest difficulty and no attempt has so far been made to check these estimates by agricultural research on scientific lines. It is probably inevitable that settlement officers should in Sind, as elsewhere, have selected out of a number of returns, each of which is equally probable, the one which (in conjunction with an even more arbitrary forecast of future prices) most conveniently fits into a standard of assessment whose upper limit is determined by other considerations. But now that we are confronted with a situation which leaves no such margin for a lenient appraisalment of outturn, it is obviously embarrassing to find not merely land revenue but the charges for water linked to this factor for a period of years.

66. Prices present the same difficulty. The ordinary practice is to select as a forecast for the period of settlement a price below which it is not considered likely that prices will fall, and the lenient standard of assessment usually results in the selection of a price actually below current prices. The effect of a settlement made during a period of extreme depression on any such system will be obvious. It would be inconvenient enough if merely land revenue were tied for a period of years to 40 per cent. of a net assets estimate prepared at such a time ; as it is impossible, under the terms of settlement, to alter the rates if prices improve. But this disability would not seriously matter if it were limited to the one-tenth of gross receipts which are properly regarded as land revenue. But when the price for water is subject to these limitations, it becomes a question of trying to work a commercial project under the conditions of a simple and patriarchal dispensation. It is, in short, a case of putting new wine into old bottles with the inevitable result.

67. We can do no more than point to these facts. As the sequel will show, if the Bombay Government remains bound by these limitations it can fix no rates at which the Barrage will make any substantial contribution to the revenues of the province.

68. The position which has now been reached in regard to the fixation of rates is as follows. All the talukas included within the scope of the project have been resurveyed during the past four or five years with a view to their re-settlement ; the settlement reports have not yet been submitted to Government but the rates proposed are such that, from the 5·01 million acres which will ultimately be irrigated, a gross revenue of Rs. 3·09 crores per annum will be obtained, giving an average return of Rs. 6·17 per acre. In the original project submitted for sanction, the area proposed for irrigation was 5·31 million acres and the gross revenue anticipated Rs. 3·28 crores, the average return being Rs. 6·19 per acre. The detailed re-settlement operations have resulted in a certain slight readjustment of rates, somewhat higher assessments being proposed in certain areas and somewhat lower ones in others, but, as will be seen, the average assessment suggested is almost exactly the same as that adopted for the purpose of the original project forecast.

69. We have, in the statement given in Appendix 7, prepared a programme for the repayment of the debt on the scheme, based on the assessments referred to in the preceding paragraph. For the purpose of this statement we have

assumed that the whole of the proceeds of the project will be earmarked for the repayment of principal and interest, the capital and extraordinary receipts for the former and the revenue receipts for the latter. We have taken no account of the administrative arrangement under which only nine-tenths of the revenue from irrigation projects in Sind is credited to irrigation, the balance being credited to land revenue ; this is merely a book transfer in the accounts and, since the whole of the additional revenue will be due entirely to the project, we have regarded it as arising therefrom and as available in its entirety for the repayment of the project's liabilities.

70. We have assumed that all capital and extraordinary receipts will be utilised for the direct reduction of principal. Among such receipts we have included a sum of Rs. 50 lakhs, which the Chief Engineer considers to be a conservative estimate of the saving which will be effected on the total estimate ; this will actually be effected before the conclusion of the work, but, as it is at present impossible to determine exactly to what extent it will affect the estimates of annual expenditure, it has been taken as accruing in a lump sum at the close of the work. Rs. 25 lakhs have also been included as a receipt in that year, this being the estimate of the salvage value of the plant and materials which will be available for disposal on the completion of construction.

71. As regards recoveries from other Governments, we have taken Rs. 1 crore as the amount recoverable from the Government of India and Rs. 42½ lakhs as that recoverable from the Khairpur State, for work executed on their behalf. These figures include the cost of the work done together with arrears of compound interest up to the date of recovery. It has been suggested that it may be necessary to make the recovery from the Khairpur State in a larger number of instalments than we have assumed, but the amount is comparatively small and such a modification would not materially affect the figures.

72. We have also taken as available for the repayment of capital debt the realizations anticipated from the sale of land and the recoveries to be made from cultivators of the cost of the construction of watercourses. Owing to legislation recently passed to govern the question, it is probable that the latter recoveries will have to be spread over a greater number of years than we have assumed. We are, however, informed that it would take a very considerable time to calculate the rate at which the recoveries will accrue under this legislation and we have, therefore, no option but to adopt the earlier forecast. Here again, a retardation in the rate of recovery is unlikely to have any serious effect upon the ultimate results.

73. For our revenue estimate, we have adopted the rates given in the re-settlement proposals, obtaining the increase in revenue due to the project by deducting from the gross revenue anticipated the revenue derived from the area during the quinquennium ending 1927-28. The working expenses have been re-calculated since the original project was framed. An estimate has been made of the expenditure which will be necessary on establishment and maintenance, which expenditure will have to be incurred irrespective of the area irrigated. To this amount has been added an increasing sum to cover collection charges, these charges being calculated at 3 per cent. of the gross revenue. From the total amount of working expenses thus arrived at, the actual average

expenditure incurred during the quinquennium ending 1927-28 on the maintenance of the canals which will be absorbed in the Barrage Project has been deducted, the difference representing the additional working expenses due to the scheme. The difference between the increase in gross revenue and the increase in working expenses gives the increase in net revenue, which is the amount available for the repayment of interest and the liquidation of the loan.

74. As we have already mentioned, the amount of the loan on the date of separation will be about Rs. 23·21 crores. It will rise to Rs. 24·24 crores at the end of that year but will, thereafter, decrease annually as payments for land and other receipts fall due.

75. It will be seen from the statement that, for seven years after separation (that is to say, for five years after the completion of the work) the whole of the increased revenue will have to be devoted to the payment of interest charges; thereafter a certain portion represents profit available for transfer to general revenues. The amounts thus available for transfer will be, at five year intervals :—

	Rs. lakhs.						
1937-38	Nil.
1942-43	45
1947-48	92
1952-53	123
1957-58	132
1962-63 and subsequently	137

These figures are, throughout based on the assumption that the debt will, as a whole, bear interest at the rate of 6 per cent. and be repaid in full in sixty years from the date of the completion of the scheme.

76. These figures, as has been explained, are based on the rates which it was intended to impose, had the prices of produce remained normal. An alternative schedule of rates has been calculated, the outturns given in the resettlement reports being adopted and applied to the prices of produce now obtaining. Where, however, the percentage of the net assets adopted in the resettlement proposals was less than 40 per cent., it has, for the purpose of calculating the alternative rates, been raised to that figure.

77. If the rates thus arrived at were imposed (and they are those which would ordinarily be imposed under the procedure now in force) the gross revenue on the full development of the project would be reduced to Rs. 2·31 crores, the average return falling thus from Rs. 6·19 to Rs. 4·34 per acre, a reduction of 30 per cent.

78. We have prepared a second statement, which is given in Appendix 8, giving a repayment programme for the loan based on this lower return. We have assumed the same capital and extraordinary receipts as before. As we have already stated, we do not consider that the receipts from land sales will be obtained as quickly as the statement shows, but we have no information on which to frame an alternative estimate; we have, therefore, adopted the same figures as in the first statement and merely add the warning that we consider them to be over-optimistic in the circumstances to which they are now being

applied, and that, if the revenue rates are as now assumed, it may not be so easy to obviate the consequences of delay by charging rent at the rate of 6 per cent. on the estimated sale proceeds.

79. In this case, the whole of the increased revenue will have to be applied to the payment of interest charges for fifteen years after the completion of the work. The amounts available for transfer to general revenues, at five year intervals, will be as follows :—

								Rs. lakhs.
1937-38	..	..	..	..	..	..	..	<i>Nil.</i>
1942-43	..	..	..	..	..	..	..	<i>Nil.</i>
1947-48	..	..	..	..	..	..	..	<i>Nil.</i>
1952-53	..	..	..	..	..	..	..	2
1957-58	..	..	..	..	..	..	..	8
1962-63 and subsequently	..	..	..	..	..	..	..	24

80. The ultimate net profit which can be anticipated from the scheme 30 years after its completion is thus only Rs. 24 lakhs. The fact that all recoveries, from land-sales, from water courses and from Khairpur, will probably come in more slowly than the statement shows will tend to reduce this figure, and any decrease in these recoveries or any small reduction of the total area proposed for irrigation would turn it into a loss. In other words, the financial prospects of the project would be precarious in the extreme, and, on the criterion utilized in the case of irrigation schemes, it would have to be classed as an unproductive work.

81. It is not for us to suggest what rates should actually be charged, but we cannot refrain from remarking that those upon which the second statement, given in Appendix 8, is based appear to us to be extremely low, considering that they include both land revenue and water rate, compared with those which are levied elsewhere in India. The two statements thus show the best and the worst of the project, and the results which will probably be obtained in practice may be assumed to lie between these two extremes. We do not consider that any useful object would be served by the preparation of further statements, based on other assumptions, as data for such assumptions are altogether lacking; the statements show, first, that the scheme is one of great potential value and, secondly, that it is foredoomed to failure unless rates, framed on a commercial basis and not on a system which is intended to meet entirely different conditions, are charged for the water supplied.

CHAPTER VII.

Conclusion.

82. It now only remains to marshal the figures given in the previous chapters, which is done in the table below.

Year.	Excluding Lloyd Barrage.				Including Lloyd Barrage.			
	Basic deficit.	Cost of separation.	Net cost of expansion.	Total deficit.	Revenue at full rate.		Revenue at slump rates.	
					Net revenue anticipated.	Deficit.	Net revenue anticipated.	Deficit.
	Rs. lakhs.	Rs. lakhs.	Rs. lakhs.	Rs. lakhs.	Rs. lakhs.	Rs. lakhs.	Rs. lakhs.	
1933-34 ..	97.40	11.05	1.97	110.42	..	110.42	..	110.42
1934-35 ..	97.40	11.05	5.57	114.02	..	114.02	..	114.02
1935-36 ..	97.40	11.05	6.84	115.29	..	115.29	..	115.29
1936-37 ..	97.40	11.05	12.07	120.52	..	120.52	..	120.52
1937-38 ..	97.40	11.05	16.54	124.99	..	124.99	..	124.99
1938-39 ..	97.40	11.05	18.42	126.87	..	126.87	..	126.87
1939-40 ..	97.40	11.05	20.05	128.50	..	128.50	..	128.50
1940-41 ..	97.40	11.05	20.68	129.13	0.63	128.50	..	129.13
1941-42 ..	97.40	11.05	22.10	130.55	13.96	116.59	..	130.55
1942-43 ..	97.40	11.05	23.12	131.57	44.91	86.66	..	131.57
1943-44 ..	97.40	11.05	23.82	132.27	52.98	79.29	..	132.27
1944-45 ..	97.40	11.05	24.79	133.24	60.06	73.18	..	133.24
1945-46 ..	97.40	11.05	25.96	134.41	66.92	67.49	..	134.41
1946-47 ..	97.40	11.05	27.34	135.79	73.25	62.54	..	135.79
1947-48 ..	97.40	11.05	27.77	136.22	92.46	43.76	..	136.22
1948-49 ..	97.40	11.05	28.24	136.69	98.97	37.72	..	136.69
1949-50 ..	97.40	11.05	29.26	137.71	105.63	32.08	..	137.71
1950-51 ..	97.40	11.05	29.52	137.97	112.05	25.92	0.26	137.71
1951-52 ..	97.40	11.05	29.94	138.39	118.75	19.64	0.82	137.57
1952-53 ..	97.40	11.05	31.32	139.77	123.42	16.35	2.13	137.64
1953-54 ..	97.40	11.05	33.24	141.69	124.21	17.48	3.19	138.50
1954-55 ..	97.40	11.05	33.24	141.69	127.61	14.08	4.14	137.55

Year.	Excluding Lloyd Barrage.				Including Lloyd Barrage.			
	Basic deficit.	Cost of separation.	Net cost of expansion.	Total deficit.	Revenue at full rates.		Revenue at slump rates.	
					Net revenue anticipated.	Deficit.	Net revenue anticipated.	Deficit.
	Rs.lakhs.	Rs.lakhs.	Rs.lakhs.	Rs.lakhs.	Rs.lakhs.	Rs.lakhs.	Rs.lakhs.	
1955-56 ..	97.40	11.05	33.89	142.34	129.11	13.23	5.36	136.98
1956-57 ..	97.40	11.05	33.89	142.34	130.55	11.79	6.50	135.84
1957-58 ..	97.40	11.05	34.14	142.59	132.17	10.42	7.63	134.96
1958-59 ..	97.40	11.05	34.84	143.29	133.62	9.67	8.73	134.56
1959-60 ..	97.40	11.05	34.84	143.29	135.05	8.24	9.86	133.43
1960-61 ..	97.40	11.05	34.84	143.29	136.79	6.50	11.05	132.24
1961-62 ..	97.40	11.05	35.74	144.19	138.41	5.78	12.00	132.19
1962-63 ..	97.40	11.05	35.74	144.19	137.33	6.86	23.64	120.55

It will be seen that, on our basis of calculation, a separated Sind will have to face an initial deficit of Rs. 110.42 lakhs. We have already dealt, either in this report or in its Appendices, with the various points of uncertainty which are inherent in the items of which this figure is composed, and we are inclined to think that the probable margin of error will not be found to exceed 10 per cent. in either direction.

83. We have made two calculations of the effect of the Lloyd Barrage Project on the deficit of the province, one based on the rates adopted in the revised settlement proposals (*vide* Appendix 7) and one based on the present slump rates (*vide* Appendix 8). We have already explained, in the previous chapter, that in all probability rates lying between these two extremes will ultimately be adopted and we show below the deficit which will have to be met, on the assumption that the revenue actually realized will prove to be the average between the two extremes :—

			With revenue at full rates.	With revenue at slump rates.	Average.
			Rs. lakhs.	Rs. lakhs.	Rs. lakhs.
Year of separation ..	..	..	110.42	110.42	110.42
5th year after separation ..	..	..	124.99	124.99	124.99
10th year after separation ..	..	..	86.66	131.57	109.12
15th year after separation ..	..	..	43.76	136.22	89.99
20th year after separation ..	..	..	16.35	137.64	77.00
25th year after separation ..	..	..	10.42	134.96	72.69
30th year after separation ..	..	..	6.86	120.55	63.71

Even if the full rates are realized, a very rash assumption in existing circumstances, Sind will always be a deficit province on our basis of calculation, although the deficit will fall to below half a crore of rupees after 14 years and to below a quarter of a crore after 18 years. If only the slump rates are imposed, the deficit will never be less than a crore of rupees. At the average of the two rates, the deficit will not fall below a crore of rupees until the fourteenth year after separation, the ultimate deficit, on the full development of the Lloyd Barrage Project, being Rs. 63·71 lakhs.

84. In the light of these results we address ourselves to that portion of our task which remains, namely, the examination of the security of the debt on the Lloyd Barrage. On the day of separation this will amount to Rs. 23·21 crores out of a total debt of Rs. 29·74 crores (including the borrowings necessary to liquidate pension charges payable elsewhere than in Sind) which represents 16 years gross revenue. On that date Sind will have a deficit of Rs. 110·42 lakhs which, unless the Lloyd Barrage comes to the rescue, will grow to Rs. 144·19 lakhs in 1962-63.

85. There is thus obviously no question of Sind standing surety for the Barrage, the problem is whether the Barrage can stand surety for Sind. With a separated Sind there will be no collateral security for the Barrage debt which must depend on the results of the Barrage and on them alone. We have given it as our opinion that, even adopting the most unfavourable rates, the Barrage, though it will make no appreciable contribution to general revenues, will succeed in meeting the annual charges for interest at the end of seventeen years, during which period arrears of interest will be added to capital, and in paying off principal and interest in sixty years. If our conclusions are right, all that will be required for the security of the debt is that the surplus revenues should, to the amount requisite, be transferred as they accrue by the Accounts Officer to central revenues for the service of the debt. But we would be the last to suggest that any estimates made at the present time can be regarded as infallible, and we must point out that, if the results were worse than those shown in Appendix 8 (and there is very little margin for such worsening), central revenues would not be able to turn to Sind to meet the deficit.

86. The task that we leave to those, whoever they may be, whose right and duty it will be to speak for Sind is two-fold. In the first place they have to decide what rates the cultivators of Sind will shoulder for the irrigation from the Lloyd Barrage. In the light of these rates the future prospects of Sind will have to be reviewed. Having arrived at the initial and subsequent deficits it will be theirs to decide whether by the provision of additional sources of revenue or by retrenchment those deficits can be removed.

R. D. BALVALLY,
Secretary.

MILES IRVING.

D. G. HARRIS.

Simla, the 23rd September 1931.

APPENDICES.

NOTE.

Throughout the Appendices, figures are given in lakhs of rupees and decimals of a lakh without any prefix ; thus 41.62 represents Rs. 41,62,000. Wherever, as in giving salary rates, the prefix Rs. occurs the actual number of rupees is signified.

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APPENDIX I.

REVENUE.

Detailed notes showing.

A. Basic figures.

B. Expansion.

BASIC FIGURES OF RECEIPTS.

