

*Thursday,  
23rd March, 1893*

ABSTRACT OF THE PROCEEDINGS  
OF THE  
Council of the Governor General of India,  
  
**LAWS AND REGULATIONS**

**Vol. XXXII**

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ABSTRACT OF THE PROCEEDINGS  
OF  
THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA,  
ASSEMBLED FOR THE PURPOSE OF MAKING  
LAWS AND REGULATIONS,

1893

VOLUME XXXII



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*Abstract of the Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Acts of Parliament 24 & 25 Vict., cap. 67, and 55 & 56 Vict., cap. 14.*

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The Council met at Government House on Thursday, the 23rd March, 1893.

PRESENT :

His Excellency the Viceroy and Governor General of India, G.C.M.G.,  
G.M.S.I., G.M.I.E., *presiding*.

His Honour the Lieutenant-Governor of Bengal, K.C.S.I.

His Excellency the Commander-in-Chief, V.C., G.C.B., G.C.I.E., R.A.

The Hon'ble Sir P. P. Hutchins, K.C.S.I.

The Hon'ble Sir D. M. Barbour, K.C.S.I.

The Hon'ble Sir A. E. Miller, Kt., Q.C.

The Hon'ble Lieutenant-General H. Brackenbury, C.B., R.A.

The Hon'ble Sir C. B. Pritchard, K.C.I.E., C.S.I.

The Hon'ble J. L. Mackay, C.I.E.

The Hon'ble Dr. Rashbehary Ghose.

The Hon'ble Palli Chentsal Rao Pantulu, C.I.E.

The Hon'ble Sir G. H. P. Evans, K.C.I.E.

The Hon'ble Fazulbhai Vishram.

The Hon'ble C. C. Stevens.

The Hon'ble J. Buckingham, C.I.E.

The Hon'ble A. S. Lethbridge, M.D., C.S.I.

The Hon'ble J. Woodburn, C.S.I.

QUESTIONS.

The Hon'ble MR. BUCKINGHAM asked :—

I. Whether the effect of the assessment rates adopted for the revision of the land-revenue settlement in Assam will result in the enhancement of as much as 100 per cent. on a large proportion of raiyats' holdings under "ordinary" cultivation ?

II. Whether any limit of total enhancement on individual holdings is prescribed, as in Bombay ?

The Hon'ble SIR PHILIP HUTCHINS replied as follows :—

"The Government of India are not yet informed as to the extent to which assessments of holdings will be raised, or whether in any case they will be

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STATEMENT FOR 1893-94.*

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*FINANCIAL STATEMENT FOR 1893-94.*

The Hon'ble SIR DAVID BARBOUR said :—" In accordance with the rules made under the Indian Councils Act of 1892, the annual Financial Statement must be explained in the Legislative Council of the Government of India and may be discussed by the Members of that Council, each of whom is entitled to receive a printed copy of the Statement.

" A printed copy of the Financial Statement has been supplied to each Member of the Council, and I shall now proceed to explain the general financial position of the Government of India ; such discussion of the Financial Statement as may be considered necessary can take place subsequently.

" In the explanation which I propose to lay before this Council I shall confine myself almost entirely to Imperial Revenue and Imperial Expenditure, and I shall neither take up matters of minor importance nor attempt to deal with Provincial and Local Finance, my special object at the present moment being to convey to the Council and to the public a correct outline of the general financial position of the Government of India : those who wish for further and fuller information will find it in the body of the Financial Statement.

" I shall deal, as is usual, with the transactions of the Government of India under the three following heads :—

- (1) The Accounts of the financial year 1891-92 which have been finally closed.



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(2) The Revised Estimate of the financial year 1892-93 which ends on the 31st instant.

(3) The Budget Estimate of the coming year—1893-94.

“The explanation I am about to give is printed as Part I of the Financial Statement, and where Revenue or Expenditure is mentioned, it should be understood that Imperial Revenue or Imperial Expenditure is meant, unless the contrary is stated in the context.

“The financial position of the Government of India, at the present moment, is such as to give cause for apprehension, and I shall be obliged, in the explanation I am about to lay before this Council, to go back a short way into the history of the past in order to bring out more clearly the nature of the difficulties with which we have to contend and the causes to which they owe their existence. It will not be necessary for this purpose to go back further than March, 1891, the month in which the Budget Estimates of the financial year 1891-92 were issued. This is the latest year of which the Accounts have been finally closed.

### “Section I—Accounts of 1891-92.

“When the Budget Estimates for the year 1891-92 were being framed, just two years ago, the rate of exchange was taken at what would now seem the excessive figure of *ls. 5½d.* the rupee; the surplus shown in the Estimates was *Rx. 115,600*, and practical equilibrium between Revenue and Expenditure was secured.

“It was explained in the Financial Statement issued in March last that from a financial point of view the unfavourable incidents of the year 1891-92 were (1) a fall in the average rate of exchange of the year to *ls. 4.713d.*, involving an increase of the net Expenditure under Exchange by *Rx. 782,200*, (2) a considerable increase in Military Expenditure, chiefly on account of expeditions, and (3) a falling off in Land Revenue owing to scarcity; on the other, or favourable, side of the Account there was (1) a very large increase of Railway Revenue, (2) a substantial increase of net Opium Revenue, and (3) a satisfactory growth of Ordinary Revenue other than Land Revenue.

“It appeared at that time, March, 1892, that the changes for the worse which had occurred during the year 1891-92 would slightly outweigh the changes for the better, and Expenditure was shown in the Revised Estimates of 1891-92 as being somewhat in excess of Revenue; at the same time it was anticipated that some improvement might occur at the last moment and that the Accounts of the year when finally closed would show a surplus. This hope has been realised, and the Accounts of 1891-92 have closed with a surplus of *Rx. 467,000*—a not unsatisfactory result, even though the larger part of

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that surplus is due to a payment which it was expected would be made to the War Office in 1891-92 having been postponed to 1892-93; the provision made on this account in the Revised Estimates of 1891-92 was £240,000. The amount actually paid in 1892-93 was £208,000 and the finances of the year 1891-92 have been relieved at the expense of those of the current year.

"With 1891-92 the era of surpluses, I regret to say, comes to an end. During the four years from 1884-85 to 1887-88 there was an aggregate deficit of Rx. 5,029,000. In 1888-89 there was a surplus of Rx. 37,000, in 1889-90 of Rx. 2,612,000, in 1890-91 of Rx. 3,688,000, in 1891-92 of Rx. 467,000, the aggregate surplus of the four years being Rx. 6,804,000. The Revised Estimates of the year which is now drawing to a close, and the Budget Estimates of the year on which we are about to enter, show deficits of considerable magnitude.