Major Head.	1927-28.	1928-29.	1929-30.	Average.	Basic figures.
V-Land Revenue	108·85	106·02	91·28	102·05	102·05
VI-Excise	38·76	38·17	35·76	37·56	33·00
VII-Stamps	19·22	18·16	19·24	18·87	20·30
VIII-Forests	7·13	6·54	6·12	6·60	6·60
IX-Registration	1·60	1·54	1·42	1·52	1·52
IX-A Scheduled Taxes ..	0·54	0·54	0·57	0·55	0·55
XIII-Irrigation	4·80	4·77	3·97	4·51	4·51
XIV-Miscellaneous Irrigation	0·26	0·22	0·17	0·22	0·22
XVII-Administration of Justice	2·08	2·04	1·96	2·03	2·03
XVIII-Jails and Convict Settlements ..	1·17	1·12	1·23	1·17	1·17
XIX-Police	0·57	1·47	1·03	1·02	0·87
XXI-Education	1·10	1·27	1·17	1·18	1·18
XXII-Medical	0·59	1·33	1·32	1·06	1·32
XXIII-Public Health ..	0·11	0·75	0·74	0·53	0·75
XXIV-Agriculture ..	0·47	0·74	0·50	0·57	0·57
XXVI-Miscellaneous Departments	0·18	0·18	0·18	0·18	1·38
XXX-Civil Works ..	0·93	1·21	1·74	1·29	1·29
XXXIII-Receipts in aid of superannuation ..	1·87	1·77	1·99	1·88	1·88
XXXIV-Stationery and Printing	0·36	0·44	0·47	0·42	0·42
XXXV-Miscellaneous ..	0·21	0·15	0·12	0·16	0·16
Total	190·80	188·43	170·98	183·39	181·77
XVI-Interest .. ..	..	..	..	..	0·65
Total basic revenue ..	..	..	..	..	182·42

V.—LAND REVENUE.

Item.	1927-28.	1928-29.	1929-30.	Average.
Ordinary Land Revenue	109·35	106·32	91·91	102·53
Recoveries of overpayments	0·12	0·11	0·05	0·09
Sale proceeds, etc.	0·01	..	..	..
Miscellaneous	0·42	0·59	0·40	0·47
Less refunds	1·05	1·00	1·08	1·04
Total	108·85	106·02	91·28	102·05

A.—Basic figures.

The years 1928-29 and 1929-30 were years of floods, with heavy remissions and suspensions, and in the following years we begin to have the effect of the fall in prices ; for 1930-31 the budget was 110·59 but the actuals are roughly only 99·64, special remissions of 22·00 having been given on account of the fall in prices which have part effect in the year 1931-32.

2. For the purpose of accounts classification, it is the practice to credit 9/10ths of receipts under Land Revenue to XIII Irrigation, and then to credit back 3 per cent. to Land Revenue on account of costs of collection. We have taken no account of these complicated transactions. We also ignore a paper transaction which consists in a book entry of about 23·00 on account of assessment of alienated lands with a counter entry of the same amount as expenditure under " 22-General Administration ". Our figures show the actual collections of the consolidated land revenue and water rate.

3. In considering the basic figure under this head, it must be noted that to some extent it is a conventional one. Our figures include the revenue now received from the Lloyd Barrage area, and in dealing with the Barrage project we only take into account the increase of revenue in that area. For this purpose, the present revenue in the Barrage area has, on the basis of the average of the 5 years ending 1927-28, been taken at 60·04. Therefore out of our basic figure for land revenue, 60·04 is purely conventional ; it is an estimate of what will not exist, namely, the revenue which would be received from the Barrage area if there were no Barrage. And ultimately it would not matter what figure we took. If we took a greater, all that would happen at the end would be that the contribution of the Barrage project to the general revenues of the province would appear less ; the total of those revenues would be unchanged. The same remark applies to the Fuleli and Karachi canals systems which it is proposed to remodel, under which existing revenue is reckoned at 8·14. The result is that, so far as our basic figure involves a prophecy, it is only a prophecy as regards that smaller portion of the receipts which is drawn from outside the areas of the Barrage and the canals which are being remodelled.

4. Now taking our figure in the abstract as an endeavour to represent what is the normal land revenue without regarding the effect of the Barrage, we find the widest differences of opinion. On the one hand, it is urged that land revenue is a growing source of income and that something in the neighbourhood of 130·00 is a reasonable basic figure, there being no reason to regard as permanent the effects of the present fall in prices. On the other hand, it is argued that the figure of 1929-30 and what is known of succeeding years make it impossible to take any figure higher than 90·00. Now as a matter of fact land revenue is not, apart from new irrigation projects, a growing source of revenue. The figures of the Land Revenue Administration reports do not (for reasons it would be too long to go into) exactly tally with those of the Accountant General, and the land revenue year is not the same as the accounts year. But by availing ourselves of the distinction made in the Administration reports between sums collected before and after April 1,

we have been able to work out rough figures of collections going back to 1903-04. The following results are of interest :

1919-20 to 1928-29—average 106·18 including 89·28 in 1919-20, 71·67 in 1920-21, 121·68 in 1921-22 and 121·34 in 1922-23.

1909-10 to 1918-19—average 105·58.

1903-04 to 1908-09—average 94·52.

These figures do not indicate any general tendency to rise, at any rate in the last 20 years. If it were not for the fall in prices we would naturally take as our basic figure something in the neighbourhood of 106·00. With matters as they stand it would not be in the least safe to budget for more than about 90·00 for 1933-34. But there is some force in the contention that there is no reason to assume that the present prices, or at any rate the present effect of prices on the revenue paying capacity of the people, will last for ever.

5. In the last resort, for the purpose of fixing a normal revenue (of which as we have explained the greater part is conventional) we are reduced to some rough and ready expedient which we should be the last to dignify with the weight of a prophecy. We take the average of the three years, namely 102·05, which, as we have explained, include two years during which large remissions were given.

B.—Expansion.

6. Considerable additional revenue is anticipated in consequence of the remodelling of the Karachi and Fuleli canals systems. According to the financial forecasts of the schemes in question, the additional land revenue which will be realized will rise from 1·54 in the year of separation to 7·86 in 1945-46. These figures represent the additional net revenue anticipated, after deduction of the revenue now obtained from the canals and the additional working expenses and collection charges which the extension of irrigation will necessitate. The additional land revenue anticipated from the Lloyd Barrage is dealt with in Chapter VI.

VI.—EXCISE.

Item.	1927-28.	1928-29.	1929-30.	Average.
Country spirits	20·86	20·41	18·80	20·02
Country fermented liquor	0·08	0·08	0·08	0·08
Malt liquors	0·05	0·48	0·27	0·27
Wines and spirits	4·58	4·67	4·96	4·74
From commercial spirits .. ..	..	0·04	0·12	0·05
Opium	5·43	5·45	5·36	5·41
Hemp and other drugs	7·18	6·86	6·28	6·77
Fines, etc.	1·81	1·78	1·47	1·69
Payment for service rendered .. ..	..	..	0·01	..
Less refunds	1·23	1·60	1·59	1·47
Total	38·76	38·17	35·76	37·56

A.—Basic figures.

7. From our non-official witnesses we have received estimates ranging from 38·7 to 30·00.

8. The fall in receipts for 1930-31 and 1931-32 is attributable partly to picketing and partly to general depression, and it is of course impossible for us to say how far these causes will persist. It must be remembered that, in theory at all events, prohibition holds the field as the declared policy of the Bombay Legislative Council. If we were making a budget for 1933-34 it would be dangerous to go beyond 32·00, but as in the case of land revenue we may, in taking a normal basic figure, go somewhat above that indicated by the conditions of the moment. Local excise officers in Sind suggest 33·00 or 34·00 and we take 33·00.

VII—STAMPS.

Item.	1927-28.	1928-29.	1929-30.	Average.
Non-judicial—				
Sale of stamps	10·11	9·97	9·47	9·85
Duty on impressing documents ..	0·11	0·09	0·11	0·10
Fines and penalties	0·08	0·06	0·07	0·07
Miscellaneous	0·24	0·34	0·06	0·22
Recoveries from other Governments ..	..	..	1·01	0·34
Less refunds	0·18	0·96	0·12	0·42
Judicial—				
Sale of stamps	8·94	9·02	8·69	8·88
Fines and penalties .. .. .	..	9·01	..	..
Miscellaneous .. .. .	..	0·14	0·01	0·05
Less refunds	0·08	0·51	0·06	0·22
Total	19·22	18·16	19·24	18·87

A.—Basic figure.

9. It is probable that the accounts for the two following years will show a serious drop. The receipts for the Presidency as a whole for the three years averaged 173·65 from which they dropped to 157·21 in the budget for 1931-32. But 1930-31 was a year of severe depression from which the following year has not recovered, and for a basic figure we think we cannot do better than to keep to the average.

10. During each of the three years 1927-28 to 1929-30 a sum of 12·50 was assigned to the Bombay Government as its share of postage stamps used for revenue purposes. This amount is included among the figures entered for "Non-Judicial—Sale of Stamps" in the Presidency accounts. Sind's share of the sale of ordinary non-Judicial stamps during this period has been about 13·6 per cent. The budget figure for 1931-32 is 10·41, of which Sind's share may be taken at 1·43. The basic figure is therefore—

Average .. .. .	..	..	..	..	18·87
Assignment .. .. .	..	..	..	..	1·43
Total					20·30

B.—*Expansion.*

11. It is not unlikely that, with the increase of population and prosperity due to the Barrage, the income from the sale of stamps both judicial and non-judicial will increase. Apart from this, additional revenue to the extent of 2.58 is anticipated under this head, consequent on the conversion of the Judicial Commissioner's Court into a Chief Court. We consider that 3.00 would be an appropriate figure to take for expansion under this head.

VIII.—FORESTS.

Item.	1927-28.	1928-29.	1929-30.	Average.
Timber, etc., removed from forests by Government agency	1.41	1.39	0.79	1.20
Timber, etc., removed from forests by consumers or purchasers	4.82	4.38	4.30	4.50
Miscellaneous	0.91	0.78	1.07	0.92
Less refunds	0.01	0.01	0.04	0.02
Total ..	7.13	6.54	6.12	6.60

A.—*Basic figure.*

12. The Presidency receipts averaged 75.38 in these three years, but the budget for 1931-32 is being revised to 60.00, which indicates a drop in Sind. But the years 1928-29 and 1929-30 were years of peculiar depression owing to factors which may not prove lasting and we therefore adhere to the average of the triennium, namely 6.60.

B.—*Expansion.*

13. It is proposed to start an irrigated plantation under the Lloyd Barrage but, for the first 20 years, income will balance expenditure. The existing forests in Sind comprise 1,147 square miles and are considerably in excess of Sind's present needs for the purpose of fuel, timber and grazing. But those demands may and probably will increase; and in any case if any portion of this area were disafforested, the loss in income would be compensated by an increase in land revenue. We have no ground for anticipating either expansion or contraction of forest revenue in the next 20 years.

IX.—REGISTRATION.

Item.	1927-28.	1928-29.	1929-30.	Average.
Fees for registering documents ..	1.57	1.51	1.39	1.49
Fees for copies	0.02	0.02	0.02	0.02
Miscellaneous	0.02	0.02	0.02	0.02
Less refunds	0.01	0.01	0.01	0.01
Total ..	1.60	1.54	1.42	1.52

14. Basic figure 1·52. Expansion, if any, will be more than covered by increased expenditure.

IX.-A.—SCHEDULED TAXES.

Item.	1927-28.	1928-29.	1929-30.	Average.
Entertainment tax	0·54	0·54	0·57	0·55

15. Basic figure 0·55. We have no grounds for anticipating any expansion.

XIII.—IRRIGATION RECEIPTS.

(Excluding land revenue due to irrigation which is included under V-Land Revenue.)

Item.	1927-28.	1928-29.	1929-30.	Average.
Productive works, direct receipts ..	3·96	3·81	3·14	3·63
Unproductive works, direct receipts ..	0·99	1·10	0·96	1·02
Less collection charges	0·13	0·14	0·11	0·13
Less refunds	0·02	..	0·02	0·01
Total ..	4·80	4·77	3·97	4·51

A.—Basic figure.

16. These figures include receipts in the area commanded by the Lloyd Barrage and the Karachi and Fuleli canals systems and a figure representing existing receipts is deducted in our estimates of expansion due to these projects. The basic figure of 4·51 is adopted and no expansion outside the above areas is contemplated.

XIV.—MISCELLANEOUS IRRIGATION RECEIPTS.

Item.	1927-28.	1928-29.	1929-30.	Average.
Direct receipts	0·29	0·22	0·17	0·23
Deduct refunds	0·03	..	..	0·01
Total ..	0·26	0·22	0·17	0·22

17. Basic figure 0·22. No expansion.

XVII.—ADMINISTRATION OF JUSTICE.

Item.	1927-28.	1928-29.	1929-30.	Average.
Sale proceeds of unclaimed and escheated property.	0·10	0·06	0·07	0·08
Court fees realised in cash	0·01	0·04	0·03	0·03
General fees, etc.	1·93	1·88	1·72	1·84
Pledership examination fees	0·03	0·04	0·05	0·04
Miscellaneous fees	0·12	0·11	0·21	0·14
Miscellaneous	0·17	0·03	0·03	0·08
Recoveries of overpayments	0·01	0·02	0·05	0·03
Less refunds	0·29	0·14	0·20	0·21
Total ..	2·08	2·04	1·96	2·03

18. Basic figure 2·03.

B.—Expansion.

19. Additional revenue to the extent of 0·25 is anticipated under this head, consequent on the conversion of the Judicial Commissioner's Court into a Chief Court.

XVIII.—JAILS AND CONVICT SETTLEMENTS.

Item.	1927-28.	1928-29.	1929-30.	Average.
Jails	0·28	0·41	0·30	0·33
Jail manufactures	0·87	0·71	0·93	0·83
Recovery of overpayment	0·02	..	..	0·01
Total ..	1·17	1·12	1·23	1·17

20. Basic figure 1·17. No expansion.

XIX.—POLICE.

Item.	1927-28.	1928-29.	1929-30.	Average.
Cash receipts under arms Act ..	0·03	0·10	0·12	0·08
Fees, fines and forfeitures	0·41	0·52	0·55	0·49
Miscellaneous	0·11	0·02	0·02	0·05
Recoveries of overpayments	0·02	0·03	0·03	0·03
Police supplied to public departments, private companies, etc. ..	..	0·80	0·31	0·37
Total ..	0·57	1·47	1·03	1·02

A.—Basic figures.

21. These figures include fees for motor licenses which, with effect from 1931-32, have been transferred to XXVI-Miscellaneous. The reductions to be made cannot be determined with accuracy. The Presidency Budget of receipts under this head for 1931-32 is 8.72. As in the past, Sind has accounted for 1/10th of the whole, 0.87 may be taken as the basic figure. Expansion negligible.

XXI.—EDUCATION.

Item.	1927-28.	1928-29.	1929-30.	Average.
Government secondary school fees ..	0.96	0.90	0.90	0.92
Government primary school fees ..	..	..	0.01	..
Government special school fees ..	0.01	..	0.01	0.01
Contributions .. ..	..	0.02	—0.01	..
Miscellaneous	0.07	0.05	0.05	0.06
Recoveries of overpayments ..	0.07	0.30	0.21	0.19
Less refunds	0.01	..	..	..
Total ..	1.10	1.27	1.17	1.18

22. Basic figure 1.18. The figures given for expansion under the expenditure head are net and include any additional receipts which may be realized.

XXII.—MEDICAL.

Item.	1927-28.	1928-29.	1929-30.	Average.
Medical school and college fees ..	..	0.02	0.05	0.02
Hospital receipts	0.21	0.17	0.26	0.21
Mental hospital receipts ..	0.18	0.21	0.19	0.19
Contributions	0.06	0.78	0.71	0.52
Miscellaneous	0.01	0.02	0.11	0.05
Recoveries of overpayments ..	0.13	..	..	0.04
Payments for services rendered ..	..	0.13	0.01	0.05
Deduct refunds .. ..	..	..	0.01	..
Total ..	0.59	1.33	1.32	1.08

23. In this case it seems preferable to take the average of the last two years as the basic figures, viz., 1-32. As under Education, the expenditure figures for expansion are net.

XXIII.—PUBLIC HEALTH.

Item.	1927-28.	1928-29.	1929-30.	Average.
Sera and vaccine	0-07	0-10	0-11	0-09
Contributions	0-03	0-56	0-46	0-35
Miscellaneous	0-01	0-09	0-05	0-05
Recoveries .. ..	..	..	0-12	0-04
Total ..	0-11	0-75	0-74	0-53

24. The figures for 1927-28 are not really comparable with the others. Sind will have to purchase its sera and vaccine from outside, but will recoup itself by sales. The average 0-75 of the last two years will stand as our basic figure. As under Education, the expenditure figures for expansion are net.

XXIV.—AGRICULTURE.

Item.	1927-28.	1928-29.	1929-30.	Average.
Agriculture	0-47	0-67	0-37	0-51
Veterinary .. ..	..	0-01	..	..
Co-operative credit .. ..	..	0-05	0-08	0-04
Recovery of overpayments .. ..	..	0-01	0-05	0-02
Total ..	0-47	0-74	0-50	0-57

25. The average 0-57 is adopted as our basic figure. There will no doubt be an increase of income with the increase of expenditure in the programme of expansion, but as we have not been able to do more than suggest a rough figure for expenditure we have found it simpler to regard it as net expenditure and to make no separate provision for expansion under the receipt head.

XXVI.—MISCELLANEOUS DEPARTMENTS.

Item.	1927-28.	1928-29.	1929-30.	Average.
Examination fees	0-01	0-01	0-02	0-01
Fees for inspection of steam boilers ..	0-17	0-17	0-16	0-17
Total ..	0-18	0-18	0-18	0-18

26. To the average of 0.18 is to be added receipts for inspection of motor vehicles newly transferred to this head. The budget for the whole Presidency is 12.01 and Sind's share (proportional to the petrol consumed respectively in Sind and the Presidency proper) may be put at 1.20. Basic figure 1.38. We have no grounds for assuming expansion under this head.