### "Section II.—Revised Estimate of 1892-93.

"I now come to the Revised Estimates of 1892-93—the year which is just about to close,—and I shall in the first place call attention to the conditions under which these Estimates of 1892-93 were originally framed. The fall in the rate of exchange during the year 1891-92 had been so great that in the Financial Statement for 1892-93 some difficulty was experienced in securing equilibrium between Revenue and Expenditure. The fall in the rate of exchange, from 1s. 5½d., the figure taken for the Budget Estimates of 1891-92, to 1s. 4d., the highest rate which it was considered safe to take for 1892-93, caused the charge for Exchange to increase by no less than Rx. 1,708,000. We were able to cover this heavy loss and to secure a small surplus of Rx. 146,600 in the Budget Estimates of 1892-93, but it was only a concurrence of fortunate incidents that enabled us to do so. These fortunate incidents were (1) the receipt of contributions to the extent of Rx. 466,000 from Local Governments on revision of the Provincial Contracts, (2) the anticipated growth of general Revenue under the Principal Heads (excluding Opium) to the extent of Rx. 625,000, (3) the anticipated growth of Railway Revenue to the extent of Rx. 606,000 in India, less increased expenditure in England of £51,800, and (4) a substantial improvement under Interest in India owing to our having been able to avoid borrowing for some years, and to our having increased the Paper Currency investment by one crore of rupees.

"The rate of exchange taken in the Budget Estimates of the current year—namely, 1s. 4d. the rupee—has not been realised. The actual rate of exchange at the present time is unsettled, and at this moment is below 1s. 2½d., and the average rate for the year is slightly below 1s. 3d.; the net charge for Exchange has increased by Rx. 1,936,600, of which Rx. 1,635,300 is due to the fall in the rate of exchange, and the remainder to increase of sterling Expenditure. Nor is this fall in Exchange the only untoward event which has affected the figures of

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the year 1892-93 ; there is also an increase of the net sterling Expenditure in England, amounting to £302,600, and involving, with Exchange at the Budget rate of 1s. 4d., an increased burden of Rx. 903,900, and there is an increase in the Expenditure under Army Services in India to the extent of Rx. 515,500.

"The three great causes of increased Expenditure during the year 1892-93 have been (1) the fall in the rate of exchange, which caused an increase of Rx. 1,635,300, (2) increased sterling Expenditure, involving a burden of Rx. 903,900, and (3) increased Expenditure on the Army in India to the extent of Rx. 515,500, making a total of Rx. 3,054, 00. As the surplus shown in the Budget Estimates was only Rx. 146,600, and the three causes I have just mentioned increased the Expenditure by Rx. 3,054,700, it will probably be a surprise to most people to learn that the deficit shown in the Revised Estimates is only Rx. 1,081,900, a figure which will no doubt be still further reduced when the Accounts of the year are finally closed. The Budget Estimates show a surplus of Rx. 146,600 and the Revised Estimates show a deficit of Rx. 1,081,900 ; there has, therefore, been during the year a falling off or deterioration on the whole account of Rx. 1,228,500, being the amount of surplus shown in the Budget Estimates *plus* the amount of deficit shown in the Revised Estimates. The three great causes which I have already mentioned having been sufficient to cause a falling off to the extent of Rx. 3,054,700 and the actual falling off, everything included, being only Rx. 1,228,500, it follows there must have been an improvement in other directions of Rx. 1,826,200, being Rx. 3,054,700 *minus* Rx. 1,228,500. I shall explain a little later in what way this improvement of Rx. 1,826,200 was obtained, but in the first instance it will be convenient to state the causes of the increase in sterling Expenditure and of the increase in Expenditure on the Army in India.

"The chief increases in sterling Expenditure in England are £427,800 under Army Services, £123,400 under Marine, £81,900 under Superannuation Allowances and Pensions, and £37,600 under Interest.

"The increased Expenditure under Army was caused by the payment of an arrear charge of £208,000 to the War Office in 1892-93 instead of in 1891-92 as originally intended, and by the adoption of a rule for the payment of furlough allowances and retired pay in arrears at the end of each month instead of in arrears at the end of each quarter. Such a change must, from the nature of the case, add to the total charge in the first year because the allowances are paid sooner than would otherwise be the case, and the amount due at the end of the year is reduced. The same cause accounts for the increase of £81,900 in civil Superannuation Allowances and Pensions. The increase in the Marine charge is due to payments on account of the construction of ships and a dredger, which were not provided for in the Budget Estimates.

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“ The increase of £37,600 under Interest is due to discount on a sterling loan of £1,300,000 raised during the year for advances to Railway Companies and discharge of Railway Debentures.

“ The increased Expenditure of Rx. 515,500 on Army Services in India is due to the following causes :—

	Rx.
Suppression of disturbances in the Lushai Country . . . . .	60,000
Isazai Field Force . . . . .	50,000
Gilgit Agency . . . . .	9,000
Kajuri Kach Force . . . . .	100,000
Kurram Escort . . . . .	45,000
Transport charges for supply of Gilgit Agency . . . . .	78,400
Arrear charges connected with the Manipur Expedition . . . . .	7,600
Rise in price of food and forage and increase in the number of transport animals to be fed (about) . . . . .	150,000
Total . . . . .	<u>500,000</u>

“ There were also other increases of charge of minor importance and some decreases of no great magnitude which need not be separately specified.

“ I come now to the explanation of the fact that, with an increase of sterling Expenditure involving at the Exchange of 1s. 4d. a burden on the finances of Rx. 903,900, with an increase in Army Expenditure in India amounting to Rx. 515,500, and with an increase of Rx. 1,635,300 on account of the fall in the rate of exchange, giving in all a deterioration of Rx. 3,054,700, the deficit is only Rx. 1,081,900. In making this explanation it will be most convenient to deal separately with the Opium Revenue, deducting Opium Expenditure from Opium Revenue so as to get the figure of net Revenue. It is at first sight not a little remarkable that an unfavourable Opium crop should, for the present, have had the effect of materially increasing the Revenue and at the same time largely reducing the Expenditure, the total gain in net Opium Revenue in India as compared with the figures of the Budget Estimates being no less than Rx. 971,900.

“ In the first place, I may mention that the poppy cultivation failed to a large extent in the cold weather of 1892, so that the sums paid to the cultivators, which sums fall into the accounts of the current year, were greatly reduced in amount, and the total Expenditure in India under Opium in 1892-93 proved to be Rx. 1,593,900 as compared with the Budget provision of Rx. 2,233,900, the saving being Rx. 640,000.

“ The knowledge that the crop of Opium was a poor one immediately affected the market, and a rise took place in the price of Bengal Opium. In making our

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Budget calculations we had estimated the price of Bengal Opium at Rs. 1,050 a chest, while the average price actually obtained has proved to be Rs. 1,247. If we could have continued our sales throughout the financial year at the figures of the earlier months, the gain from the increased price of Bengal Opium would have been Rs. 1,065,200. As the reserve stock of Opium was running down, this could not be done, and the quantity of Bengal Opium to be sold monthly was reduced from 4,500 chests to 3,642 chests with effect from 1st October, 1892. The exports of Malwa Opium also proved smaller than the Estimate, and than had been the case for many years. Consequently the gross Revenue from Opium exceeds the figure of the Budget Estimates by only Rs. 331,900. As the gross Revenue from Opium increased by Rs. 331,900 and the Expenditure was reduced by Rs. 640,000, the increase in the net Revenue is Rs. 971,900.

“In addition to the great improvement in net Revenue from Opium, which I have just explained, and which, I must admit, is accidental, temporary, and, from a financial point of view, far from satisfactory, there has been a general increase of Revenue under almost every head in the Estimates.

“The total gross Revenue in India shown in the Budget Estimates of 1892-93 was Rs. 65,399,500; the amount shown in the Revised Estimates which are now published is Rs. 66,423,300, being an increase of Rs. 1,023,800. Of this increase I have already taken into account the increase of Rs. 331,900 in Revenue from Opium; excluding the temporary and accidental increase in Opium Revenue, there has been, therefore, during the year an improvement in Revenue of Rs. 691,900.

“There is nothing which has so beneficial an influence on the growth of the general Revenue as timely and plentiful rains and good harvests, and, as India has been on the whole somewhat unfortunate in these respects during the last few years, the increase of Revenue which I have just stated is specially satisfactory, inasmuch as it shows that, although the progress of the country may have been impeded by the occurrence of unfavourable seasons, it has not been stopped or even seriously checked. Nevertheless, the growth of Revenue during the year appears to show traces of the influence of unfavourable seasons. There is not a very remarkable increase of Revenue in any direction, and the satisfactory aggregate increase which has been secured is due to moderate increases under almost all heads, and indicates steady and general improvement rather than unusual expansion.

“The only decreases of Revenue of any importance are Rs. 120,700 under XXIV Exchange, Rs. 76,000 under Customs, and Rs. 34,800 under Interest.

“The amount of Revenue shown under XXIV Exchange depends on the average market rate of Exchange during the year, on the rates fixed by contract

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with the Railway Companies for regulating certain transactions between them and the Government, on the nature and extent of these transactions during the year, on the extent of Remittances during the year, and on the rate of Exchange fixed yearly for the settlement of accounts between the Indian and the Home Government. Increases or decreases of Revenue under such a head are of course no indication of the general progress or prosperity of the country. The falling off under Interest is due to the fact that the Railway Companies did not overdraw their capital to the extent anticipated, and an increase or decrease of Revenue from interest on advances to Railway Companies has not any bearing on the question of the growth of ordinary Revenue. The falling off in Customs Revenue is due to reduced exports of rice from Burma.

“The principal increases of Revenue are the following :—

Head of Account	Rx.
State Railways . . . . .	143,600
Land Revenue . . . . .	117,800
Salt . . . . .	104,000
Mint . . . . .	99,400
Excise . . . . .	79,800
Irrigation, Major Works including Land Revenue due to Irrigation . . . . .	69,900
Stamps . . . . .	60,200
Army receipts . . . . .	51,100
<b>TOTAL</b>	<b>728,500</b>

“As the increase in net Opium Revenue is Rx. 971,900, and the increase of Revenue under other heads is Rx. 691,900, we get a total improvement in Revenue of Rx. 1,663,800. This it will be recollected is the increase in Imperial Revenue, and does not take into account Provincial and Local Revenue, the amount of which has no bearing on the surplus or deficit of the year. I may, however, mention that the increase of Provincial and Local Revenue during the year is Rx. 592,500.

“The growth of Revenue during the current year has, as I have just shewn, been satisfactory, and it is hardly less satisfactory that the public Expenditure in India during the same period has, with only a single exception of importance, been kept well within the Budget Estimates. The Budget Estimate of this Expenditure for the current year was Rx. 41,628,500 and the corresponding figure of the Revised Estimate is Rx. 41,341,600, a reduction in the aggregate Expenditure of Rx. 286,900. If we eliminate from the account the decrease in Opium Expenditure of Rx. 640,000, which must be admitted to be accidental and temporary, and with which I have separately dealt, it will be seen that the increase of Expenditure under all other heads has been

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Rx. 353,100, an increase which is more than accounted for by the increased Expenditure of Rx. 515,500 on Army Services which I have already explained.

"The Expenditure under all heads other than Opium and Army Services is very closely in accord with the Budget Estimates both in aggregate amount and in details and need not be further examined. It will suffice to mention that, excluding Expenditure under Opium and Army Services, there is a small saving of Rx. 162,400, an amount slightly less than the saving which occurs under the Railway Revenue Account.

"The explanations already given, and which I fear may have proved somewhat tedious, place me in a position to sum up in a few words the financial results of the year 1892-93.

"In first place, we have had a net increase of sterling expenditure amounting to £602,600, which (taking exchange at the Budget rate of 1s. 4d.) involves an increased charge of Rx. 903,900. In the next place, we have had increased Expenditure on the Army in India amounting to Rx. 515,500; and lastly, and most important of all, there has been a fall in the rate of exchange from 1s. 4d. to 1s. 3d., involving a net increase of the charge in the columns headed Exchange of no less than Rx. 1,635,300; the total falling off during the year from these three causes being Rx. 3,054,700. To balance this great and disastrous falling off we have, in the first place, the temporary and accidental increase in net Opium Revenue in India of Rx. 971,900; in the next place, we have a satisfactory growth of Revenue under other heads of Rx. 691,900, and we have a slight saving of Expenditure (excluding Army Services and Opium) which amounts to Rx. 162,400. The total improvement is Rx. 1,826,200.

"Our losses exceed our gains by Rx. 1,228,500 and the Budget surplus of Rx. 146,600 is converted into a deficit on the Revised Estimates of Rx. 1,081,900.

"The Final Accounts of each financial year usually, and I may say invariably, show improvement over the Revised Estimates, and I fully anticipate that in March 1894 my successor will be able to announce that the actual deficit of the year 1892-93 is below the figure at which it is now placed.

"However satisfactory this result may appear at first sight, and under all the circumstances of the case, a closer examination of the figures affords ground for apprehension.

"The temporary and accidental gain in net Revenue from Opium will disappear in 1893-94 and the influence of short crops in past years will still further reduce the income from Opium. On the other hand, the loss due to the fall in the rate of exchange will remain, and will increase, because there is at the present time no prospect that the rate of exchange will be as high in

1893-94 as it has been in 1892-93, and the fall will not merely add largely and directly to the burden of Indian Expenditure, but will materially increase the cost to be incurred on account of the British troops serving in India, whose pay is fixed in sterling. On the other hand, we may expect to retain a large proportion of the increase of ordinary Revenue which we obtained in 1892-93, and the causes by which the sterling Expenditure was swollen in the current year will no longer operate.

“The prospective loss exceeds the amount of gain on which we can reckon and we may say at once, and without waiting to examine the Budget Estimates of 1893-94, that the deficit of the year 1893-94 must exceed that of 1892-93 by a considerable amount.

### “Section III.—Budget Estimate of 1893-94.

“In the Estimates of the coming year the total Imperial Revenue in India and England amounts to Rx. 66,648,800, and the total Imperial Expenditure to Rx. 68,243,900, and the deficit is Rx. 1,595,100.

“The announcement of a large deficit will not, I believe, come as a surprise to those who have paid any attention to financial matters during the past year, or who have taken their opinions on the subject from the public Press. I shall now explain the exact influence exercised upon the financial position of the Government of India by the various causes which have come into operation during the last twelve months, and which have resulted in transforming the small surplus of the Financial Statement of 1892-93 into a deficit for the coming year which exceeds one and a half crores of rupees. The immediate and principal cause, as every one knows, is the fall in the rate of exchange, but there are other causes of less importance which also require notice.