XXX.—CIVIL WORKS.

Item.	1927-28.	1928-29.	1929-30.	Average.
Receipts	0.99	1.27	1.77	1.34
Less refunds	0.06	0.06	0.03	0.05
Total	0.93	1.21	1.74	1.29

27. Basic figure 1.29.

B.—Expansion.

28. Revenue to the extent of 0.26 from ground rents and the rents of buildings and temporary sites is anticipated from the Artillery Maidan scheme in 1933-34. If the development proceeds as forecasted, the revenue from the scheme will rise to 0.83 in 1951-52 and remain constant at that figure thereafter.

29. In addition, the revenue expenditure head will be relieved of the rateable charges for establishment and tools and plant, which will be debited against the capital roads and buildings programme and met from loan funds. These charges are therefore taken into account as receipts under this head. They are estimated to amount to 2.10 in 1933-34; thereafter they decrease and cease in 1953-54 on completion of the capital programme.

XXXIII.—RECEIPTS IN AID OF SUPERANNUATION.

Item.	1927-28.	1928-29.	1929-30.	Average.
Contributions for pensions and gratuities	1.84	1.72	1.93	1.83
Miscellaneous	0.03	0.05	0.06	0.05
Total	1.87	1.77	1.99	1.88

A.—Basic figure.

30. By far the greater portion of these receipts represents contributions made by local bodies towards the pensions of primary school teachers. It is possible that, in addition to the above, which are received directly through Sind treasuries, some small receipts are realized in Bombay on account of contributions towards the pensions of officers in respect of whom Sind have a pensionary liability. Such receipts should properly be credited to Sind, but the amount at issue will be small and we have decided to ignore it; our figures for the total pensionary liability of the new province are so rough that they may be regarded as net. The question of receipts can be taken into consideration when the actuarial valuation of the liability, which we have suggested should be made, is taken up. Basic figure 1.88.

B.—Expansion.

31. We do not consider it necessary to allow for any expansion of the receipts under this head. The factors which are responsible for the growth of the pension bill of Government officers do not operate to the same extent in the case of the pensions now in question;

moreover, we understand that increasing advantage is being taken by local authorities of the permission accorded them to substitute their own aided provident funds for the contributions previously made.

XXXIV.—STATIONERY AND PRINTING.

Item.	1927-28.	1928-29.	1929-30.	Average.
Total receipts	0.36	0.44	0.47	0.42

A.—Basic figure.

32. Presumably the Lloyd Barrage, which at present obtains its supplies on payment from the Presidency, will obtain them in the open market, as it is suggested that other departments should do, so no addition need be made on this account. Basic figure 0.42. No expansion.

XXXV.—MISCELLANEOUS.

Item.	1927-28.	1928-29.	1929-30.	Average.
Unclaimed deposits	0.16	0.09	0.10	0.11
Fees for Government audit	0.07	0.05	0.05	0.06
Other fees, fines, etc.	0.02	0.01	..	0.01
Recoveries of overpayments	0.01	0.09	0.02	0.04
Less refunds	0.05	0.09	0.05	0.06
Total	0.21	0.15	0.12	0.16

33. Basic figure 0.16. No expansion.

XXXVI.—INTEREST.

34. This receipt head records interest recovered mainly on account of loans and advances by Government to cultivators, local bodies, etc., through the Provincial Loans Account. Considering the past actuals and the amount that will probably be outstanding on 1st April 1932 and applying to it the average of the rates of interest at which the amounts have been or will be lent to cultivators, etc., Sind will probably get a revenue of 0.65 from this source in the year of separation.

APPENDIX 2.

EXPENDITURE.

Detailed notes showing.

- A. Basic figures.
- B. Cost of separation.
- C. Expansion.

BASIC FIGURES OF EXPENDITURE.

Major Head.	1927-28.	1928-29.	1929-30.	Average.	Additions.	Basic figure.
5. Land Revenue	13.98	14.13	13.76	13.95	0.44	14.39
6. Excise	2.33	2.43	2.42	2.39	1.00	3.39
7. Stamps	0.44	0.44	0.40	0.43	0.02	0.45
8. Forests	3.99	3.84	3.66	3.83	0.18	4.01
9. Registration	0.82	0.81	0.83	0.82	..	0.82
XIII. Irrigation	31.32	33.39	34.95	33.22	..	33.22
15. Miscellaneous Irrigation	18.90	13.80	16.38	16.36	..	16.36
22. General Administration	20.49	21.05	21.43	20.99	2.51	23.50
24. Administration of Justice	11.57	11.48	11.68	11.58	0.35	11.93
25. Jails and Convict Settlements	6.30	6.23	6.17	6.23	0.14	6.37
26. Police	36.16	35.82	35.72	35.90	5.31	41.21
27. Ports and Pilotage	0.16	0.16	0.15	0.16	—0.16	..
31. Education	26.22	27.39	27.80	27.14	0.10	27.24
32. Medical	6.04	6.64	6.95	6.54	0.24	6.78
33. Public Health	2.77	2.56	2.62	2.65	0.16	2.81
34. Agriculture	4.71	4.56	5.17	4.81	2.61	7.42
35. Industries	0.02	0.02	..	0.02	0.08	0.10
37. Miscellaneous Departments	0.28	0.24	0.23	0.25	0.09	0.34
41. Civil Works	30.17	29.92	29.36	29.81	—3.49	26.32
46. Stationery and Printing	1.10	1.09	1.11	1.10	1.22	2.32
47. Miscellaneous	1.23	1.91	1.23	1.45	..	1.45
Total	219.00	217.91	222.02	219.63	10.80	230.43
19. Interest .. ..	..	..	..	..	..	31.09
21. Reduction of Debt .. ..	..	..	..	..	..	..
43. Famine Relief	2.33	0.28	5.87	2.83	..	1.80
45. Pensions .. ..	..	..	..	..	..	16.50
Total basic expenditure .. ..	..	..	..	..	..	279.82

5.—LAND REVENUE.

Item.	1927-28.	1928-29.	1929-30.	Average.
General establishment	1.41	1.39	1.01	1.27
Land records—				
Superintendence	0.68	0.73	0.67	0.69
City Land records	0.25	0.25	0.26	0.25
District charges	11.54	11.66	11.72	11.64
Assignments and compensations: Inamdars and other grantees.	0.01	0.01	0.01	0.01
District and village officers ..	0.06	0.06	0.06	0.06
Miscellaneous compensations ..	0.03	0.03	0.03	0.03
Total ..	13.98	14.13	13.76	13.95

A.—Basic figure.

The following have to be added—

- (a) The cost of cadastral maps at present printed at Poona : 0.30.
- (b) The portion of the cost of the new District at Dadu debitable to this head : 0.05.
- (c) English charges : 0.09. English charges for the Presidency average 0.47 and Sind may be regarded as chargeable with one-fifth.

Certain recoverable expenditure budgeted for 1931-32 for surveys is ignored.

Basic figure 14.39.

B.—Cost of separation.

2. At present the Commissioner in Sind is the administrative officer for land revenue and the duties of the Settlement Commissioner and Director of Land Records (when he tours in Sind) are confined to inspection, examination and report. In our proposals for the headquarters administration we are suggesting the appointment of a Revenue Commissioner and we think that this department alone, makes such an appointment essential. He would, in our opinion, effectively carry out all the duties of head of the department including those of Settlement Commissioner and Director of Land Records. We have allowed for his pay under 22 General Administration and there remains no cost of separation under this head.

C.—Expansion.

3. The additional cost of collection of revenue on the Lloyd Barrage and the Karachi and Fuleli canals systems is provided in our estimates of expansion due to those projects.

4. When the Guni district is inaugurated, an additional expenditure under this head of 1.75 on account of additional village staff is anticipated. It is estimated that 0.45 will be spent on this account in 1936-37, rising to 1.75 in 1939-40.

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6—EXCISE.

Item.	1927-28.	1928-29.	1929-30.	Average.
Combined Salt and Excise establishment in Sind.	2.08	2.18	2.17	2.14
Compensation payable to Local Boards	0.25	0.25	0.25	0.25
Total ..	2.33	2.43	2.42	2.39

A.—Basic figure.

5. We have to add the cost price of opium actually sold in Sind which has been—

1927-28	1.37
1928-29	1.24
1929-30	1.12

The average is 1.25. But the budget for 1931-32 is only .94 and 1.00 may be taken.

There is no expenditure in England referable to Sind. The basic figure is—

Establishment	2.14
Compensation	0.25
Cost of opium	1.00
Total	3.39

B.—Cost of separation.

6. At present the Commissioner in Sind is invested with the same powers under the Bombay Abkari and Opium Acts as the Excise Commissioner, and Sind is a self-contained unit for Excise purposes. We do not think that the loss of the periodical inspections of the Excise Commissioner will be seriously felt; but the abolition of the post of Commissioner would, if there were no Revenue Commissioner, leave the Superintendent as the administrative head of the department, and some at any rate of the administrative functions of the Commissioner would have to devolve on Government. In our proposal for the headquarters of the province the situation is adequately met by investing the Revenue Commissioner with the powers of an Excise Commissioner. The expenditure is dealt with under the head 22 General Administration and there is no cost of separation debitable to Excise.

C.—Expansion.

7. There is nothing to indicate any expansion in this Department nor is it safe to allow for any reduction; if such reduction took place it would be more than covered by a decrease of revenue.

7.—STAMPS

Item.	1927-28.	1928-29.	1929-30.	Average.
Presidency executive establishment ..	0.19	0.20	0.14	0.18
District establishment	0.01	0.01	0.01	0.01
Charges for the sale of non-judicial stamps.	0.19	0.18	0.18	0.18
Charges for the sale of judicial stamps ..	0.05	0.05	0.07	0.06
Total ..	0.44	0.44	0.40	0.43

A.—Basic figure.

8. The Bombay Government receives Rs. 13,000 a year from the Posts and Telegraphs Department on account of postage stamp work at the stamp depots and in treasuries. Sind's share of this, taken in reduction of expenditure, may be put at .02. Judging either by stamp income or charges, Sind's share of the cost of stamps supplied from central stores would seem to be 1/8th, say .04.

Basic figure 0.45.

B.—Cost of separation.

9. Stamps in Sind form a self-contained department under the Collector of Karachi who is ex-officio Superintendent of Stamps in Sind. The Commissioner is at present Chief Revenue Controlling Officer and under our proposal that position will be occupied by the Revenue Commissioner. There is no cost of separation debitable to Stamps.

C.—Expansion.

10. Charges for the sale of stamps would increase with increased sales; but our estimate for the latter can only be rough and may conveniently be taken as net.

8.—FORESTS.

Item.	1927-28.	1928-29.	1929-30.	Average.
Conservancy, maintenance and regeneration.	0.97	0.85	0.57	0.80
Establishment	2.99	2.96	3.05	3.00
Capital expenditure charged to revenue	0.03	0.03	0.04	0.03
Total ..	3.99	3.84	3.66	3.83

A.—Basic figure.

11. The expenditure in England may be calculated from the proportion which the establishment in Sind, 3.00, bears to that of the whole Presidency, 23.15, i.e., 1/8th. The average English charges being 1.44, we add 0.18. Basic figure 4.01.

B.—*Cost of separation.*

12. The Sind forest circle comprises 1,147 square miles out of 14,904 square miles for the whole Presidency, under the control and occasional supervision of the Chief Conservator. We think that the Conservator should on separation assume independent charge. Forest problems in Sind are different from those in the Presidency proper, and we do not think that the cessation of the control of the Chief Conservator of the Presidency would be seriously felt. We provide the conventional Rs. 200 p.m. for the increased responsibility, say 0·02.

13. The minimum cadre required for Sind would be, besides the Chief Conservator, 5 Divisional Forest Officers (territorial), 1 Divisional Forest Officer (working plans), 1 Sub-Divisional Forest Officer and 1 leave reserve. Of these, the Divisional Forest Officer (working plans) and the leave reserve are wanting. The cadre would probably be too small to stand alone and officers would have to be borrowed. This might also apply to the Ranger class which is at present on a joint cadre, but for reasons generally applicable we are not providing the cost of a leave reserve. The cost of separation would be—

Chief Conservator	02
Divisional Forest Officer	12
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Total	14
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C.—*Expansion.*

14. It is proposed to start an irrigated plantation under the Lloyd Barrage, but for the first 20 years the cost will be simply recouped by income from temporary cultivation and nothing need be provided.

9.—REGISTRATION.

Item.	1927-28.	1928-29.	1929-30.	Average.
District charges	0·82	0·81	0·83	0·82

A.—*Basic figure.*

15. None of the expenditure in England is referable to Sind. Basic figure 0·82.

B.—*Cost of separation.*

16. Under our proposal the functions of Inspector General of Registration will devolve on the Revenue Commissioner, and there will be no cost of separation debitable to Registration.

C.—*Expansion.*

17. Any expansion may be regarded as covered by revenue.

XIII.—Irrigation—Working Expenses.

Item.	1927-28.	1928-29.	1929-30.	Average.
Productive Works—				
Extensions and improvements ..	0.68	0.40	0.66	0.58
Maintenance and repairs ..	20.83	24.11	24.10	23.01
Special establishment ..	0.02	0.20	0.22	0.15
Unproductive—				
Extensions and improvements ..	0.21	0.40	0.30	0.30
Maintenance and repairs ..	8.86	7.53	8.91	8.43
Special establishment ..	0.72	0.75	0.76	0.75
Total ..	31.32	33.39	34.95	33.22

A.—Basic figure.

18. The average is 33.22. The corresponding budget for 1931-32 is 27.64, but the budget figures indicate a year of special retrenchment. It would not be fair to start a new province on this starvation basis, and the three years' average may be taken. No provision is made under this head on account of rateable establishment and tools and plant charges. The whole expenditure on Public Works charges of this nature is included under 41-Civil Works, *q. v.*

B.—Cost of separation.

19. As stated in the note under 41-Civil Works, the revised establishment will not require any increase on account of separation except allowances to the Chief Engineers which are provided for under 22-General Administration.

C.—Expansion.

20. No growth of expenditure is shown under this head. The working expenses of the Lloyd Barrage project are separately dealt with in Chapter VI. In the case of the additional working expenses on the remodelled Karachi and Fuleli canals systems, the additional revenue shown under V-Land Revenue is the net revenue, that is to say, the revenue after deduction of irrigation-working expenses.

15.—MISCELLANEOUS IRRIGATION EXPENDITURE.

Item.	1927-28.	1928-29.	1929-30.	Average.
Extensions and improvements ..	8.14	4.01	4.14	5.43
Maintenance and repairs ..	10.55	9.79	12.24	10.86
Special establishment ..	0.15	..	..	0.05
Other charges ..	0.06	..	..	0.02
Total ..	18.90	13.80	16.38	16.36

21. Excluding rateable establishment and tools and plant (*vide* note under XIII Irrigation-Working Expenses), the average expenditure is 16·36, which we take as our basic figure. There will be no cost under separation or expansion.

22.—GENERAL ADMINISTRATION.

Item.	1927-28.	1928-29.	1929-30.	Average.
Commissioner in Sind and office ..	2·74	2·87	3·05	2·89
General establishments—				
General and treasury	11·16	11·17	11·38	11·24
Sub-divisional	6·59	7·01	7·00	6·86
Total	20·49	21·05	21·43	20·99

A.—Basic figure.

22. The above figures do not allow for the transfers of portions made in the general accounts to Land Revenue, Excise and other heads, and they ignore the item on account of quit-rent of alienated lands which in the general accounts is met by an equal entry on the revenue side. The latter item was 23·95, 24·13 and 24·12 in the three years.

23. To the average must be added a sum of about ·03 drawn in Bombay as pay by officers serving in Sind, and 0·03 deducted for political work undertaken by collectors. The average expenditure in England for the whole Presidency is 5·69 out of which half (2·85) comes under the heads—Commissioners and District establishment which are the only sub-heads with which we are concerned. On the basis of pay of officers employed in Sind 1/4th of this, say 0·70, should be taken to Sind. Assuming that the present Assistant Examiner would go to Sind with the staff there, the cost of the Local Fund Audit Department in Sind may be put at about ·50, while the cost of the new district of Dadu chargeable to this head is 1·15. 0·16 has also to be transferred from Ports and Pilotage, *q.v.*

24. The total basic figure is therefore :—

Average disbursements	20·99
Pay and leave salary drawn in Bombay	·03
Deduct for political work	—·03
Expenditure in England	·70
Local Fund Audit	·50
New district	1·15
From Ports and Pilotage	0·16
Total	23·50

B.—Cost of separation.

25. The headquarters of Government.—The cost of separation as far as it affects the headquarters of Government falls under the following sub-heads of the main head 22—General Administration :—

- Heads of provinces.
- Legislative bodies.
- Secretariat and headquarters establishments.

26. *Heads of provinces.*—By appointing a Governor from the Indian Civil Service and putting him in charge of a portfolio, no doubt considerable economy could be effected. But as far as we are at liberty to foresee the nature of the new constitution of the provinces this is not what is likely to be normal, and we cannot assume special legislation for Sind. We therefore assume that the Governor will not be a member of his council and will not have a portfolio. We assume a pay of Rs. 5,500 per mensem for him and other expenditure as in Assam. Assam has two Members of Council and two Ministers. None of our unofficial witnesses have suggested less than three Ministers, and, though we are by no means sure that two would not suffice, we accept the latter number. We also contemplate a Private Secretary and an A. D. C. of the rank respectively of Major and Lieutenant with the usual allowances, as in Assam. Our proposals compare with the average expenditure in Assam as follows :—

				Average in Assam.	Our proposals.
Salary of Governor	..	..	..	0.68	0.66
Sumptuary allowances	..	..	..	0.06	0.06
Staff and household	..	..	..	0.55	0.55
Contract allowances	..	..	..	0.10	0.10
Tour expenses	..	..	..	0.24	0.25
Discretionary grants	..	..	..	0.23	0.20
Expenditure in England	..	..	..	0.01	0.01
Total Governor				1.87	1.83
Ministers	..	..	..	2.02	1.30
Total				3.89	3.13

27. The number of secretaries to be employed depends largely on whether Sind will require a Revenue Commissioner. The absence of such an officer would mean that, in the important departments of land revenue and excise, together with the questions of general administration linked with them, there would be no intermediary between the district officer and Government, a situation quite without parallel in the administration of British India. In many provinces there are two such intermediaries, the Commissioner and the Revenue Board or Financial Commissioner. There is no province which has not either one or the other. Assam has two Divisional Commissioners and a Director of Land Records. We feel that there would be serious administrative objections on the one hand to Government being deprived of the assistance of an expert in these matters and on the other to District Officers being left without the advice and support of a senior touring officer. We therefore think that there should be a Revenue Commissioner dealing with Land Revenue, Land Records, Stamps, Excise, Registration and the general administration of district offices, who should also be Secretary to Government for these subjects and also for Forests.

28. Assam has a Chief Secretary and three other secretaries, one of whom is a district judge and is in charge of the Legislative Department, and combines the duties of Legal Remembrancer, Administrator General, Official Trustee and secretary of the legislative council. It is possible that a cheaper arrangement could be arrived at, e.g., by the substitution of provincial for Imperial officers, but in conformity with our principle of adhering to existing standards we propose 3 I. C. S. secretaries with special pay of Rs. 150 in addition to the Revenue Commissioner. We observe that, for a Governor and Ministers without administrative experience, a strong secretariat will be essential. Presuming that senior members of the service will be employed we take the average emoluments of a secretary as basic pay Rs. 2,000, O. S. P. £30, plus Rs. 150 special pay=Rs. 2,550.

29. The Assam secretariat includes two under secretaries, in the provincial time scale with special pay of Rs. 200. We would likewise have two (one of whom would be specially attached to the Revenue Commissioner) and take their average emoluments at Rs. 750.

30. The cost of the Public Works Department secretariat is included in the reorganization scheme of the Department and we are assured that no further expenditure will be entailed by separation. As, however, the Chief Engineers will become secretaries, we think that some addition will be required to their emoluments which we put at our conventional figure of Rs. 200 for each.

31. The Commissioner in Sind has calculated the cost of establishment for the secretariat at 2.29.

The present cost is :—

Pay of establishment	0.99
Allowances and honoraria	0.30
Contingencies	0.48
Sindhi-translator's office	0.21
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	1.98

But this includes certain travelling and other allowances of the Commissioner. The Assam figure is about 2.80. The suggested figure may be accepted. From the above figures will have to be deducted the present cost of the Commissioner in Sind and his office, namely, 2.89.

32. The additional cost of the secretariat will then be as follows :—

Revenue Commissioner	0.37
Fixed T. A.	0.03
3 Secretaries	0.92
2 Under Secretaries	0.18
Establishment	2.29
Allowances to Chief Engineers	0.05
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	3.84
Deduct present cost	2.89
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Not cost of separation	0.95

33. *Legislative bodies.*—The Assam Council consists of 53 members and the average expenditure is 0.61 for the Council and 0.19 for election expenses. The estimate given us for a proposed council of fifty-two members for Sind is :—

President	0.24
Staff	0.16
Allowances	0.36
Contingencies	0.09
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	0.85

This does not include a secretary who possibly would be found from the Governor's secretariat as in Assam. The estimate for election expenses is Rs. 25,000. We accept a total figure of 1.10.

34. The total cost of separation under 22-General Administration at the headquarters of the administration will thus be:—

Heads of province	3.13
Secretariat and headquarters establishment	0.95
Legislative bodies	1.10
Total	5.18

This, we repeat, is the additional cost on the existing standards of administration and emoluments prevailing in Governors' provinces. It would serve no purpose to consider at this stage what it might be on other standards.

35. *Capital expenditure.*—We accept the following estimates made on behalf of the Commissioner in Sind for the extra accommodation that will be required:—

Alterations and additions to Government House ..	1.00
Additional quarters	0.70
Alterations and additions to Public Works Department secretariat	0.25
Combined secretariat and council hall	18.00
Total	19.95

This will be charged to capital and be discharged in 30 annual equated payments at 6 per cent. which will necessitate an addition of 1.45 under the heads 19 and 21 Interest and Reduction of Debt.

C.—Expansion.

36. The creation of the district at Guni will add 1.65 to the charges for General Administration. It is estimated that 0.40 will be spent on this account in 1936-37, rising to 1.65 in 1939-40.

24.—ADMINISTRATION OF JUSTICE.

Item.	1927-28.	1928-29.	1929-30.	Average.
Law Officers—				
Mofussil establishment ..	1.63	1.84	2.15	1.87
Judicial Commissioners—				
Judicial Commissioner ..	2.94	2.83	2.77	2.84
Process serving establishment ..	0.05	0.05	0.05	0.05
Courts of Small Causes—				
Mofussil courts	0.56	0.40	0.45	0.47
Civil and Sessions Judges—				
Civil and Sessions Judges ..	4.47	4.40	4.31	4.39
Process serving establishment ..	0.51	0.50	0.51	0.51
Criminal Courts—				
General establishment	1.34	1.40	1.36	1.36
Judicial establishment	0.06	0.06	0.06	0.06
Pleadership examination ..	0.01	..	..	0.01
Total	11.57	11.46	11.63	11.56

A. Basic figure.

37. It has been suggested that the figures for Law Officers in 1929—30 were inflated by special causes but the budget for 1931-32 as a whole exceeds the figures of 1929-30 by 0·28. There are, therefore, no reasons for departing from the average. The charges in England, which represent leave salary and overseas pay, average 2·44. Calculated on non-voted pay of officers, Sind should be charged with roughly 1/7th of this, i.e., 0·35. The basic figure is thus 11·93.

B. Cost of separation.

38. An Act has already been passed for the creation of a Chief Court at Karachi, the scheme being only held up on financial grounds. A Chief Court cannot be regarded as an absolutely necessary concomitant of separation, as its desirability is admitted whether separation takes place or not and separation could take place without it. We have therefore decided to include this in our forecast of the natural growth of expenditure, and not under the cost of separation.

39. In Assam the duties of Legal Remembrancer and Administrator General and Official Trustee are performed by a secretary. This course might be adopted in Sind, but it would also be possible for the former duties to be carried out by the Public Prosecutor, and the two latter by the Official Assignee. In neither case is it necessary for us to take account of any extra cost.

C. Expansion.

40. The conversion of the Judicial Commissioner's Court into a Chief Court is estimated to cost 3·14. This charge is regarded as occurring from the date of separation. No additional recurring expenditure is anticipated owing to the formation of the new judicial district at Nawabshah, the cost of which will be counterbalanced by reductions in Hyderabad.

25.—JAILS AND CONVICT SETTLEMENTS.

Item.	1927-28.	1928-29.	1929-30.	Average.
Jails	5·55	5·45	5·46	5·49
Jail manufactures	0·75	0·78	0·71	0·74
Total ..	6·30	6·23	6·17	6·23

A. Basic figure.

41. Expenditure in England is chiefly on account of the leave salary of non-voted officers. On the basis of non-voted pay Sind is debitable with roughly 1/5th of the expenditure in England on behalf of the Presidency which averages 0·71, say 0·14. Basic figure 6·37.

B. Cost of separation.

42. Sind has one central jail and three full-time Superintendents of Jails, under the supervision of the Inspector General of Prisons, Bombay. We think that for Sind, like Assam, the posts of Inspector General of Prisons and Civil Hospitals could be combined. We adopt the Assam figure for direction of 0·37. There are three full-time Jail Superintendents. There is at present no cadre for these posts, which are filled by selection from the rank of Jailor. Sind would have to make use of the Presidency Borstal Jail of which the cost is 0·56 for 250 boys, about Rs. 225 per head. The number of admissions from Sind is about 40, hence a contribution of 0·09 would be necessary. There are also about 500 prisoners from Sind accommodated in the Presidency Jail for want of room in Sind. The average cost is Rs. 160 a head, for which a contribution of 0·80 would be required.

43. The cost of separation is thus as follows :—

Direction	0.37
Borstal jail	0.09
Sindhi prisoners	0.80
Total	1.26

We do not anticipate any expansion under this head.

26.—POLICE.

Item.	1927-28.	1928-29.	1929-30.	Average.
Superintendence	0.62	0.57	0.55	0.58
District executive force—				
Police proper	30.79	30.69	30.83	30.77
Other police	0.07	0.05	—0.01	0.04
Additional police	0.08	0.07	0.07	0.07
Harbour police	0.62	0.61	0.57	0.60
Village police	0.59	0.61	0.61	0.60
Railway police	1.99	1.78	1.74	1.84
Criminal Investigation Department	1.40	1.44	1.36	1.40
Total	36.16	35.82	35.72	35.90

A.—Basic figure.

44. A reorganisation scheme has been sanctioned which (including 1.14 for the new district of Dadu) will add 4.81. The average expenditure in England in the whole Presidency is 4.11, which is mostly on account of leave salary and overseas pay of non-voted officers. On the basis of non-voted expenditure, Sind is debitable with 1/9th, say, 0.50.

45. The total basic figure is therefore :—

Average	35.90
Re-organisation	4.81
Expenditure in England	0.50
Total	41.21

B.—Cost of separation.

46. The police administration of Sind is already separated under a Deputy Inspector General under the control of the Commissioner in Sind. He is not subject to the control of the Inspector General of the Presidency. The police cadre would be independent and the only change involved would be the raising of the status of the Deputy Inspector General to that of Inspector General. The cost is that of our conventional allowance of Rs. 200, i.e., 0.02. We have provided for the reorganisation scheme and for the district at Dadu in our basic figure, and for the district of Guni in our estimate of expansion. Sind will be dependent either on the Police Training School at Nasik or (as has been suggested to us) on that at Phillaur in the Punjab for the training of about 15 men a year. Cost roughly 0.10. The total cost of separation is thus 0.12.

C.—*Expansion.*

47. The creation of the district at Guni will add 1·81 to the charges for police. It is estimated that 0·45 will be spent on this account in 1936-37 rising to 1·81 in 1939-40.

27.—PORTS AND PILOTAGE.

Item.	1927-28.	1928-29.	1929-30.	Average.
Pay and allowances of officers ..	0·11	0·16	0·15	0·14
Purchase of marine stores	0·05	..	..	0·02
Total ..	0·16	0·16	0·15	0·16

48. These charges have been debited to 22-General Administration, Office of Commissioner of Sind, from 1930-31, and it is not necessary to assume any basic figure under this head.

31.—EDUCATION.

Item.	1927-28.	1928-29.	1929-30.	Average.
<i>Transferred.</i>				
Grants to non-government arts colleges. .	0·41	0·45	0·45	0·44
Grants to non-government professional colleges.	0·33	0·39	0·65	0·46
Secondary schools for boys	2·16	2·30	2·26	2·24
Grants to non-government secondary schools.	2·98	3·76	2·75	3·17
Grants to local bodies for primary education.	16·26	16·57	17·79	16·87
Training school for boys	0·34	0·37	0·35	0·35
Training school for girls	0·27	0·22	0·23	0·24
Grants to non-government special schools	0·10	0·11	0·13	0·11
Inspection	1·85	1·72	1·65	1·74
Scholarships	1·08	1·11	1·24	1·14
Miscellaneous	0·06	0·05	0·07	0·06
Total ..	25·84	27·05	27·57	26·82
<i>Reserved.</i>				
Direct grants to non-government secondary schools.	0·38	0·34	0·23	0·32
Grand Total ..	26·22	27·39	27·80	27·14

A.—~~Basic figure~~

49. 0.05 may be added to the above figures on account of scholarship money paid in the Presidency proper on account of Sindhi students. The Sind share of expenditure in England is probably represented by the overseas pay and leave salary of one or two officers, say 0.05.

50. The basic figure will thus be :—

Average	27.14
Scholarships	0.05
Expenditure in England	0.05
Total ..	27.24

B.—Cost of separation.

51. The senior Educational Officer in Sind is the Inspector. He could undertake the duties of Director of Public Instruction without assistance from the Presidency except possibly in the matter of the inspection of European Schools. We provide the conventional Rs. 200 p. m. for this. An inspector will also be required, pay, say, at Rs. 1,200.

52. Sind would require to draw on the following educational institutions in the Presidency, which we give with their present cost to Government and a rough estimate of the contribution to be required from Sind :—

	Cost per student.	Number admitted from Sind.	Contri- bution.
	Rs.		Rs.
Royal Institute of Science	271	11	2,981
Training college for secondary teachers	1,031	8	8,248
Sydenham College	79	3	237
School of Arts	24	1	24
Reformatory school	256	86	9,216
Poona College of Engineering	1,034	1	1,034
V. J. Technical Institute Bombay	258	3	774
University	12	1,430	17,160
Total			39,841

53. The total cost of separation will thus be :—

Allowance for Director	0.02
Inspector	0.14
Contributions to institutions in Bombay	0.40
Total ..	0.56

C.—Expansion.

54. It is obvious that, as development under the Lloyd Barrage proceeds and population increases, enhanced expenditure under education will be necessary. But no programme of expansion has yet been nor probably could at the present stage be prepared and it is consequently impossible to give any accurate forecast of the additional amount which is likely to be required under this head. We have therefore adopted the figure of 5.00 mentioned by the Government of Bombay in the 1930 edition of "Sind and the Lloyd Barrage" as the ultimate additional expenditure to be incurred on the full development of the Barrage scheme, a gradual increase up to this figure being provided for,

32—MEDICAL.

Item.	1927-28.	1928-29.	1929-30.	Average.
District medical officers	0.57	0.63	0.64	0.61
Reserve medical subordinates ..	0.27	0.21	0.36	0.28
Mofussil hospitals and dispensaries ..	2.77	3.46	3.61	3.28
Leper asylum	0.02	0.02	0.01	0.02
Grants to hospitals and dispensaries ..	0.99	1.06	1.05	1.04
Grants for medical purposes	0.84	0.41	0.40	0.55
Other medical schools	0.09	0.41	0.47	0.32
Mental hospitals	0.36	0.44	0.41	0.40
Chemical examiners	0.13	..	..	0.04
Total ..	6.04	6.64	6.95	6.54

A.—Basic figure.

55. On the basis of non-voted pay Sind should bear $\frac{1}{8}$ of the expenditure in England, i.e., $\frac{1}{8}$ of 1.93 or 0.24. The basic figure will thus be 6.78.

B.—Cost of separation.

56. There is at present no administrative Medical Officer in Sind. It would be necessary to have an Inspector General of Civil Hospitals, who would also be, as in Assam, Inspector General of Prisons. We assume pay of Rs. 2,750 as in Assam. An office establishment would also be required and we may put the cost, including the share of the Inspector General's pay, at 0.50, being the cost in Assam.

57. It does not seem necessary to allow for Sind sharing in the small grant (about 0.05) made by the Government of Bombay to the Bombay Medical Council. It is possible that Sind would prefer to go on the Punjab list. Sind will have to be dependent on the Grant Medical College at Bombay for medical training. The number of students from Sind at present at the College is 14 and the cost per student approximately Rs. 500 per annum; a contribution of 0.07 is included for this purpose. Here again it is possible that Sind will be served by the Punjab, but presumably the cost would not be materially different.

58. The total cost of separation will thus be :—

Direction	0.50
Contribution	0.07
Total ..	0.57

C.—Expansion.

59. As in the case of education, an increase in medical expenditure will be inevitable as development proceeds under the Lloyd Barrage. We have no information upon which to base an estimate of the growth of such expenditure but, adopting the Bombay Government's figure of 5.00 as the additional amount ultimately to be spent on education and having regard to the present backward condition of medical facilities in the province, 2.00 appears to be a reasonable figure for additional medical charges.

33—PUBLIC HEALTH.

Item.	1927-28.	1928-29.	1929-30.	Average.
Direction	0.51	0.61	0.54	0.55
Laboratories	0.13	0.25	0.25	0.21
Local vaccination establishment ..	0.49	0.46	0.54	0.50
Superintending Engineer	0.11	0.15	0.10	0.12
Recoveries	—0.04	..	—0.45	—0.16
Consulting Surveyor	0.19	0.18	0.18	0.16
Recoveries .. .. .	..	..	—0.04	—0.01
Pilgrim charges	0.01	..	..	..
Grants-in-aid	1.20	0.75	1.17	1.04
Epidemic diseases	0.13	0.12	0.27	0.17
Anti-rabic treatment .. .. .	..	0.01	0.02	0.01
Works	0.04	0.03	0.04	0.04
Total	2.77	2.56	2.62	2.65

A.—Basic figure.

60. There is no expenditure in England attributable to Sind. Sind will pay for the sera and vaccines supplied by the Belgam and Haffkine institutes, and recoup itself by sales, but there is always some loss due to wastage. As we have taken 0.11 under the receipt head we add 0.16 to the expenditure. Basis figure 2.81.

B.—Cost of separation.