“In the explanation I am about to make I shall take as my starting point the Budget Estimates of 1892-93, which showed a surplus of Rx. 146,600, and shall trace the various changes, favourable and unfavourable, which in the course of twelve months have brought us face to face with a deficit of Rx. 1,595,100. For the purposes of this explanation it will be convenient to again call attention in this place to the leading features of the position as it presented itself in March 1892.

“In the Financial Statement for 1892-93 it was stated that the fall in the rate of exchange from 1s. 5½d. to 1s. 4d. had imposed on the finances of India an additional burden to the extent of Rx. 1,708,000, being the increase of Exchange on the net sterling Expenditure, in addition to an increase of Rx. 205,000 in the pay of the British Troops, and it was explained that this increase of charge had been met (1) by contributions from Local



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Governments, (2) by anticipated increase of Railway Revenue, (3) by growth of Revenue under the Principal Heads, and (4) by some improvement under Interest owing to our having been able to avoid borrowing for some years, and to our having invested in Government securities a larger amount of the Paper Currency Reserve. The additional burden thrown on the finances in March 1892 was a very heavy one, and it was only a combination of favourable circumstances that enabled us to meet it for the time. The further and additional burden thrown on the finances at the present time is even greater than that of a year ago and another combination of equally favourable circumstances does not recur.

"In the Estimates of the coming year the rate of exchange has been taken at  $1s. 2\frac{3}{4}d.$ , the approximate market rate of the date on which the Estimates were first compiled. The market rate of the present moment is considerably below  $1s. 2\frac{3}{4}d.$ , but the recent fall appears to be due, to a considerable extent, to misapprehension and panic. In any case it is quite impossible for us to recast our Estimates from day to day in the vain hope of being able to follow the fluctuations in Exchange. It will suffice to say that a drop in Exchange from  $1s. 2\frac{3}{4}d.$  to  $1s. 2\frac{1}{2}d.$  would add  $\text{Rs. } 439,000$  to the Expenditure. The rate of  $1s. 2\frac{3}{4}d.$  taken in the Estimates, though in excess of the market rate of to-day, is five farthings lower than the rate taken in the Budget of 1892-93, and the additional Expenditure, direct and indirect, for which we have to provide in consequence of this fall in the rate of exchange comes to no less than  $\text{Rs. } 2,229,400$ .

"The net sterling Expenditure in the Estimates of the coming year is  $\text{£}15,650,300$ , and the charge for Exchange at  $1s. 2\frac{3}{4}d.$  the rupee is  $\text{Rs. } 9,814,600$ ; if we could have taken Exchange at the rate adopted in the Budget Estimate of 1892-93, namely,  $1s. 4d.$ , the net charge for Exchange would have been only  $\text{Rs. } 7,825,200$ , and consequently the fall in the rate of exchange between March 1892 and March 1893 has added directly to the Expenditure of the Government of India the difference between these amounts, or the sum of  $\text{Rs. } 1,989,400$ .

"The pay of the British Troops serving in India, or in any other part of Her Majesty's dominions, is fixed in sterling, and must be converted into the currency of the country in which they are serving at a rate fixed annually, and intended to approximate to the average market rate of the year. The fall in the rate of exchange to  $1s. 2\frac{3}{4}d.$  has added on this account a further sum of  $\text{Rs. } 240,000$  to the Indian Expenditure, causing the total additional charge, direct and indirect, on account of Exchange to amount to  $\text{Rs. } 2,229,400$ .

"The estimated surplus of 1892-93 was  $\text{Rs. } 146,600$ , and the estimated deficit of the coming year is  $\text{Rs. } 1,595,100$ , showing a total deterioration in the year of  $\text{Rs. } 1,741,700$ ; as this sum is less by  $\text{Rs. } 487,700$  than the falling

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off due to the fall in Exchange alone, it will be obvious that, but for the fall in exchange below last year's Budget rate of 1s. 4d., the Estimates of 1893-94 would have shown an improvement over those of 1892-93 amounting to Rx. 487,700, and I should now have been in a position to announce a surplus of Rx. 634,300 instead of a deficit of Rx. 1,595,100. An increase of Rx. 1,913,000 (Rx. 1,708,000 plus Rx. 205,000) in the burden on account of exchange, followed in twelve months by a further increase of Rx. 2,229,400 on the same account, the total increase amounting to over four crores of rupees, has imposed a strain on the Indian Finances which they are at present unable to bear.

"I shall now explain in what manner the improvement of Rx. 487,700, to which I have just alluded, has been obtained.

"In the first place, I may mention that the estimated net sterling Expenditure of 1893-94 is less than that of 1892-93 by £99,300 giving, at an exchange of 1s. 4d., a reduction of charge to the extent of Rx. 148,900. The details of this reduction will be found in the body of the Financial Statement, and I shall not further notice the question of sterling Expenditure in the present place. There remain for examination the Estimates of Revenue and Expenditure shown in the Indian portion of the Accounts.

"In examining the Estimates of Revenue and Expenditure for 1893-94 I shall deal with *net* Receipts in the case of Opium and Railways; in other words, I shall deduct the Expenditure from the Receipts, and employ net figures. I adopt this course in consideration of the fact that in both cases the Expenditure is so closely connected with the Receipts, and constitutes so large a deduction therefrom, that to treat the total gross receipts as Revenue would be misleading. I do not consider it necessary for my present purpose to treat any other head of Revenue in a similar manner.

"In the net Revenue from Opium the Estimates of 1893-94 as compared with the Budget Estimates of 1892-93 show a falling off of Rx. 338,400; this is partly due to reduced exports of Malwa Opium. There has also been a large reduction in the quantity of Bengal Opium to be sold, and, though the falling off from this cause will be partly covered by the anticipated increase in the selling price, the reduction in Revenue from the sales of Bengal Opium alone is Rx. 207,000.

"Under the Railway Revenue Account the net Receipts in India have increased from Rx. 6,678,300 to Rx. 6,899,400, or by Rx. 221,100.

"Putting aside for the time the Revenue from Opium and the Railway receipts, with which I deal separately, the total increase of Revenue in the Estimates of the coming year, as compared with the Budget Estimates of 1892-93, is Rx. 647,700. This satisfactory increase is spread over nearly

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all heads. The only large item of increase is Rx. 313,500 under Land Revenue, and there are decreases under a few heads.

"The increase shown under Excise is only Rx. 26,500, and it may be well that I should explain that the increase of Imperial Revenue under this head would have been Rx. 104,000 had it not been decided recently to assimilate the Opium Law of Lower Burma to that of Upper Burma, or, in other words, to prohibit the consumption and possession of Opium by Natives of Lower Burma. This change involves a reduction of the Excise Revenue in 1893-94 by Rx. 67,500 and of the Opium Revenue by Rx. 22,500. The further loss which falls on the Provincial Revenues is Rx. 22,500. The loss of Revenue will be somewhat greater in subsequent years, as the proposed change is not expected to come into effect until three months of the next financial year have elapsed, and the reduction of Revenue will, therefore, affect only nine months of the year 1893-94.

"Turning to the Expenditure side of the account, I have to observe that, excluding Opium Expenditure and the Expenditure of the Railway Revenue Account, the total increase of Expenditure in India in the coming year is estimated at Rx. 431,600.