61. The senior officer of the Public Health Department in Sind is the Assistant Director. The Director of Public Health visits Sind at least once a year and oftener if necessary, and tours through the sub-province for from 4 to 8 weeks. The suggestion has been made that supervision should be placed under the officer who holds the dual charge of Inspector General of Civil Hospitals and Prisons, but we do not feel able to assume an arrangement which has been deliberately departed from elsewhere in India. Public Health operations are in their infancy in Sind, the area of which is double that of the normal charge of an Assistant Director, and the Lloyd Barrage will bring with it a demand for extension of the department not merely because of the increase of population, but also owing to special problems, such as those of plague and malaria, which it will present. For this we have made allowance in our estimates of expansion. For the immediate requirements under establishments all that we need consider is raising the status of the existing post to that of that of Director of Public Health at a cost of 0.12.

62. A sanitary sub-division has been operating in Sind since 1914, under the direction of expert officers of higher rank in the Presidency. On separation, a separate officer of the status of Executive Engineer at least will be required with an adequate organization. The extra cost will be about 0.30. The total cost of separation will thus be 0.42.

C.—Expansion.

63. The same remarks apply as have been made regarding the growth of expenditure under Education and Medical. Having assumed 5.00 and 2.00 as the ultimate additional expenditure under these heads, 1.50 would be a reasonable figure to allow for expansion under Public Health.

34.—AGRICULTURE.

A.—Basic figure.

64. We deal with this head separately under the three sub-heads of which it is composed.

A.—Agriculture.

Item.	1927-28.	1928-29.	1929-30.	Average.
Research and propaganda	1.70	1.60	1.93	1.74
Development under Lloyd Barrage ..	1.07	1.07	1.25	1.13
Works	0.06	..	0.29	0.12
Total ..	2.83	2.67	3.47	2.99

65. In 1931-32 the following expenditure was budgeted under the sub-head Agriculture separately for Sind—

Pay of officers	0.77
Pay of establishment	1.19
Allowances, etc.	0.25
Contingencies, etc.	3.26

5.48

and this, which represents the commencement of the programme of expansion under the Barrage, may be taken.

B.—Veterinary.

Item.	1927-28.	1928-29.	1929-30.	Average.
Superintendence	0.24	0.39	0.28	0.30
Hospitals and dispensaries	0.30	0.17	0.16	0.21
Prizes	0.01	0.01	..	0.01
Subordinate establishment	0.58	0.40	0.42	0.46
Total ..	1.13	0.97	0.86	0.98

66. The average of 0.98 is adopted.

C.—Co-operative Societies.

Co-operative Societies	0.75	0.92	0.84	0.84
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67. Audit is at present conducted by the Special Auditor, Surat, Sind's share being 0.10 of which Rs. 0.09 is recovered. A figure of 0.85 is therefore adopted.

TOTAL 34.—Agriculture.

Total	4.71	4.56	5.17	4.81
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68. The total of the figures of expenditure in India adopted for the sub-heads is 7.31. On the basis of the pay of officers, 1/5th of the Presidency expenditure in England or 0.11 must be added, making the total basic figure 7.42.

B.—Cost of separation.

A.—Agriculture.

69. The Agricultural Department with its cadre is already separated and nothing will be reckoned on this account towards the cost of separation except the conventional allowance of Rs. 200 to the head of the department, 0.02. Sind depends on the Presidency for the advice and assistance of the following experts: Live-Stock Expert, Horticulturist

and Agricultural Engineer. It could obtain the advice and assistance of these and other experts as required from Poona or Lahore. We cannot estimate the cost, which would be based on requirements, but it would not be serious. Sind will be dependent on outside institutions for the agricultural education at present given at Poona, whether it elects to go to the Presidency or to the Punjab for it. The average number of students from Sind is 22 and the cost per student Rs. 725 making a total of 0.16. The post of Agricultural Engineer has been sanctioned but not filled and would be necessary on separation, at a cost of 0.20. The cost of separation under this sub-head is thus 0.38.

B.—Veterinary.

70. There is a separate Superintendent, Civil Veterinary Department, for Sind and Rajputana. The arrangement may continue and no cost will be incurred. Sind is at present dependent on the Veterinary College at Bombay, and the contribution may be put at 0.04.

C.—Co-operative Societies.

71. At present co-operative societies are under a Deputy Registrar drawing 900 p.m. We think that a post of Registrar is required, to be filled by a provincial officer drawing from 1,000 to 1,500. The extra cost may be put at 400 p. m., or 0.05.

72. Total cost of separation.

Agriculture	0.38
Veterinary	0.04
Co-operative Societies	0.05
	<hr/>
	0.47

C.—Expansion.

73. A comprehensive scheme has been prepared for the expansion of the Agricultural Department in Sind which contemplates an ultimate recurring expenditure of 18.03 which is 7.60 in excess of the provision of 5.43 made in the budget for 1931-32. It is unlikely that this scheme will be adopted in its entirety, and we are informed that all the needs of the case could probably be met by an increase of 1.50 in 1932-34 rising to 4.00 in ten years. We accept these figures.

74. There will also be expansion under co-operation as the area under the Lloyd Barge develops. The additional cost per hundred societies is about 0.02 per annum and we are informed that it would be desirable to constitute about a hundred new societies per annum until six hundred have been formed. The additional cost will thus be 0.02 rising annually to 0.12.

35.—INDUSTRIES.

Item.	1927-28.	1928-29.	1929-30.	Average.
Miscellaneous	0.01	0.01	..	0.01
Fisheries	0.01	0.01	..	0.01
Total	0.02	0.02	..	0.02

A.—Basic figure.

75. In addition to the above average, about 0.08 is spent on weaving demonstrations. The basic figure of .10 is taken.

B.—Cost of separation.

76. The Bombay Department of Industries supplies commercial information and technical advice to the public in Sind in connection with existing and new industries, and

the services of the Director, the Industrial Engineer and the Industrial Chemist are at Sind's disposal, if required. We are informed that there is no immediate need for any expansion and we adopt 0·02 as an estimate of the probable payment to Bombay for continuance of the present facilities.

37.—MISCELLANEOUS DEPARTMENTS.

Item.	1927-28.	1928-29.	1929-30.	Average.
Inspector of factories	0·03	0·01	0·01	0·02
Inspector of steam boilers	0·15	0·15	0·15	0·15
Departmental examinations	0·01	0·01	0·01	0·01
Controller of rent	0·09	0·07	0·06	0·07
Total	0·28	0·24	0·23	0·25

A.—Basic figure.

77. A new charge of 0·89 appears in the Bombay budget on account of the inspection of motor vehicles, and on the basis of its proportional consumption of petrol, Sind may expect to pay one-tenth of this or 0·09. The basic figure is thus 0·34.

B.—Cost of separation.

78. No superior organisation is said to be necessary, and we allow no cost of separation. The department would be under the control of one of the secretaries to Government. No expansion is anticipated.

41.—CIVIL WORKS.

Item.	1927-28.	1928-29.	1929-30.	Average.
Original works	4·42	3·53	3·55	3·83
Repairs	4·56	4·02	5·53	4·70
Establishment	15·73	16·51	16·06	16·10
Tools and plant	0·55	0·68	0·44	0·56
Grants-in-aid	4·95	5·18	3·82	4·65
Suspense	—0·04	..	—0·04	—0·03
Total	30·17	29·92	29·36	29·81

A.—Basic figure.

79. Establishment and tools and plant charges in the Public Works Department are, when possible, booked against the specific work to which they relate; this, for example, is the case with the establishment employed and the tools and plant utilised on the Lloyd Barrage project. But there is a large residue which cannot be directly allocated to any particular work and it is this residue which the figures for establishment and tools and plant in the above table represent. These figures are, however, modified, as far as establishment is concerned, by a scheme which has been submitted to Government for the reorganization

of the Public Works Department necessary to meet post-barrage requirements in Sind. The proposal contemplates the following superior appointments :—

2 Chief Engineers.

5 or 6 Superintending Engineers.

22 or 24 Executive Engineers of Divisions.

1 Executive Engineer of a special Division.

One Superintending Engineer and two Executive Engineers will be employed on other than irrigation works—chiefly on communications. The total cost will be :—

Barrage	38.05
Other irrigation	8.50
Karachi buildings	1.47
Communications	2.98
Total ..	51.09

Of this 38.05 has been charged to the working expenses of the Barrage. This leaves the figure of 13.04 for rateable establishment compared with 16.10, the average of the triennium.

80. Taking the Presidency as a whole, the average net expenditure on establishment (excluding English and pensionary charges) during the triennium was 93.21 while the English expenditure amounted to 4.07 or 4.4 per cent. At the same percentage, the English charges on 13.04 will be 0.57. As regards original works and repairs we do not think that we can do better than adhere to the average of the triennium, during which no works have been charged to revenue other than the ordinary annual requirements. We are unable to take seriously the suggestion that a separated Sind should charge such works to capital. We accept the suggestion that grants-in-aid are capable of reduction in view of the communications project. We take 1 lakh below the average as normal. We thus arrive at the following basic figure :—

Original works	3.83
Repairs	4.70
Establishment	13.04
Tools and plant	0.56
Grants-in-aid	3.65
Suspense	—0.03
English charges	0.57
Total ..	26.32

B.—Cost of separation.

81. The proposed reorganisation will meet all requirements without the provision of a leave reserve and the only establishment charge due to separation is the secretariat allowances for the Chief Engineers which we have debited to 22 General Administration. It will not be necessary to provide a contribution for the services of the Consulting Architect to the Government of Bombay. In any case in which the services of an architect are required their cost will be included in that of the work, wherever they are obtained.

82. Calculated at 1 per cent. on their capital cost of 19.95 an addition must be made of 0.20 under maintenance and repairs to cover the cost of the maintenance of the new secretariat and other buildings directly necessitated by separation.

83. In the place of the single electrical engineer employed in Sind at present, two, one of Superintending Engineer's status and one of Executive Engineer's status (the latter acting also as Electrical Inspector) will be required. No combination of these posts is

possible as there must be some one to advise Government in the case of appeals from the Electrical Inspector's decisions, and no officer could properly so advise if the decisions were his own. A detailed estimate of the additional staff required puts the extra cost due to separation at 0.66.

84. The total extra cost involved under this head on account of separation is thus 0.86.

C.—Expansion.

85. There will be additional expenditure under this head on account of the maintenance of the new roads and buildings contemplated in the development programme. An estimate has been prepared of the cost of maintaining the new roads for which provision has been made in the programme; it rises from 0.51 in 1934-35 to 10.04 on completion of the programme. For the maintenance of buildings we have included 1 per cent. on the capital cost of all new buildings completed prior to the year in question. Allowance must also be made under this head for payment of the guarantee given to the Railway Department by the Government of Bombay in order to secure the construction of certain feeder railways in the area irrigated by the Lloyd Barrage. It is estimated that some 25.00 will be payable in all under this guarantee, payments continuing for ten years, by which time it is anticipated that the lines in question will be earning sufficient revenue to make them productive in themselves. 3.00 is allowed for this purpose in 1933-34, 1934-35, and 1935-36 rising to 4.00 in the next two years, then dropping at the rate of 1.00 a year to 1.00 in 1940-41 and continuing at that figure for two further years.

46.—STATIONERY AND PRINTING.

Item.	1927-28.	1928-29.	1929-30.	Average.
Press of Commissioner Sind	1.10	1.00	1.11	1.10

A.—Basic figure.

86. Sind has its own press with an average cost of 1-10, but it depends at present on the Presidency proper for its supply of stationery stores, paper and forms (printed at the Yawda Prison Press) to the following value:—

Stationery stores	..	..	..	..	..	:80
Paper	.,	.,	.,	.,	.,	:40
Forms	..	..	..	..	..	:25
Packing charges, etc.	..	..	..	..	..	:01
Expenditure in England (say)	..	..	..	..	..	:26

1.22

87. Stationery would probably be obtained by contract except so far as it may be necessary to obtain stores from England, and forms would be printed at the Commissioner's press which would require to be expanded. The cost of such expansion, as also any expenditure necessary on establishment to perform duties in connection with distribution, would probably be balanced by savings on account of freight, and the basic figure of 2.32 may be taken.

B.—Cost of separation.

88. No extra cost will be involved other than what has been allowed for in the basic figure.

C.—*Expansion.*

89. There will certainly be expansion under this head, but our general round figures for expansion of Government's activities generally may be regarded as including the cost of stationery.

47.—MISCELLANEOUS.

Item.	1927-28.	1928-29.	1929-30.	Average.
Durbar presents	0-01	0-02	0-03	0-02
Donations for charitable purposes ..	0-08	0-08	0-09	0-08
Vagrant charges	0-01	..	..	..
Special commissions of enquiry	0-02	0-05	0-01	0-03
Irrecoverable loans	0-03	0-28	0-01	0-11
Contributions	1-04	1-47	1-04	1-18
Miscellaneous Durbar charges	0-03	0-01	0-05	0-03
Total	1-23	1-91	1-23	1-45

90. The average of 1-45 may be taken. No additional expenditure is anticipated as a result either of separation or of expansion.

19 AND 21.—INTEREST AND REDUCTION OF DEBT.

A.—Basic figure.

91. The total debt of the Government of Bombay on the 31st March 1930, and the portion of it which, under the principles laid down in Chapter III, are referable to Sind, were as follows:—

Item.	Total balance of debt.	Sind.
(a) Bombay development loan	938-93	..
(b) Pre-reform irrigation debt	890-61	274-95
(c) Remaining balance of pre-reform Provincial Loans Account debt	73-66	..
(d) Balance of post-reform borrowings from the Government of India (excluding the Lloyd Barrage)—		
(i) Productive irrigation works	158-54	52-00
(ii) Other productive works	25-55	14-92
(iii) Unproductive irrigation works	93-81	6-94
(iv) Other unproductive works	397-23	67-84
(v) Commutation of pensions	23-71	4-63
(vi) Bombay development schemes	397-92	..
(vii) Re-lent to Presidency Corporations	14,68-52	..
(viii) To finance the Provincial Loans Account	116-82	11-92
(e) Balance of borrowings from the Famine Fund	48-41	10-80
Total	52,43-73	443-40

If the debt on account of the Lloyd Barrage scheme, amounting to 13,74.55 be included, the total debt of the Government of Bombay on the 31st March 1930 was 66,18.28.

92. Items (a), (d) (vi) and (d) (vii) in the above table have no reference to Sind, and Sind clearly is responsible for no part of them. Item (b) is the actual pre-reform debt incurred on works in Sind on which interest is payable to the Government of India, and, as stated in Chapter III, Sind is responsible for it. Item (c) does not affect the present question, as the amount owing under this head will have been fully liquidated by recoveries before separation takes place.

93. Items (d) (i) to (iv) could have been exactly allocated on geographical grounds but for the fact that the amount expended from borrowed funds does not agree exactly with the total expenditure incurred, as shown in the table below—

Item.	Total amount borrowed.	Expenditure incurred in whole Presidency.	Expenditure incurred in Sind.	Sind's share of borrowed money.	Unpaid balance of borrowed money on 31st March 1930.	Sind's share of balance.
Productive irrigation works	160.17	151.39	49.65	52.53	158.54	52.00
Other productive works	36.09	48.35	20.29	15.15	35.55	14.92
Unproductive irrigation works ..	96.25	116.99	8.66	7.12	93.81	6.94
Other unproductive works	420.46	462.80	79.13	71.84	397.23	67.84
Total ..	712.97	779.53	157.73	146.64	685.13	141.70

It will be seen that the amount of loan funds available has been increased by the addition of money from general revenues in order to cover the total expenditure incurred. It will be fair to assume that the amount borrowed under each head on behalf of Sind will bear to the amount expended in that province the same proportion that the amount borrowed on behalf of the Presidency as a whole bears to the amount expended in the Presidency as a whole. The debt of Sind under these heads, calculated on this principle, will be as given in the last column of the table.

94. Item (d) (v), Commutation of pensions, cannot be distributed on geographical grounds and has been divided in the same ratio as have been divisible pensionary charges in general, *vide* note on 45 Superannuation Allowances and Pensions. The amount so borrowed was 24.37, against which an expenditure of 28.21 was incurred. The amount outstanding against the Presidency on the 31st March 1930 was 23.71 and, under the operation of the principle referred to, Sind will bear 17 per cent. of this amount, or 4.03.

95. Item (d) (viii), which represents the debt contracted in order to finance the Provincial Loans Account, requires some explanation. This account is utilized for the exhibition, on the one hand, of loans to corporations and of money advanced to local bodies, cultivators, etc., and, on the other hand, of repayments of such loans and advances. Part of item (a) and the whole of items (d) (vii) and (viii) were taken into the fund and subsequently disbursed therefrom, item (d) (viii) being the amount by which it was necessary to supplement the ordinary income of the fund.