"In explaining the causes of this increase of Expenditure it will be convenient to state the increase or decrease under each Group of Heads ordinarily shown in the Indian Accounts. The following are the increases of Expenditure under each Group :—

	Increases. Rx.
Army Services . . . . .	686,800
Post Office, Telegraph and Mint . . . . .	48,800
Grant for Famine Relief and Insurance . . . . .	42,600
Buildings and Roads . . . . .	40,300
Direct Demands on the Revenue (excluding Opium) . . . . .	13,400
Salaries and Expenditure of Civil Departments . . . . .	10,800
* TOTAL . . . . .	842,700

"The increase under Post Office, Telegraph and Mint calls for no special remarks. It is due to the development of the Departments concerned, and is accompanied by a more than proportionate increase of Receipts. That under Buildings and Roads occurs in Military Works Expenditure: the grant for 1892-93 was below the normal amount. The increase under the Famine Grant is merely a matter of account.

"The small increases of Rx. 13,400 and Rx. 10,800 do not require special notice, but the increase of Rx. 686,800 under Army Services is of more

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importance. Of this sum, Rx. 240,000 is due to the increase in the pay stated in rupees of British troops serving in India and is caused by the fall in the rate of exchange. This portion of the increase has already been taken into account in dealing with the question of Exchange and may be excluded from the present calculation.

“The following are the principal causes of the balance of the increase in Expenditure on Army Services (Rx. 446,800) :—

	Rx.
Provision for the Kajuri Kach Force, the Kurram Escort, and	
Arrear charges of the Chin and Lushai Expeditions .	174,000
Increased Expenditure on Ordnance Establishment and Stores	88,200
Rise in the price of food and forage and increase in the number	
of transport animals to be fed . . . . .	70,000
Transport and supply arrangements for Gilgit . . . . .	20,000
Increased cost of clothing for British Troops . . . . .	27,100
<b>TOTAL</b> .	<b>389,300</b>

“The decreases in Expenditure during the coming year, 1893-94, are as follows :—

	Decreases. Rx.
Interest . . . . .	233,200
Construction of Railways . . . . .	118,300
Special Defences . . . . .	18,600
Miscellaneous Civil Charges . . . . .	32,400
Irrigation . . . . .	8,600
<b>TOTAL</b> .	<b>411,100</b>

“Of the items of decrease, the only one that requires special explanation is that under Interest. Speaking generally, this decrease may be said to be due to the transfer of Rx. 10,792,490 of the  $4\frac{1}{2}$  per cent. Loan during the current year to a 4 per cent. loan, thus effecting a saving of Rx. 54,000, and to the continuance of the practice of applying the surpluses of past years to the construction of Railways and Canals, and thus obviating the need for borrowing. On the other hand, there is an increase of the interest charge on increased deposits in Government Savings Banks. The reduction under Construction of Railways is due to the fact that we have no surplus Revenue to devote to such a purpose.

“The final result at which we arrive is that, if we exclude the indirect increase of Expenditure in India caused by the fall in the rate of exchange,

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and leave out of account Opium Expenditure and the Expenditure in the Railway Revenue Account (for both of which a net figure has been taken), there has been an increase of Expenditure under certain heads in the Estimates of 1893-94 as compared with those of 1892-93 of Rx. 602,700, of which Rx. 446,800 is due to higher Expenditure under Army in India, and that there is a decrease under all other heads of Rx. 411,100.

"I am now in a position to summarise in a few words the causes that have brought about a deficit of Rx. 1,595,100 in the Estimates of 1893-94 as compared with the surplus of Rx. 146,600 shown in the Financial Statement for 1892-93. In the first place, the fall in the rate of exchange has caused increased Expenditure to the amount of Rx. 2,229,400; in the second place, net Opium Revenue is worse by Rx. 338,400, and in the third place, the cost of Army Services in India (excluding pay of British Troops) is greater by Rx. 446,800. The total deterioration from the three causes I have mentioned is Rx. 3,014,600. There is on the other side of the account an improvement in ordinary Revenue in India to the extent of Rx. 647,700, an improvement of Rx. 221,100 in net Railway receipts in India, a reduction in the net sterling charge which reduces Expenditure by Rx. 148,900, and a reduction in Indian Expenditure (excluding Opium, the Railway Revenue Account and Army Services) of Rx. 255,200. The total improvement is Rx. 1,272,900, and deducting this amount from the total deterioration of Rx. 3,014,600 we get a net falling-off of Rx. 1,741,700, which is just sufficient to account for the surplus of Rx. 146,600 shown in the Budget Estimates of 1892-93 being converted into a deficit of Rx. 1,595,100 in the Estimates of 1893-94.

"The figures may be stated in the following manner:—

<i>Deterioration.</i>		<i>Improvement.</i>	
	Rx.		Rx.
Exchange . . . . .	2,229,400	Increase in Ordinary Revenue in India . . . . .	647,700
Reduction in <i>net</i> Opium Revenue . . . . .	338,400	Reduction in <i>net</i> sterling Expenditure . . . . .	148,900
Increased cost of Army in India, excluding increase in pay of British Troops due to fall in exchange . . . . .	446,800	Reduction in India Expenditure, excluding Opium, Railway Revenue Account and Army Services . . . . .	255,200
		Improvement in <i>net</i> Railway Receipts . . . . .	221,100
<b>TOTAL</b> . . . . .	<b>3,014,600</b>	<b>TOTAL</b> . . . . .	<b>1,272,900</b>

#### "Section IV.—Present Position and Future Policy.

"The Revised Estimates of the current year show a deficit of Rx. 1,081,900; the Budget Estimates of the coming year show a deficit of Rx. 1,595,100.

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The prospects of the future are disheartening because, although the ordinary Indian Revenue grows rapidly, the fluctuations in Exchange are such as to set all calculation at defiance. The increase in Expenditure during the last two years, caused by the fall in the rate of exchange, amounts to Rx. 4,142,400, and the increase of Expenditure due to this cause has not yet come to an end. The heavy fall in the rate of exchange has most seriously affected the position of Government servants not domiciled in India; their case cannot be put on one side much longer, and, as matters now stand, no remedy is possible which does not involve further increase of Expenditure.

"We have, also, to take into consideration the possibility of the United States stopping their purchases of silver, the effect of which on the rate of exchange must be serious and might be disastrous. It has been found necessary to take net Opium Revenue for the coming year at a lower figure than has appeared in the Estimates during the last 22 years.

"Under the circumstances stated in the preceding paragraph the natural and ordinary course would be for the Government of India to at once take such measures as would suffice to cure the existing deficit and establish equilibrium between Revenue and Expenditure. Financial embarrassment gathers weight and force the further it proceeds, and it is the obvious duty of every Government to allow no avoidable delay to occur in dealing with a declared deficit. Postponement of action cannot be justified except on grounds of irresistible weight.

"It will be found on examination of the existing position that there are insuperable objections to any attempt to deal with the anticipated deficit of 1893-94 at the present moment. The immediate cause of our financial difficulties, and the cause which, by comparison and for the time being, dwarfs all others, is the fall in the gold value of silver, which, as I have already shown, has added to the Indian Expenditure in two years more than four crores of rupees. If that fall could be stayed and the rate of exchange with England fixed permanently at even its present low figure, the difficulty of dealing with the present deficit would be comparatively light. The Revenue continues to grow in a satisfactory manner; even under the influence of indifferent seasons and poor harvests it has made fair progress. If we could feel assured that there would be no further fall in exchange, I have little doubt that increase of Revenue, restriction and reduction of Expenditure, with possibly some taxation of a temporary nature, would, in a very short time, re-establish equilibrium. A serious effort would no doubt be required in the first instance, but with a fixed rate of exchange we would have a definite task before us and our measures could be regulated accordingly. But it unfortunately happens that,

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unless some settlement of the currency question is obtained, there is no prospect of even the most moderate degree of stability in the rate of exchange. The disastrous and unprecedented fall in the gold value of silver which has been experienced during the last few years has destroyed confidence, and we know that the question of stopping their purchases of silver is being seriously agitated in the United States of America. The exact consequences of such stoppage it is impossible to foretell, but the conclusion I have come to is that the consequences would, at any rate for a time, be disastrous to the Indian Exchequer, and that the Government of India would in such case be involved in pecuniary difficulties of greater magnitude, and more lasting in their effects, than any which have hitherto been experienced in this country.

"The imports of silver into India during the current year and the two preceding years have been of great magnitude. In the year 1890-91 the net imports of silver were Rx. 14,175,136, in 1891-92 they were Rx. 9,022,184, and in 1892-93 they promise to amount to Rx. 13,000,000. If the United States ceased to purchase silver, the best calculation I have been able to make shows that India would have to absorb about Rx. 8,000,000 worth of silver yearly in addition to what she imports already, and it is impossible to contemplate such a contingency without grave apprehension.

"The consequences of a forced and sudden addition to the yearly imports of silver into India of Rx. 8,000,000 in a single year would, in the first instance at any rate, be overwhelming, and I should expect that the Eastern Exchanges would be for the time completely disorganised. The fall in the gold value of silver would be so great that the production of silver might be curtailed, but we cannot be certain that this result would follow, or to what extent it would follow, and, as mines that are in full working could not, and would not, be stopped immediately, the process of reduction would take time. If such reduction of output did take place, it would be due to the fall in the price of silver, and would not last longer than the fall in price lasted: every rise in price would be followed by increased activity at the mines and would tend to restore production to its old figure. In short, the stoppage of the purchases of silver by the United States must result in a great fall in the price of that metal, and, though a portion of the first fall might be recovered, it cannot reasonably be expected that, under such circumstances, even the present price of silver would be restored; confidence in the future would be still further weakened, and fluctuations in exchange, of excessive amount and most injurious in their consequences, would be inevitable.

"I have now shown that we must expect if there is no settlement of the currency question, and if the United States stop their purchases of silver. The prospect of a settlement of the currency question lies on the other side of the

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shield. A settlement of this question would prevent any further fall in exchange, and would be likely to bring about, at the very least, some slight rise.

"It is no violent hypothesis to assume that a settlement of the currency question might raise the rate of exchange by one penny, and so great is the influence of exchange on our finances that a rise of even this small amount would give us equilibrium between Revenue and Expenditure in the coming year, and cause our present financial difficulties to disappear.

"In other words, our financial position for the coming year is at the mercy of Exchange and of those who have it in their power to affect in any way the price of silver. If we budget for the present deficit of Rx. 1,595,100 and exchange rises one penny, we shall have a surplus; if it falls a penny, we shall have a deficit of more than three crores; if we impose taxation to the extent of one and a half crores of rupees, a turn of the wheel may require us to impose further taxation of not less magnitude; another turn, and we may find that no taxation at all was required. It will be obvious from what I have just said that what we have got to consider in making our arrangements for next year is not so much the question of increasing the public Revenue, or restricting that portion of the public Expenditure which is under our control, but the chances of a settlement of the currency question.

"I regret that I am unable to give any more definite information regarding the prospects of a settlement of this question than the public at present possess. We know that the question excites the greatest interest in the United States; and we know that, even if the people of that country were willing to let it sleep, the inexorable logic of events will force them before long to take a fresh departure either in one direction or in the other.

"The International Monetary Conference which recently assembled at Brussels separated without arriving at any definite conclusions, but it is proposed that it should re-assemble in May. We do not know whether that proposal will be carried out or not, but in the meantime the currency question as it affects India is being considered by a Committee of experts in London under the presidency of the Lord High Chancellor of England.

"The proceedings of that Committee are secret, and the Government of India have no information as to what the nature of its Report will be, or as to whether the Committee will agree upon a unanimous Report or not. But we know, as do the public, that the Report of the Committee will be made very shortly, and the Government of India have been informed by Her Majesty's Secretary of State for India that the decision on the Indian currency question cannot be delayed much longer. Under these circumstances the Government



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of India have decided—and the soundness of the decision does not appear to me to admit of dispute—that the proper course is to await the decision of the Home authorities on this question before adopting measures, which must necessarily be of a stringent and exceptional nature, with the object of re-establishing equilibrium between Revenue and Expenditure. The immediate restoration of equilibrium would require the imposition of heavy taxation or a large reduction of Expenditure; and yet neither this taxation nor reduction of Expenditure, or even a combination of both means, would be final, or anything better than a temporary makeshift, if the currency question is not settled; measures that might suffice to meet the existing deficit would, in my opinion, be wholly inadequate if the United States ceased to purchase silver. I submit that the Government of India cannot be expected to initiate a policy at the present moment which must have very serious effects on the industry of the country, and disturb and unsettle the Administration, when the lapse of only a month or two might, and in all probability will, show either that their policy was mistaken and their measures uncalled for, or that that policy is wholly insufficient to meet the requirements of the case, and that their treatment of the disease had irritated the patient without materially advancing his progress towards health.

“Disappointing as this decision may appear to some persons, and strongly as I am opposed to delay in dealing with financial embarrassment, I entertain no doubt that the course which the Government of India (with the sanction of Her Majesty’s Secretary of State for India) have decided to adopt in the present conjuncture is the wisest under the circumstances; and I trust that the Indian public will acknowledge the difficulties of the present position, and will not press for a hasty decision, or the inconsiderate adoption of measures which must, from the very nature of the case, prove to be either inadequate or unnecessary.

“The Government of India having decided to budget for a deficit of Rx. 1,595,100, and the various Local Governments having decided to draw upon their Provincial and Local balances and to budget for expenditure in excess of their Revenue for the year by Rx. 751,200, the question of Ways and Means for the coming year becomes one of unusual importance.

“We have to find money to cover the deficit of Rx. 1,595,100 in the Imperial Account, and of Rx. 751,200 in the Provincial and Local Account; we have also to find Rx. 3,550,000 for Expenditure on Railways and Canals, which is not charged against Revenue; and we have to provide funds for loans to Local Bodies, agriculturists, and others to an extent (excluding the repayment of the balance of a loan by the Bombay Port Trust) which involves a net outgoing of Rx. 327,900.