96. Of the amount, 116.82, in question, 16.29 was borrowed specifically for the Bombay Development scheme, 100.53 being utilized for the general purposes of the fund. This sum is composed of 60.17 borrowed in 1924-25 and 40.36 borrowed in 1928-29. It can probably be most fairly distributed between the Presidency proper and Sind by dividing it in proportion to the amounts outstanding to the credit of each in the account at the end of the year in question, excluding any amounts outstanding on account of advances to Presidency corporations which have been met from specific loans. The amount debitable to Sind on this basis is shown in the following table :—

Year.	Amount outstanding in loans to cultivators, local bodies, etc., in		Total amount borrowed.	Share of Sind.
	Whole Presidency.	Sind.		
1924-25	221.62	14.97	60.17	4.06
1928-29	272.04	53.00	40.36	7.86
Total .. .. .	..	..	100.53	11.92

97. Similarly, 24.02 was borrowed in 1928-29 and 26.39 in 1929-30 from the Famine Relief Fund to finance transactions passed through the Provincial Loans Account. Of the former sum, 2.00 have since been repaid, leaving 48.41 owing to the fund. Adopting the same principle and dividing this amount in proportion to the amounts outstanding in the account at the end of the years in question, the share of Sind works out as follows :—

Year.	Amount outstanding in loans to cultivators, local bodies, etc., in		Total amount borrowed from fund.	Share of Sind.
	Whole Presidency.	Sind.		
1928-29	272.04	53.00	22.02	4.29
1929-30	274.82	67.84	26.39	6.51
Total .. .. .	..	..	48.41	10.80

98. The question here arises, to whose famine fund should the loan be repaid. Sind must be held to have contributed its quota to the joint fund and it is taking over its proportionate share of the debt; the amount of the debt should therefore, we consider, be repaid to the famine fund of Sind.

99. The Provincial Loans Account is of the nature of an asset and this asset, as well as the liabilities attaching thereto which have already been dealt with, must be distributed between the two parties. On the 31st March 1930 the following sums were due to the Government of Bombay, those referable to Sind on the same territorial basis being separately shown :—

	Whole Presidency.	Sind.
Bombay Development loan lent to Presidency Corporations	6,70.22	..
Other moneys lent to Presidency Corporations ..	14,68.52	..
Moneys advanced—		
(i) to mofussil municipalities	46.59	2.18
(ii) to district and other local fund committees	12.30	0.47
(iii) to Indian States, land-holders and other notabilities	3.00	..
(iv) to cultivators	159.37	52.38
(v) under special laws	0.22	..
(vi) miscellaneous	68.75	12.81
Total ..	24,29.57	67.84

This asset means, in a normal year, a capital receipt of about Rs. 5.70 and a receipt of interest to the extent of about 0.70.

100. Of the amounts which, at the end of 1929-30, were owing on account of Sind, part will have been repaid by the Government of Bombay before 1933. Assuming the 1st April 1932 as the date of separation, the amount of Sind's ordinary debt, excluding money borrowed for the Lloyd Barrage scheme, any money which it may be necessary to borrow in order to commute the value of the annual pensionary charges now being paid by the Government of Bombay on account of service rendered in Sind, and any new borrowings on behalf of Sind between 1930 and 1933, will be as follows :—

Item.	Amount on 31st March 1930.	Amount on 31st March 1933.	Annual repayment of principal.	Interest.	Total annual payment.
Pre-reform irrigation debt ..	274.95	274.95	..	9.25	9.25
Post-reform capital works ..	141.70	135.19	2.42	7.75	10.17
Commuted pensions ..	4.63	3.64	0.21	0.20	0.41
Provincial Loans Account ..	11.92	11.61	0.10	0.61	0.71
Famine Fund	10.80	7.87	0.90	0.44	1.40
Total ..	443.40	433.26	3.63	18.25	21.88

101. In addition to the above, it is necessary to make an estimate of the debt which has been or is likely to be incurred by the Government of Bombay on behalf of Sind during the years 1930-31 to 1932-33. The actual borrowings for the year 1930-31 are, of course, known; those for the year 1931-32 are taken from the budget estimates of this year, while for 1932-33 we have adopted figures framed after consultation with the heads of the departments concerned. The sums in question, and the objects for which the money was or is required, are tabulated below :—

	1930-31.	1931-32.	1932-33.	Total.
(a) Remodelling of Karachi and Fuleli canals ..	20.06	20.06	16.76	56.88
(b) Other capital irrigation works ..	0.30	0.30	0.30	0.90
(c) Artillery Maidan scheme ..	0.79	0.18	3.59	4.56
(d) Completion of Judicial Commissioners' Court (works only) ..	0.01	..	0.51	0.52
(e) Buildings for new district at Dacht (works only) ..	1.20	5.14	0.69	7.03
(f) Departmental charges on (d) and (e) ..	0.24	1.29	0.24	1.77
Total ..	22.60	26.97	22.09	71.66
Deduct receipts on capital account—				
(a) Remodelling of Karachi and Fuleli canals ..	..	..	0.14	0.14
(b) Artillery Maidan scheme ..	..	..	0.90	0.90
Net Total ..	22.60	26.97	21.05	70.62

102. Over and above loans taken to finance specific works it is estimated that the Government of Bombay will have to borrow 47.64 during 1931-32 to finance the deficit of the year, and it may be assumed that a loan of an approximately similar amount will be required next year. We assume that the total amount so borrowed will be a crore of rupees; of this, 15.00 must be charged to Sind, 7.15 in 1931-32 and 7.85 in 1932-33, the total sum being divided between the Presidency and Sind in the proportion of 85 to 15, this being the proportion in which they contribute to the revenues of the partnership. This addition will increase the total amount raised on behalf of Sind to 34.15 in 1931-32 and 28.90 in 1932-33.

103. The annual amounts payable on behalf of these borrowings will be as follows :—

Year.	Amount borrowed.	Amount on 31st March 1933.	Annual repayment of principal	Interest.	Total annual payment.
1930-31 ..	22.60	22.50	.09	1.42	1.51
1931-32 ..	26.12	35.91	.22	2.24	2.46
1932-33 ..	28.90	28.90	.15	1.90	2.05
Total ..	77.62	85.31	.46	5.56	6.02

104. In 1930-31 and 1931-32, the Bombay Government propose to borrow 54.00 and 28.12 from the central Government in order to finance the Provincial Loans Account. Of the amount of 23.12, 7.43 is specifically for the Bombay Development scheme, leaving 20.69 of 1931-32 and the whole amount of 54.00 of 1930-31 for general purposes. It is not possible at present to calculate what amount will be required for financing the account in 1932-33; but on the basis of average borrowings since 1st April 1921, we assume that 22.62 will be required. Similarly, 23.22 has been borrowed from the surplus balance in the Famine Relief Fund for the same purpose. It is not possible at present to say in what part of the Presidency the above borrowings will be spent; hence, for our purpose, the distribution of the loans is made by dividing them in proportion to the outstandings against each of the latest year for which figures are available—i.e., of 1929-30. (It will, of course, be necessary after the separation of Sind to modify the portion of debt referable to Sind on this account on the basis of the actual amounts spent in that province). The amount debitable to Sind on the basis indicated above is shown in the following table:—

Year.	Amount outstanding in loans to cultivators, local bodies, etc., in		Total amount borrowed.	Share of Sind.
	Whole Presidency.	Sind.		
1929-30	274.82	67.84	..	..
1930-31	54.00	13.26
1931-32	20.69	5.11
1932-33	22.62	5.58
1930-31 (borrowed from Famine Fund)	23.22	5.73

105. The annual payments on account of these borrowings will be as follows:—

Year.	Amount borrowed.	Amount on 31st March 1933.	Annual repayment of principal.	Interest.	Total annual payment.
1930-31	13.26	13.18	.05	.82	.87
1931-32	5.11	5.09	.02	.33	.35
1932-33	5.58	5.58	.02	.36	.38
1930-31	5.73	5.01	.47	.28	.75
Total	29.68	28.86	.56	1.79	2.35

106. The borrowings of the Bombay Government for 1930-31 and 1931-32 according to the revised and budget proposals on account of commutation of pensions are 14.96 and 14.78 respectively. On the basis of the last 3 years' borrowings, we assume that 13.18 will be required in 1932-33. On the same principle which was adopted for the distribution of loans for this purpose taken up to 1929-30, i.e., on the ratio of pensionable establishment charges, Sind will bear 17 per cent. of the borrowings during 1930-31 to 1932-33. The total borrowings, the share of Sind and the annual amounts payable on behalf of these borrowings will be as follows :—

Year.	Total amount borrowed.	Share of Sind.	Amount on 31st March 1933.	Annual repayment of principal.	Interest.	Total.
1930-31 ..	14.96	2.54	2.33	.12	.15	.27
1931-32 ..	14.78	2.51	2.41	.11	.16	.27
1932-33 ..	13.18	2.24	2.24	.09	.15	.24
Total ..	42.92	7.29	6.98	.32	.46	.78

107. The total annual liability of Sind on the 31st March 1933, on account of debt attributable to it, will be 31.09 as follows :—

	Amount of debt.	Annual liability.
Total annual repayment for debts to end of 1929-30 ..	4,33.26	21.94
Annual repayment for debts thereafter—		
(a) For capital expenditure	85.31	6.02
(b) For the Provincial Loans Account	28.86	2.35
(c) For commuted value of pensions	6.98	0.78
Total	5,54.41	31.09

B.—Cost of separation.

108. As stated in the note under 22-General Administration, a sum of 19.95 will be required for the construction of the new secretariat, the annual liability in respect of which will amount to 1.45.

C.—Expansion.

109. There will be expansion under debt charges due to the programme of capital expenditure which it will be necessary for Sind to finance after separation. The estimated expenditure in each year and the resulting charge for interest and reduction of debt are shown in Appendix 4. The addition under these heads will amount to 1.06 in the year after separation, rising to 12.64 in 1953-54 when the capital programme is completed.

43.—FAMINE RELIEF.

110. The annual assignments made to the Famine Insurance Fund by the Bombay Government between 1921-22 and 1927-28, amounted to 415.20 and the fund stood at 2 crores on 1st April 1928. With effect from that date the Famine Insurance Fund was changed into the Famine Relief Fund. The Government of Bombay have to make an

appropriation of 12.00 a year to this fund until the fund reaches 75.00. Neither the annual assignment nor the accumulated fund up to 75.00 may be spent on any purpose except the relief of famine, but the surplus above 75.00 may be spent on protective irrigation works, loans to cultivators, or to repay advances from the Provincial Loans Fund.

111. The Bombay Famine Relief Fund will have been reduced to its minimum of 75.00 on 1st April 1933. There will also be on that date the outstandings of sums borrowed from the fund referred to in the note on 19-Interest. It will not serve any purpose to consider the financing from the fund of expenditure other than famine, as other charges are shown under their proper heads. The points for consideration are (i) what share Sind should receive of this fund and (ii) at what figure and by what annual appropriation Sind should be required to maintain it. As far as can be discovered, the sums spent on famine in recent years have been :—

						Presidency proper.	Sind.
1921-22	..	..	..	..	..	27.27	..
1922-23	..	..	..	..	..	2.11	.67
1923-24	..	..	..	..	..	3.92	..
1924-25	..	..	..	..	..	13.25	..
1925-26	..	..	..	..	..	9.00	.32
1926-27	..	..	..	..	..	10.64	.65
1927-28	..	..	..	..	..	12.81	2.33
1928-29	..	..	..	..	..	1.29	.28
1929-30	..	..	..	..	..	.09	5.87
1930-31 (revised budget)	..	..	..	..	..	..	2.08
Total ..	..	..	..	..	..	80.38	12.28

The average for the three years ending 1929-30 is 2.83, but the years were exceptional. The ten years' average is only 1.22.

112. Although Sind will be protected by the Lloyd Barrage from the results of shortage of water it will still require insurance against floods. In view of this liability we suggest that Sind should be required to maintain a Famine Relief Fund of 15 per cent. of 75.00 that is 11.25, and as long as that amount is not reached, should make an annual assignment of 1.80 lakhs. For the purpose of our estimates it may be assumed that this amount will be spent on Famine Relief and the book entries under contribution to and withdrawals from the Famine Fund will not be required. As the fund has been built up jointly by Bombay and Sind, we think that Sind should on separation receive these 11.25 as an asset. We have in our note on 19-Interest discussed the question whether the portion referable to Sind of the borrowings from the Famine Fund should be repaid to the Famine Fund of Sind or of Bombay, and have suggested that the former course should be adopted.

45.—PENSIONS.

113. The ultimate pensionary liability of Sind may be divided into three parts, namely :—

- (a) Liability for pensions already earned by joint service in the Presidency and in Sind. This is the only liability to which Sind will be subject on the actual date of separation.
- (b) Liability for pensions which will have been partly earned by joint service on the date of separation.
- (c) Liability for the pensions of recruits who join after the date of separation.

Each of these three classes of liability requires consideration on different lines. We have not the actuarial data necessary for a full examination of the subject, and the most that we can do is to give an indication of the extent of the liabilities and of the approximate dates on which they will accrue leaving more accurate figures to be worked out later by an expert actuary.

114. Dealing first with pensions already earned the following table gives the total expenditure incurred in the Presidency as a whole on pensionary charges divisible between the two partners during the triennium ending 1929-30, the amount actually disbursed in the form of pensions from Sind treasuries during this triennium and the budget estimate of the pensionary liability of the Presidency for the year 1931-32 :—

Item,	1927-28.	1928-29.	1929-30.	1931-32 (budget).
Total divisible liabilities	70.45	78.03	80.24	84.04
Paid in Sind	7.39	7.89	7.97	..

The amounts paid in Sind are, of course, no criterion of the amount of the pensions earned in Sind as they exclude pensions drawn in England and those drawn in the Presidency by officers who have served in Sind.

115. It will be seen that the liability for pensions is steadily growing; this is mainly due to the increase in rates both of pay and pensions sanctioned between 1920 and 1924. The total pension bill has been growing at an average rate of about 3.40 per annum, while the pensions drawn in Sind have been growing at an average rate of 0.30 per annum. It may be assumed that these rates of growth will continue for the next fifteen years, when the position will be stabilized; by that time the total pension bill will have risen to 135.00, the amount payable in Sind to 18.00.

116. The fairest method of dealing with pensions already earned is, in our view, to distribute them in the proportion which the cost of pensionable establishment in Sind bears to the cost of pensionable establishment in the Presidency as a whole. The cost of such establishment during the triennium ending 1929-30 was as follows :—

Year.	Sind.	Whole Presidency.	Percentage.
1927-28	79.58	466.50	17.06
1928-29	77.07	451.10	17.06
1929-30	77.71	455.31	17.07

The figures for 1927-28, but not those for the other years of the triennium, include leave salary, as until that year leave salary was not separately recorded. It will be seen that its inclusion does not affect the percentage. The figures further exclude English expenditure, as it is impossible to separate deputation, leave and sterling overseas pay; it is, however, highly improbable that the inclusion of such expenditure would necessitate any material modification of the percentage. We shall, we consider, be safe in attributing to Sind 17 per cent. of the divisible liability for earned pensions.

117. By 1933-34, the first year after separation, the bill for pensions earned before that date will have risen to 90.80 and the amount drawn from Sind treasuries to 9.20. The liability will decrease annually as pensioners die off; in the absence of data we assume that the decrease will be a linear one and that the liability will be extinguished in 15 years.

118. We are aware that, in taking 15 years as the period in which the liability will be extinguished, we are taking a high figure; the actual period is probably nearer ten. On

the other hand, it is clear that the decrease will not be a linear one; it will be slow to begin with and fall off more rapidly thereafter. The errors in the two assumptions will thus tend to cancel one another.

119. The following table shows the total liability in each year, the share, taken at 17 per cent. of Sind in that liability, the amount likely to be drawn from Sind treasuries, the residue which will be drawn either in Bombay or England, and the capitalized value of such residue on the date of separation.

Year.	Total Liability.	Share of Sind.	Drawn in Sind.	Residue. (Col. 3—Col. 4).	Capitalized value at 6 % of residue on 1st April 1933.
1	2	3	4	5	6
1933-34	90.8	15.4	9.2	6.2	6.2
1934-35	84.8	14.4	8.5	5.9	5.6
1935-36	78.8	13.4	7.9	5.5	4.9
1936-37	72.8	12.4	7.2	5.2	4.4
1937-38	66.8	11.4	6.5	4.9	3.9
1938-39	60.8	10.3	5.9	4.4	3.3
1939-40	54.8	9.3	5.2	4.1	2.9
1940-41	48.8	8.3	4.6	3.7	2.5
1941-42	42.8	7.3	3.9	3.4	2.1
1942-43	36.8	6.3	3.3	3.0	1.8
1943-44	30.8	5.2	2.6	2.6	1.5
1944-45	24.8	4.2	2.0	2.2	1.2
1945-46	18.8	3.2	1.4	1.8	0.9
1946-47	12.8	2.2	0.8	1.4	0.7
1947-48	6.8	1.2	0.2	1.0	0.4
Total capitalized value of residue on 1st April 1933	..	..	..	..	42.3

120. In other words, the liability of Sind in respect of pensions earned prior to the date of separation can be liquidated by the payment from Sind treasuries of the amounts shown in column 4 of the above table and by the payment to Bombay of a lump sum of the order of 42.3 to enable the Presidency to meet that share of the pensions bill drawn elsewhere than in Sind which is properly debitable to Sind.

121. The question of the distribution of part-earned pensions is somewhat more complicated. Assuming that the average length of service required for pension is thirty years, it follows that, for thirty years after separation, all pensionary charges paid will be in respect of pensions either fully or partly earned on the date of separation. We have already given an indication of what we consider to be the probable growth both of the pension bill as a whole and of the payments from Sind treasuries; also of the amounts under both heads which can be considered as relating to fully earned pensions; the difference, which is worked out, year by year, for thirty years, in the following table, is the amount attributable to part earned pensions :—

[illegible]

122. The amount is, of course, nil in the first year and rises gradually up to the 10th year in which, on the assumption already made, the pension bill will be stabilized, and by which time the whole bill will relate to pensions partly earned on the date of separation, all those who were previously drawing pensions having died off. In respect of this class of pension Sind will have to meet the amounts shown in column 8 of the statement as drawn from Sind treasuries and to pay to Bombay, on the date of separation, a lump sum of the order of 82.2 to enable the Presidency to meet that share of the bill for pensions partly earned on that date which is drawn elsewhere than in Sind and which is properly debitable to Sind.