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"We have also to meet the payments by the Secretary of State not taken into calculation in any of the above amounts to the extent of £1,889,100 amounting, at the exchange of 1s. 2½d., to Rx. 3,070,400, of which about one-half only will be recovered in India from the remitters.

"The task appears, at first sight, a formidable one, but I am glad to be able to say that a loan of 300 lakhs of rupees, to be raised in India, will, so far as can be judged at present, be sufficient to meet all our wants. The amount of this loan is less by 55 lakhs of rupees than the amount which we propose to spend on Railways and Canals and to charge otherwise than against Revenue, and is probably not in excess of the amount which might be raised yearly in the Indian market without producing any serious disturbance.

"As the Government of India have not borrowed for some years, and Government Securities now stand high in price, it may be anticipated that the loan will be raised on favourable terms.

"This satisfactory result as regards the amount to be borrowed is partly due to the high cash balance of Rx. 15,204,200 with which we expect to open the coming year. It is anticipated that the cash balance will be reduced during 1893-94 by Rx. 2,561,100. It is also due in part to the large net deposits in Government Saving Banks which we are now receiving. The figures of net receipts for the past two years, and the estimated receipts for the present and coming years, are as follows:—

	Rx.
1890-91 . . . . .	530,400
1891-92 . . . . .	824,100
1892-93 . . . . .	977,200
1893-94 . . . . .	811,000

"The Bombay Port Trust has taken advantage of the favourable condition of the money market and proposes to repay on 1st April next a loan of Rx. 616,100. The Rampore State will also pay the balance (Rx. 220,000) of the amount it is providing for the construction of the Moradabad-Rampore Railway. The Ways and Means of the year are proportionately strengthened.

"It is expected that the drawings of the Secretary of State will amount to £17,200,000 in the current year and to £18,700,000 in the coming year, making £35,900,000 in the two years. The large amount of these drawings may give rise to the erroneous belief that there has been a great and permanent increase in the Home charges. This is not the case. The Home Expenditure of the last four years has been as follows:—

	£
1890-91 . . . . .	15,568,875
1891-92 . . . . .	15,974,699
1892-93 (Revised Estimate) . . . . .	16,563,600
1893-94 (Budget Estimate) . . . . .	15,843,800

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"The increased drawings are largely due to payments for Railway stores, and to repayments of money received in former years from Railway Companies, and such repayments, though inconvenient at the present time and involving a considerable temporary addition to the Home charges, will have a beneficial effect on the balance of India's indebtedness in the future.

"I have already explained that our position in the coming year depends almost entirely on the course of exchange, and, though I must recur to the subject again, I have no intention of adding to the mass of literature that has grown up in connection with the currency question.

"The arguments for, and against, an International settlement of that question, and the arguments for, and against, independent action on the part of India, appear to me to have been exhausted. Every scheme that it has been possible for human ingenuity to devise has been elaborated with the utmost care, and pressed on the attention of a perplexed and suffering public as being, in the opinion of its authors, a safe and infallible remedy for undoubted evils. I must plead guilty in my own case to having added something to the burdens of the patient public, but I hope I have not, as sometimes happens in the heat of argument on the currency question, ever used language which conveyed the impression that I looked upon the man with whom I had the misfortune to differ in opinion as being necessarily a person of doubtful honesty and deficient in ordinary intelligence. If I have done so, I retract and apologise. The matter is too serious to permit of any weight being attached to merely personal considerations, and I think I may now fairly call on the disputants to recognise that the suit has, for the time being, passed beyond the stage of pleading and of argument, and that it only remains to await the decision of the tribunal. If the members of that tribunal decide that a remedy is possible by means of independent action on the part of India and should be tried, let us, whatever our private and personal opinions may be, accept that decision and loyally endeavour to give effect to it. In asking others to accept a decision which they may, possibly, not wholly approve, I am not requiring them to do something which I am not prepared to do myself. The remedy which I have always advocated, which I still prefer, and which I hope may some day be adopted, is the solution of the currency question by International agreement; yet this is the solution which at the present moment is not under consideration.

"If, on the other hand, it be decided that, having regard to the interests of India in their widest sense, no remedy for our undoubted difficulties by means of independent action on the part of this country is practicable, or should be attempted, it will be our plain and obvious duty to address ourselves, as best we may, to the task of establishing, securing and maintaining the integrity of

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the financial position of India. That task may be a heavy one, but difficulties that are met in the right spirit are already half overcome, and I have confidence in the resources of the country and in the industry of its people.

"In the first Financial Statement which issued under my name just four years ago, after calling attention to the financial dangers that threatened us in connection with the question of Exchange and the fall of the Opium Revenue, I remarked that, 'if we could get rid of the Exchange difficulty, I should be prepared to adopt a hopeful view of the future, and, if there were in addition no risk of a great war, I should look forward to our progress in coming years with as much confidence as it is ever safe to feel in financial matters.'

"In the following year, when dwelling on the improvement that had taken place in the course of twelve months and on the grounds for expecting further improvement in the immediate future, I added the following words:—

'I fully recognize that we have difficulties of no slight magnitude still to meet, that the finances are exposed to many dangers, and that unforeseen disasters might for a time upset our calculations. There is every need for caution and for economy, and I should greatly regret if anything I now say, or have said in the past, conveyed the impression that the Government of India are in a position to embark on a policy of adventure of any descriptions.'

"When I made these remarks the tide of Indian financial prosperity was rising, and it was held in some quarters that the policy I advocated was unnecessarily timid. The remission of taxation, it was said, would relieve the springs of industry, and public works should be vigorously prosecuted with funds raised by gold loans in London.

"One of those disasters, the occurrence of which a study of the history of the Indian finances, and more than twenty years' practical experience of their working, had taught me to regard as possible at any moment, and on the shortest warning, has now come upon us, and I do not think the critics will look back with much satisfaction to the opinions they formerly expressed; for my part I have no wish to dwell on the subject, and I recall the matter at the present time merely with the object of adding force to what I have now to say.

"Even under present circumstances, when the horizon is dark with the approach of what may prove to be the greatest financial convulsion of the present century, I do not draw back from the opinion I formerly expressed that the revenues of India are adequate to meet her wants; but I wish to say in the most emphatic terms that, if the Ship of State is to pass successfully through the storm which she is now entering, our measures must be taken in due time, must be regulated by prudence and forethought, and must be carried into execution with strict regard to economy."

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[*Mr. Woodburn ; Sir Philip Hutchins.*]

LAND ACQUISITION ACT, 1870, AMENDMENT BILL.

The Hon'ble MR. WOODBURN presented the Further and Final Report of the Select Committee on the Bill to amend the Land Acquisition Act, 1890. He said that the proposals made to the Council in February last had been circulated to all Local Governments in India, and that their replies had been received and considered. The proposals then made had met with general acceptance. There was one important amendment, however, received from Bombay which the Select Committee had not seen their way to accede to of which detailed notice was made in the Report, but there had been several useful and valuable suggestions made by His Honour the Lieutenant-Governor and the High Court of Bengal and by the Government of Bombay itself which the Committee had been glad to incorporate in the Bill. In the Committee's recommendations they had explained that they proposed in the interests of convenience that the Act of 1870 should be formally re-enacted with the amendments which they had now the honour to propose.