123. After the expiry of the thirty years to which the statement relates the question of shared pensions will no longer arise. Sind will then have to meet the whole bill for the pensions of officers recruited after the date of separation; on the assumptions already made, this will amount to 13.0 payable from Sind treasuries and to 10.0 payable elsewhere, i.e., to 23.0 in all.

124. There is, however, one further complication which enters the problem. Since 1926-27, a certain sum has been debited annually to the capital head "55" on account of pensionary charges. This amount has been utilised to defray the charges for pensions in the year in which the debit was raised. It is, however, treated as capital expenditure and has been met from the loans taken to finance the irrigation schemes to which it relates. In so far as these schemes are situated in Sind, Sind will be required to take over the loans raised in respect of them and also the future pensionary liabilities attached to them; it is clearly unfair that Sind should be required both to pay debt charges on these loans and also, ultimately, the pensionary charges which they were, nominally, raised to defray.

125. The amounts thus raised in respect of pensionary charges for the Presidency as a whole were as follows:—

Year.	Productive.			Unproductive.			
	Amount.	Rate of interest.	Value on March 31st 1933.	Amount.	Rate of interest.	Value on March 31st 1933.	Total.
1926-27	4.08	5	5.40	.95	5½	1.29	6.69
1927-28	4.85	5	5.55	.88	5½	1.07	6.63
1928-29	4.63	5	5.63	.84	5½	1.03	6.66
1929-30	4.98	5½	5.85	.94	5½	1.11	6.96
1930-31 (Revised) ..	5.40	6½	6.10	.49	6½	.56	6.66
1931-32 (Budget) ..	1.02	6½	1.09	.36	6½	.38	1.47
1932-33 (Estimate) ..	1.18	..	1.18	.30	..	.30	1.48
Total .. ..	..	..	..	..	..	..	36.54

126. This sum of 36.5 was of the same nature as any other loan raised for general purposes and was, in fact, utilized for the payment of pensions on behalf of the joint partnership; as such 17 per cent. or 6.2 should be regarded as having been raised on behalf of Sind and 83 per cent. or 30.3 as on behalf of the Bombay Presidency proper. The approximate amount which will be included in the Sind portion of debt on account of pensionary charges on the date of separation will be 31.4 and it will therefore be necessary for Bombay to repay to Sind the difference between the actual amount that will be borne by Sind, namely 31.4, and Sind's proper share, namely, 6.2, the repayment thus amounting to 25.2. This will reduce the amount payable by Sind to Bombay on the date of separation on account of pensionary charges maturing elsewhere than in Sind from 124.5 to 99.3.

127. It will probably be necessary for Sind to raise a loan to pay this indebtedness; such a loan might be repayable in 30 annual equated payments of principal and interest, the annual provision required for the purpose being 7.2 at 6 per cent. In addition to the above sums, Sind is liable for a payment of 0.13 annually on account of compassionate allowances, gratuities and donations to provident funds.

128. The total of Sind's pensionary liabilities are shown in the table below:—

Year.	Payment from Sind Treasuries.				Payment of pensions earned entirely after date of separation and paid elsewhere than in Sind.	Compassionate allowances, etc.	Total.
	Fully earned pensions.	Part earned pensions.	Pensions earned entirely after date of separation.	Repayment of debt on account of pensions paid elsewhere than in Sind.			
1933-34..	9.2	..	..	7.2	..	0.1	16.5
1934-35..	8.5	1.0	..	7.2	..	0.1	16.8
1935-36..	7.9	1.9	..	7.2	..	0.1	17.1
1936-37..	7.2	2.9	..	7.2	..	0.1	17.4
1937-38..	6.5	3.9	..	7.2	..	0.1	17.7
1938-39..	5.9	4.8	..	7.2	..	0.1	18.0
1939-40..	5.2	5.8	..	7.2	..	0.1	18.3
1940-41..	4.6	6.7	..	7.2	..	0.1	18.6
1941-42..	3.9	7.7	..	7.2	..	0.1	18.9
1942-43..	3.3	8.6	..	7.2	..	0.1	19.2
1943-44..	2.6	9.6	..	7.2	..	0.1	19.5
1944-45..	2.0	10.5	..	7.2	..	0.1	19.8
1945-46..	1.4	11.4	..	7.2	..	0.1	20.1
1946-47..	0.8	12.2	..	7.2	..	0.1	20.3
1947-48..	0.2	12.8	..	7.2	..	0.1	20.3
1948-49..	..	13.0	..	7.2	..	0.1	20.3
1949-50..	..	13.0	..	7.2	..	0.1	20.3
1950-51..	..	13.0	..	7.2	..	0.1	20.3
1951-52..	..	13.0	..	7.2	..	0.1	20.3
1952-53..	..	13.0	..	7.2	..	0.1	20.3
1953-54..	..	13.0	..	7.2	..	0.1	20.3
1954-55..	..	13.0	..	7.2	..	0.1	20.3
1955-56..	..	13.0	..	7.2	..	0.1	20.3
1956-57..	..	13.0	..	7.2	..	0.1	20.3
1957-58..	..	13.0	..	7.2	..	0.1	20.3
1958-59..	..	13.0	..	7.2	..	0.1	20.3
1959-60..	..	13.0	..	7.2	..	0.1	20.3
1960-61..	..	13.0	..	7.2	..	0.1	20.3
1961-62..	..	13.0	..	7.2	..	0.1	20.3
1962-63..	..	13.0	..	7.2	..	0.1	20.3
1963-64 and after.	..	..	13.0	..	10.0	0.1	23.1

129. The above figures are, as already explained, the best approximations which we have the material to provide. That they will require considerable modification, when subjected to a full actuarial analysis, we have no doubt, but we think it probable that they are, at least, of the correct order of magnitude.

130. We have taken 16.5 as the basic figure. The subsequent increase is included in the figures for expansion dealt with in Chapter V.

55. CONSTRUCTION OF IRRIGATION WORKS NOT CHARGED TO REVENUE.

A.—Basic figure.

131. No basic figure is taken under capital heads as past actuals give no indication as to future requirements. All capital expenditure which can be foreseen is dealt with in the cost either of separation or expansion and its effect has been transferred to the revenue heads 19-Interest and 21-Reduction of Debt.

132. Further capital expenditure is anticipated under this head after the date of separation on account of the following schemes:—

(i) *Remodelling of the Karachi and Fuleli canals systems.*

133. The Government of Bombay have undertaken to remodel the Karachi and Fuleli canals systems so as to remove all apprehensions as to the possible deleterious effect of the withdrawal from the Indus above their heads of the large volumes of water required for the Lloyd Barrage project. It is impossible to calculate with any attempt at accuracy to what extent the supplies of the canals in question will be affected on the opening of the Barrage scheme but it appears, from the evidence which we have heard on the subject, that their remodelling is desirable in any event and would have been justified on its own merits as improving the irrigation on the two systems and enabling new land to be brought under cultivation. Although not directly remunerative, the project is expected to produce considerable additional revenue, owing to the larger areas which will be irrigated annually, even if the existing rates for water are not enhanced. The table below gives the financial forecasts of the various component portions of the schemes:—

Canal.	Direct capital outlay.	Estimated proceeds from land sales.	Estimated increase in net revenue (excluding interest charges).
<i>Karachi canals system.</i>			
Kalri and branches	10.58	0.98	0.75
Pinyari and branches	24.48	1.40	0.77
Gungri and branches	6.18	0.46	0.33
Sattah and branches	2.86	0.48	0.32
Indus canal right bank	5.35	0.43	0.47
Indus canal left bank	10.27	1.47	1.02
Baghar and branches	16.06	1.59	1.19
<i>Fuleli canals system.</i>			
Fuleli and branches	49.34	3.53	1.97
Hasanali	13.09	0.63	0.68
Indus canals	6.55	0.33	0.86
Total	144.76	11.30	7.86

134. The work is already in hand and it is estimated that, on the date of separation, 87.89 will remain to be spent. The whole project will probably be completed in 1939-40. As already shown, certain recoveries are anticipated on account of the sale of the Government waste land which will become available for cultivation after the remodelling of the canals

in question. We have assumed, in the statement contained in Appendix 4 in which the debt charges due to the capital programme are calculated, that these recoveries will be utilized for the repayment of capital.

(ii) *Other capital irrigation works.*

135. The annual capital expenditure on canals in Sind, other than those included in the Karachi and Fuldi canals systems and those which will be absorbed in the Lloyd Barrage project, has been about 0.30 and this amount has been allowed annually for the future.

60 AND 60-A.—CIVIL WORKS AND OTHER CAPITAL EXPENDITURE NOT CHARGED TO REVENUE.

A.—*Basic figure.*

136. See note on basic figure under 55—Construction of Irrigation Works.

B.—*Cost of separation.*

137. The cost of new buildings and of the alterations of existing buildings which will be necessary owing to separation is stated in paragraph 35 of our detailed note under 23—General Administration. The total amount is 19.95.

C.—*Expansion.*

138. Further capital expenditure is anticipated under this head after the date of separation on account of the following schemes:—

(i) *Artillery Maidan scheme.*

139. This scheme provides for the development of a considerable area in the centre of Karachi. About 38.00, excluding interest charges, had been spent on it up to the end of 1929-30, and by the end of 1932-33 the amount so expended is expected to reach the figure of 41.78. A further expenditure of 6.39 is anticipated after that date on the scheme proper, in addition to which the cost of the water mains, estimated at 1.23, may have to be borne by Government. Provision has therefore been made for a total expenditure of 7.62 on the scheme in the four years following the assumed date of separation.

140. Recoveries to the extent of 74.45 are anticipated on account of premiums on the land which will become available for sale on the full development of the Artillery Maidan. We have received a large amount of conflicting evidence as to the probability of these anticipations being fulfilled. There are some who consider that the land will be readily disposed of and the official estimate of premiums realized, especially in view of a recent decision to reduce the ground rents; there are others who hold that the whole project is doomed to financial failure, that the amount of land now available for sale in Karachi is far in excess of what the market can absorb in any reasonable period, and that, this being the case, there is no prospect of obtaining the premiums proposed. It is impossible, at this stage, to decide between these conflicting opinions. So long as the present trade depression continues and there is shortage of money on every hand, the chance of disposing of the land on favourable terms is extremely small; on the other hand, if conditions improve, the prices assumed may still be realized. We have no ground on which we could base figures which could claim to represent future values more accurately than do the official forecast and we have, therefore, although with some reluctance, adopted the latter. We do so subject to the warnings that we regard it as improbable that the development of the site will, in present circumstances, proceed as rapidly as the forecast shows, and that we have little expectation of the ultimate results forecasted being actually realized unless there is an improvement of trade and prices generally to the standard which existed two or three years ago.

141. The new Judicial Commissioner's Court has been constructed on the Artillery Maidan and the old Court in the city is available for sale, its value being placed at 7.02. We have taken no credit for this, setting it against the value of the site on the Artillery Maidan which will be occupied by the new secretariat and thus withdrawn from sale.

142. For the purpose of the calculation of loan charges, which is made in Appendix 4, it is assumed that all receipts from premiums will be utilized for the reduction of debt.

(ii) *Road development.*

143. There are, at present, very few roads in Sind and, as agriculture increases under the Lloyd Barrage, the provision of a proper road system in the province will be a matter of urgent necessity to enable the resulting produce to be expeditiously moved. A recent

estimate of the cost of the provision of such a system amounted to 321.00 in the near future and an additional 130.00 thereafter as funds became available. This estimate allowed for metalled roads throughout the province. The difficulty of financing so comprehensive a scheme has led to the preparation of an alternative estimate, which contemplates the construction of 2,184 miles of roads during the next 20 years, of which only 218 miles will be metalled while 874 miles will be graded and surfaced, and 1,092 miles, or half the total length, will merely be graded earth roads. We have adopted this estimate as the basis of our forecast; it entails an expenditure, exclusive of charges for establishment and tools and plant, of 128.78 on roads proper and 7.00 on bridging and causeways, or 135.78 in all, this expenditure being spread over the twenty years subsequent to separation.

144. A portion of this expenditure will be met from the Road Development Fund. The amount received by the Presidency from the fund in 1931-32 amounted to 16.00 and we have taken this as the average probable receipt. During the triennium ending 1930-31 the average annual petrol consumption in Sind was 1.18 million gallons, compared with a consumption of 11.99 million gallons in the whole Presidency; Sind will thus be entitled to about 10 per cent. of the annual receipts from the fund, or 1.60. For the purpose of compiling the statement of future capital expenditure given in Appendix 4, the estimated expenditure on the construction of new roads has been reduced by this amount as only the balance will be borrowed.

(iii) Buildings.

145. (a) *Judicial Commissioner's Court*.—A certain small amount of work remains to be done on this new building in Karachi; most of it will probably be completed before separation but it is estimated that 0.52 will be required thereafter.

146. (b) *New judicial district at Nawabshah*.—The creation of a new judicial district at Nawabshah has been approved but no action has been taken in the matter owing to financial stringency. It is generally admitted that the new district must be formed in the near future and a sum of 0.54 for the necessary buildings has been included in the probable capital expenditure of 1933-34.

147. (c) *New district at Dadu*.—The majority of the buildings required in connection with this new district, which is being formed in consequence of the opening of the Lloyd Barrage project, have already been completed, but it is estimated that, on the date of separation, work to the extent of 2.82 will remain to be done. This has been spread equally over the three following years.

148. (d) *New district at Guni*.—The necessity for the creation of a second new district, on the left bank of the Indus, has been accepted by the Government of Bombay but it is not intended to proceed with it at present. We assume, following the estimate given in the official pamphlet "Sind and the Lloyd Barrage", that work on the buildings required, which will cost 12.00, will commence in 1935-36 and that they will be completed in 1939-40.

149. (e) *Agricultural buildings*.—A comprehensive scheme for the development of the Agricultural Department has been drawn up by the Government of Bombay, involving *inter alia* an expenditure of 17.40 on new buildings, of which 3.20 had actually been expended at the end of 1930-31. A further sum of 2.00 will be expended before the end of 1932-33. We are informed that effect is unlikely to be given to the whole programme and that a sum of 6.50 spread over the ten years subsequent to 1932-33 will probably suffice for requirements.

150. (f) *Medical*.—We have been informed that the extension and improvement of the existing Mental Hospital at Hyderabad is a matter which must be taken up in the near future, and we have entered 0.50 for the purpose in our forecast of expenditure for 1933-34.

(iv) Departmental charges.

151. The figures which we have given above under (ii) Road development and (iii) Buildings represent the cost of works only and contain no allowance for Public Works establishment charges. The reorganisation scheme of the Public Works Department, the cost of which is included in our basic figures, provides sufficient establishment for the execution of these works. We have made an estimate of the amount of such charges, which total 31.65, and have included them in the statement of capital expenditure given in Appendix 4. The portion of the cost of the reorganisation scheme which falls on annual revenues will be reduced by this amount and we have, therefore, included an entry of the same amount under revenue receipts.

APPENDIX 3.

THE STATISTICAL BASIS OF THE ENQUIRY.

For the purpose of exhibiting the revenue and expenditure in Sind, various sets of figures have been published. In 1923 the Finance Department of the Bombay Government supplied figures for the ten years ending 1919-20. These figures are in accordance with the pre-reforms accounts classification. As under that system the distribution of revenue and expenditure between the central Government and the provinces was entirely different to that obtaining under the Meston settlement, these figures throw no light on our task.

2. Certain figures for the years 1921-22 to 1924-25 were placed before the Round Table Conference. These figures, we have ascertained, were supplied by the Accountant General, Bombay, who later supplied figures for the years 1925-26 to 1927-28. But these figures are not comparable with ours, as the following reconciliation of the figures for the income under Land Revenue for 1927-28 shows:—

Committee's figure	..	..	108.9
Add Assessment of Alienated Land Revenue less quit-rents	..	..	23.9
			<hr/> 132.8
<i>Deduct—</i>			
Land Revenue due to Irrigation Works	..	62.5	
Less Land Revenue retained to meet cost of collection of revenue due to Irrigation Works	..	3.6	58.9
			<hr/> 73.9
Corresponding figure furnished by the Accountant General	..	..	73.9

3. The figure for assessment of alienated land revenue less quit-rents is the result of a book transaction which is met by an equal and opposite entry on the expenditure side under 22—General Administration. We have omitted it as unnecessary for our purposes and as likely to cause confusion, with the result that not only are the figures under Land Revenue and General Administration affected, but the totals of revenue and expenditure. The omission of the adjustment between Land Revenue and Irrigation affects those two heads but not the revenue total.

4. Another difference in system is that relating to Irrigation working expenses. The Accountant General has shown them as a deduct entry on the revenue side; we have shown them on the expenditure side, where they more logically belong.

5. The Finance and Revenue Accounts involve transfers from one head to another, made with the object of showing the ultimate purpose which the particular payments are intended to subserve. An example of such a transfer is that from the head "22—General Administration" to other heads. The pay of the general district staff is debited in the first place to that head, from which, at the end of the year, fixed or pro-rata transfers are made representing the proportion of their time which is supposed to be devoted to the collection of Land Revenue and Excise or to the administration of Law and Justice. Another example is that of Public Works establishment and tools and plant. This, except for establishment specially entertained for particular works, is charged in the first place to the head 41—Civil Works and subsequently distributed rateably over other Public Works heads. Our figures ignore all such book transactions. As regards Sind, they are only theoretical and they are unnecessary for our purpose and liable to mislead. The Accountant General appears to have followed no definite principle in this matter. Hence the curious variation in the figures for General Administration which attracted the notice of the Sub-Committee of the Round Table Conference.

6. So far as the year 1927-28 is concerned we have been able to effect reconciliation of our figures with those of the Accountant General within a very small margin. But for previous years we have no figures of our own with which to compare those of the Accountant General; nor could such figures have been obtained without a further compilation extending over at least six months. And the Accountant General's figures for previous years

present certain anomalies of which we have no means of disposing. We cannot, therefore, base any conclusions on these figures. Fortunately, it is not necessary that we should do so. There is, in the figures specially compiled for us, ample material for our purpose and there is nothing to indicate that the figures of earlier years will throw any light on our particular problem. If in the case of any particular head past history, whether indicated in accounts or otherwise, throws a special light on the problem, account of this has been taken.

7. As has been stated in the body of our report, the statistical basis of our enquiry is (except for debt heads, famine relief and pensionary charges) a special compilation of figures in the office of the Accountant General, Bombay, carried out under the orders of the Government of India as a preliminary to our investigation. The task, which was performed by an Accountant General placed on special duty for the purpose, took four months for its completion and we have the fullest confidence in its results. In view of the importance of the figures thus obtained, it is desirable at the risk of some repetition to give a detailed account of their origin.

8. These figures represent actual receipts and expenditure in Sind. It must be understood that no such figures occur of themselves in the Public Accounts. The main principle behind the accounts of the Indian Government is that they are based on cash transactions through the district treasury. An account of the payments from and receipts into district treasuries in each month is compiled in the office of the Accountant General concerned for each department; so that while the transactions of a district treasury concern all departments, and also include payments and receipts of other provinces or Governments, the total revenue and expenditure of a particular district or division is not readily available. But at a certain stage of compilation of the accounts by departments and provinces in the office of the Accountant General, the figures for each department are consolidated by geographical divisions. At the same time, in order to account for the true revenue or expenditure of a department, certain adjustments are carried out in the accounts office. They mainly represent debits or credits to a department, or a part thereof, for services rendered by another department of the same Government or another Government. An illustration or two will make the nature of these adjustments clear. In most kinds of adjustments it is possible to ascertain the particular departments or institutions in Sind benefiting by services rendered or rendering services to another department or another Government. For example, the Superintendent of the central jail in Poona may have supplied some jail-manufactured articles to a collector in Sind. The cost of the articles should be debited to Sind, and is added to the actual figure of expenditure compiled from the cash treasury transactions. Again, the Government of India recoups to the Bombay Government one-quarter of the expenditure on account of the establishment charges of the combined Salt and Excise department. As this credit is wholly on account of Sind and no part of it is for the Presidency proper, the contribution is taken in reduction of the Sind expenditure only, by an adjustment in the accounts office. In compiling the actual revenue and expenditure of Sind for the three years, the cash transactions of each department as compiled from the treasury figures and modified by adjustments carried out in the Accountant General's office have been taken as the figures of actual past expenditure given in our detailed notes. It will be realized that these adjustments are not, normally, classified by geographical divisions; this had to be done in the course of the special compilation undertaken as a preliminary to our enquiry.

9. There is, however, another class of adjustment in the case of which no accurate geographical allocation is possible. For example, the Bombay Government annually receives from the Government of India a sum of 12.5 as its share of the sale of postage stamps used for revenue purposes in the whole Presidency. The Accountant General does not distribute such a receipt over the various geographical divisions and such distribution has formed part of our task. We have also had to make additions on account of staff employed on behalf of Sind but paid by Bombay and certain stores supplied by Bombay to Sind on account of which no debit is raised against Sind in the Government accounts.

10. We have explained in the body of our report the process by which we arrived at our basic figures from the average of the actual figures. It only remains necessary to explain the method by which we have arrived at our figures of expenditure in England. The figures extracted for us are of course only of expenditure in India and our only guide to Sind's expenditure in England is the figures of the Presidency as a whole. The appended

statement, which is compiled from our detailed notes, explains our method of estimation. Expenditure in England for the most part consists of leave salary and has been estimated on the basis of pay of officers. In our dealing with debt heads and pensions, the question of expenditure in England does not arise, and it is worth mentioning that the result of our method is to reduce all Sind expenditure to terms of expenditure in India. It also may be observed that the fact that we have not dealt with the expenditure in England under Debt heads and Pensions explains why the amount of this expenditure shown against the Presidency in the statement is so much smaller than the total expenditure in England of the Presidency. The fact that our estimate of the English charges debitable to Sind amounts to 16 per cent. of those debitable to the Presidency as a whole and that, as explained elsewhere, the total cost of pensionable establishment employed in Sind is 17 per cent. of that of the similar establishment employed in the whole Presidency is an indication that our figures are probably not far wide of the mark.

ENGLISH EXPENDITURE AND EXCHANGE.

(Revenue heads excluding debt heads and pensions.)

Major head.	Average for the Presidency.	Taken for Sind.	Remarks.
5	·47	·09	1/5 of total charges.
6	·46	..	Expenditure in England is practically all non-voted and therefore Sind which has no non-voted establishment has no share.
7	..	..	.....
8	1·44	·18	Calculated pro-rata on the total cost of establishment in the whole Presidency and Sind.
9	·09	..	None in Sind.
22	2·85	·70	On the basis of officers employed in Sind.
24	2·44	·35	Voted English expenditure is small. It was Rs. 13,000 in 1927-28 and Rs. 22,000 in 1929-30. Sind share was calculated at 1/7 of the total on the basis of the non-voted pay of officers.
25	·71	·14	At 1/5 of the total on the basis of the proportion of non-voted pay. The voted expenditure in England in 1929-30 was Rs. 10,000 and non-voted Rs. 27,000.
26	4·11	·50	At 1/9 on non-voted expenditure.
31	1·68	·05	Rs. 5,000 for the Educational Inspector in Sind.
32	1·93	·24	At 1/8 of the total on the basis of the proportion of non-voted pay. The non-voted and voted expenditure in England in 1929-30 were Rs. 1·72 and ·25.
33	·79	..	No expenditure in Sind.
34	·54	·11	At 1/5 of the total on the basis of non-voted officers. The non-voted and voted expenditure in England in 1929-30 were Rs. 42,000 and 8,000.
35	·02	..	None in Sind.
37	·19	..	.....
41	4·07	·57	At 4·4 per cent on the total Indian expenditure on establishment in Sind.
46	1·69	·26	Representing cost of stores for the Commissioner's press in Sind at 1/7 roughly.
47	·01	..	.....
Total	19·49	3·19	

APPENDIX 4.

Statement showing the estimated growth of capital expenditure and debt charges after separation.

Year.	Expenditure.													Receipts on capital account.			Net total expenditure.	Interest and repayment charges to year.	Interest and repayment charges payable in year.	
	Buildings and Roads.													Karachi and Rulali canals.	Artillery Maldan scheme.					Total receipts.
	Karachi and Rulali canals.	Other capital irrigation works.	Artillery Maldan scheme.	Road development.	Judicial Commissioner's Court.	Judicial district at Nawabshah.	New district at Dadu.	New district at Gunt.	Agricultural buildings.	Mental hospital.	Departmental charges.	Total buildings and roads.	Total capital expenditure.							
1933-34	16.79	0.30	2.83	5.24	0.52	0.54	0.94	..	0.65	0.50	2.10	10.49	30.41	0.41	0.90	1.31	29.10	2.11	1.06	
1934-35	16.28	0.30	1.66	5.24	..	..	0.94	..	0.65	..	1.71	8.54	26.78	0.76	0.90	1.66	25.12	1.82	3.02
1935-36	17.20	0.30	1.34	5.24	..	..	0.94	4.40	0.65	..	2.81	14.04	32.88	1.16	0.90	2.06	30.82	2.24	6.05
1936-37	19.04	0.30	1.79	5.24	..	..	..	3.20	0.65	..	2.27	11.36	32.49	1.70	0.90	2.60	29.89	2.17	7.26
1937-38	11.59	0.30	..	5.24	..	..	..	2.40	0.65	..	2.07	10.36	22.25	0.60	1.80	2.40	19.85	1.44	7.86
1938-39	4.51	0.30	..	5.24	..	..	..	1.60	0.65	..	1.87	9.36	14.17	0.94	1.80	2.74	11.43	0.83	10.89
1939-40	2.48	0.30	..	5.24	..	..	..	0.40	0.65	..	1.57	7.86	10.64	1.21	1.80	3.01	7.63	0.55	10.20
1940-41	..	0.30	..	5.24	..	..	..	..	0.65	..	1.47	7.36	7.66	0.84	1.80	2.64	5.02	0.36	11.34
1941-42	..	0.30	..	5.24	..	..	..	..	0.65	..	1.47	7.36	7.66	0.92	1.80	2.72	4.94	0.36	11.70
1942-43	..	0.30	..	5.24	..	..	..	..	..	..	1.47	7.36	7.66	0.84	1.80	2.72	4.94	0.22	11.99
1943-44	..	0.30	..	5.24	..	..	..	..	..	..	1.31	6.55	6.85	0.74	3.75	4.49	3.07	0.17	12.19
1944-45	..	0.30	..	5.24	..	..	..	..	..	..	1.31	6.55	6.85	0.85	3.75	4.63	2.32	0.17	12.36
1945-46	..	0.30	..	5.24	..	..	..	..	..	..	1.31	6.55	6.85	0.85	3.75	4.63	2.32	0.21	12.55
1946-47	..	0.30	..	5.24	..	..	..	..	..	..	1.31	6.55	6.85	0.85	3.75	4.63	3.10	0.23	12.77
1947-48	..	0.30	..	5.24	..	..	..	..	..	..	1.31	6.55	6.85	0.85	3.75	4.63	1.77	0.13	12.81
1948-49	..	0.30	..	5.24	..	..	..	..	..	..	1.31	6.55	6.85	0.85	3.75	4.63	1.77	0.13	12.86
1949-50	..	0.30	..	5.24	..	..	..	..	..	..	1.31	6.55	6.85	0.85	3.75	4.63	1.77	0.13	12.86
1950-51	..	0.30	..	5.24	..	..	..	..	..	..	1.31	6.55	6.85	0.85	3.75	4.63	1.77	0.13	12.86
1951-52	..	0.30	..	5.24	..	..	..	..	..	..	1.31	6.55	6.85	0.85	3.75	4.63	1.77	0.13	12.86
1952-53	..	0.30	..	5.24	..	..	..	..	..	..	1.31	6.55	6.85	0.85	3.75	4.63	1.77	0.13	12.86
1953-54 and sub-sequently.	..	0.30	..	4.22	1.05	5.27	5.87	5.87	7.04	12.43	
1954-55	..	0.30	0.30	0.30	0.02	12.64	

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APPENDIX 5.

Statement showing the estimated growth of expenditure charged to revenue after separation.

Year.	5—Land Re-venue.	22—Gen-eral Adminis-tration.	24—Ad-minis-tration of Justice.	26—Pol-ice.	31—Edu-cation.	32—Med-ical.	33—Pub-lic Health.	34—Agriculture.		41—Civil Works.			45—Pen-sions.	19—In-terest.	Total.
								Agri-culture.	Co-oper-ation.	Roads.	Build-ings.	Guar-anteed feeder Rail-ways.			
1933-34	..	..	3.14	..	..	..	..	1.50	0.02	..	..	3.00	..	1.06	8.72
1934-35	..	..	3.14	..	0.50	0.25	0.15	1.75	0.04	0.51	0.03	3.00	0.30	3.02	12.59
1935-36	..	..	3.14	..	0.50	0.25	0.15	2.00	0.06	1.01	0.06	3.00	0.60	5.06	15.81
1936-37	0.45	0.40	3.14	0.45	0.50	0.25	0.15	2.25	0.08	1.52	0.11	4.00	0.90	7.26	21.46
1937-38	0.90	0.80	3.14	0.90	1.00	0.50	0.35	2.50	0.10	2.02	0.15	4.00	1.20	9.06	26.62
1938-39	1.35	1.20	3.14	1.35	1.00	0.50	0.35	2.75	0.12	2.53	0.18	3.00	1.50	10.30	29.17
1939-40	1.75	1.65	3.14	1.81	1.00	0.50	0.35	3.00	0.12	3.04	0.20	2.00	1.80	10.89	31.25
1940-41	1.75	1.65	3.14	1.81	1.50	0.50	0.35	3.25	0.12	3.54	0.21	1.00	2.10	11.34	32.26
1941-42	1.75	1.65	3.14	1.81	1.50	0.75	0.50	3.50	0.12	4.06	0.22	1.00	2.40	11.70	34.09
1942-43	1.75	1.65	3.14	1.81	1.50	0.75	0.50	3.75	0.12	4.55	0.22	1.00	2.70	11.99	35.43
1943-44	1.75	1.65	3.14	1.81	2.00	0.75	0.50	4.00	0.12	5.06	0.23	..	3.00	12.19	36.20
1944-45	1.75	1.65	3.14	1.81	2.00	0.75	0.65	4.00	0.12	5.57	0.23	..	3.30	12.36	37.33

1945-46	1.75	1.65	3.14	1.81	2.00	1.00	0.65	4.00	0.12	6.07	0.23	..	3.80	12.55	38.57
1946-47	1.75	1.65	3.14	1.81	2.50	1.00	0.65	4.00	0.12	6.58	0.23	..	3.80	12.77	40.00
1947-48	1.75	1.65	3.14	1.81	2.50	1.00	0.65	4.00	0.12	7.08	0.23	..	3.80	12.81	40.54
1948-49	1.75	1.65	3.14	1.81	2.50	1.00	0.85	4.00	0.12	7.59	0.23	..	3.80	12.68	41.12
1949-50	1.75	1.65	3.14	1.81	3.00	1.25	0.85	4.00	0.12	8.10	0.23	..	3.80	12.54	42.25
1950-51	1.75	1.65	3.14	1.81	3.00	1.25	0.85	4.00	0.12	8.60	0.23	..	3.80	12.42	43.62
1951-52	1.75	1.65	3.14	1.81	3.00	1.25	1.00	4.00	0.12	9.11	0.23	..	3.80	12.29	45.15
1952-53	1.75	1.65	3.14	1.81	3.50	1.25	1.00	4.00	0.12	9.61	0.23	..	3.80	12.42	44.29
1953-54	1.75	1.65	3.14	1.81	3.50	1.50	1.00	4.00	0.12	10.04	0.23	..	3.80	12.64	45.18
1954-55	1.75	1.65	3.14	1.81	3.50	1.50	1.00	4.00	0.12	10.04	0.23	..	3.80	12.64	45.18
1955-56	1.75	1.65	3.14	1.81	4.00	1.50	1.15	4.00	0.12	10.04	0.23	..	3.80	12.64	45.83
1956-57	1.75	1.65	3.14	1.81	4.00	1.50	1.15	4.00	0.12	10.04	0.23	..	3.80	12.64	45.83
1957-58	1.75	1.65	3.14	1.81	4.00	1.75	1.15	4.00	0.12	10.04	0.23	..	3.80	12.64	46.06
1958-59	1.75	1.65	3.14	1.81	4.50	1.75	1.35	4.00	0.12	10.04	0.23	..	3.80	12.64	46.78
1959-60	1.75	1.65	3.14	1.81	4.50	1.75	1.35	4.00	0.12	10.04	0.23	..	3.80	12.64	46.78
1960-61	1.75	1.65	3.14	1.81	4.50	1.75	1.35	4.00	0.12	10.04	0.23	..	3.80	12.64	46.78
1961-62	1.75	1.65	3.14	1.81	5.00	2.00	1.50	4.00	0.12	10.04	0.23	..	3.80	12.64	47.68
1962-63	1.75	1.65	3.14	1.81	5.00	2.00	1.50	4.00	0.12	10.04	0.23	..	3.80	12.64	47.68

APPENDIX 6.

Statement showing the estimated growth of revenue after separation.

Year.	V— Land Revenue.	VII— Stamps.	XVII— Admini- stration of Justice.	XXX—Civil Works.		Total.
				Artillery Maidan scheme.	Depart- mental charges.	
1933-34	1.54	2.60	0.25	0.26	2.10	6.75
1934-35	2.17	2.62	0.25	0.27	1.71	7.02
1935-36	2.99	2.64	0.25	0.28	2.81	8.97
1936-37	3.92	2.66	0.25	0.29	2.27	9.39
1937-38	4.93	2.68	0.25	0.15	2.07	10.08
1938-39	5.76	2.70	0.25	0.17	1.87	10.75
1939-40	6.47	2.72	0.25	0.19	1.57	11.20
1940-41	6.91	2.74	0.25	0.21	1.47	11.58
1941-42	7.28	2.76	0.25	0.23	1.47	11.99
1942-43	7.58	2.78	0.25	0.23	1.47	12.31
1943-44	7.75	2.80	0.25	0.27	1.31	12.38
1944-45	7.85	2.82	0.25	0.31	1.31	12.54
1945-46	7.86	2.84	0.25	0.35	1.31	12.61
1946-47	7.86	2.86	0.25	0.38	1.31	12.66
1947-48	7.86	2.88	0.25	0.47	1.31	12.77
1948-49	7.86	2.90	0.25	0.56	1.31	12.86
1949-50	7.86	2.92	0.25	0.65	1.31	12.99
1950-51	7.86	2.94	0.25	0.74	1.31	13.10
1951-52	7.86	2.96	0.25	0.83	1.31	13.21
1952-53	7.86	2.98	0.25	0.83	1.05	12.97
1953-54 and subsequent years.	7.86	3.00	0.25	0.83	..	11.94