INLAND EMIGRATION ACT, 1882, AMENDMENT BILL.

The Hon'ble SIR PHILIP HUTCHINS moved that the Report of the Select Committee on the Bill to amend the Inland Emigration Act, 1882, be taken into consideration. He said :—" I am surprised to find that the Government of India has been accused of undue haste in the prosecution even of this measure. So far as my personal inclinations go, I should only be too pleased to seize any reasonable excuse for letting so difficult and intricate a subject stand over as a legacy to my successor ; but it does not seem right that an Administration which has, at least to some extent, mastered its main difficulties should shirk its final determination. It is now three years since the whole subject of Assam labour and emigration was discussed in one of the most exhaustive, and perhaps also one of the most voluminous, reports I have ever seen—a report comprising 204 lengthy paragraphs and extending over 350 pages of printed foolscap. And nearly a year has elapsed since our conclusions upon this report and all our correspondence on the question with the Secretary of State and with the Local Governments concerned were given to the public. The Bill in which these conclusions were formulated is therefore nothing new: it merely gives expression to a policy which we proclaimed to the world a year ago. And even then that policy could not claim novelty as one of its recommendations. If there was one thing more than another which struck me when I first took up the subject, it was the num-

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ber of divergent Acts which had followed one another in quick succession—there were at least five in less than 20 years; and the keystone of the advice which I eventually submitted to my colleagues was that we should have no more empirical legislation, but should content ourselves with improving and shaping towards our final object those methods which employers and labourers and others interested had themselves chosen and developed as most suitable to existing conditions. In a word, our declared policy is to bring the law into harmony with actual facts, and to prepare the way for really free emigration and absolute liberty of contract. That being so, most of the provisions of this Bill required very little consideration indeed. The Committee which has reported upon them was thoroughly representative, and I have no doubt that, so far as its members are agreed, the Council will not hesitate to adopt their conclusions without my troubling them with further explanations. There are but three points upon which there is any difference of opinion, and these will now be brought to issues which this Council is quite competent to decide. Only one of the three—the duration of the penal contract—really arises out of the Bill as formulated.

“ We have, however, received quite recently one extremely hostile criticism to which it is necessary that I should make at least a brief reply. It emanates from the Indian Association and must be in the hands of each Hon’ble Member. It is an attack not so much on the Bill now on the table as on the Act of 1882—not so much on what we propose to do as on what we have left untouched; and this is but natural, for it professes to be written in the interests of the coolies, and everything that we propose to do is calculated to advance their interests and perfect their protection.

“ Excluding for the present the questions of malpractices in recruitment and compulsory initial registration, the Association’s objections may be summed up under five heads :—

- (1) it is said that the special legislation of the Act is for the benefit of a particular class—the employer;
- (2) it is urged that such special legislation is no longer necessary;
- (3) it is alleged that the recorded opinions of officers show that it operates injuriously to the labourer;
- (4) it is stated that Act XIII of 1859 has been condemned by high officials and should be declared inapplicable to tea-garden contracts;

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- (5) it is affirmed that the conditions of child-life on a tea-garden are unfavourable, and that the mortality among children and infants is unduly high.

“ A general observation which I have to make with regard to all these objections is that they are only supported by fragmentary extracts from reports, and that all these extracts relate to a period before 1887 ; the Indian Association have altogether overlooked the very elaborate enquiries into the condition of the tea-garden coolie made in the years 1859-92 by or under the direction of Sir Dennis Fitzpatrick, Mr. Quinton and Mr. Ward, and it is upon the results of these enquiries that our conclusions are mainly based.

“ I will now take up in order each of the objections which I have just specified.

“ The first objection, which suggests that Act I of 1882 is maintained merely in the interests of the tea-industry, proceeds on an entire misapprehension of the case. The objects of the special legislation were fully explained in an extract which I will now read from our published Despatch of 5th October, 1891, to the Secretary of State :—

‘ It is desirable at the outset to guard against the supposition that special legislation is maintained merely in the interests of the tea-industry. The Provinces from which the labour-force for tea-gardens is mainly drawn, known as the recruiting Provinces under the present law, are Bengal and the North-Western Provinces ; and the principal recruiting areas are either densely-inhabited districts, such as many in Behar and the North-Western Provinces, where the means of subsistence are insufficient for the support of the entire population in tolerable comfort, or such tracts as Chota Nagpur, where, though population relatively to area does not appear excessive, wages are extremely low and the labouring classes are unable, without some relief by emigration, to obtain a decent livelihood. The Lieutenant-Governor of Bengal in his special report informs us that Rs. 20 represent seven months’ wages for an able-bodied man in Chota Nagpur, and that from a period antecedent to the commencement of labour legislation the labouring classes of this locality have looked to emigration to Assam as a means of improving their condition. We invite attention in this connection to the enquiry into the economic condition of the lower classes of the agricultural population made by this Government in 1887-83, the results of which were reported with our Despatch No. 3 (Famine), dated 30th October, 1888. Your Lordship will there find an account of the tendency towards poverty and pressure among the land-less and labouring classes in certain areas which it has been our steadfast endeavour to counteract by emigration. During the recent scarcity in Orissa and in the adjacent districts of Madras there was a sudden development of emigration to Assam from Ganjam and Vizagapatam, and the Madras Government asked us to legislate with a view to extending the recruitment provisions of

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Act I of 1882 to that Presidency; and a similar application, assented to by the Local Administration, has recently been made on behalf of the tea-industry for the extension of the Act to the Central Provinces, which are already used as a recruiting field. It has been the settled policy of this Government to promote emigration from areas which are overpopulated and liable to famine to others enjoying more favourable conditions; and the importation of immigrants to Assam at the expense of persons interested in the tea-industry has done much towards opening out and colonizing the fertile but sparsely-peopled districts of the North-Eastern Frontier.

“The Assam system is based on precisely the same policy as our system of Colonial emigration. For whose interests does the Association suppose that we have sanctioned and still continue emigration to Dutch Guiana? or that we allowed, and would have continued if the Indian labourers had been well treated, emigration to the French Colonies of Réunion, Martinique and Guadeloupe?

“The second objection assumes that the need for special legislation has ceased. As to this I need only remind the Council that the question whether it is necessary to continue special legislation for the control of labour emigration to Assam was the chief point which formed the subject of enquiry in 1885, and again recently. The opinion that special legislation was essential in the interests of the labourer as well as of the employer, and also in the interests of good administration, was emphatically expressed by my hon'ble friend Sir Charles Elliott in 1885, and accepted by the Government of India and the Secretary of State. The same opinion was expressed by Sir Dennis Fitzpatrick in 1889; and by Mr. Quinton in 1890; and the Government of India have again been constrained to accept it, after very careful consideration, subject to this reservation—that everything which is practicable, consistently with the present conditions of emigration and of the tea-industry, shall be done to prepare the way for the gradual abandonment of the labour system sanctioned by the Act. We might indeed have had some doubt on the point if the Surma Valley alone had been concerned, although there are parts of Cachar almost as difficult of access as many of the Colonies; but there was quite a consensus of opinion that the districts along the Upper Brahmaputra still require the special law.

“It has indeed been urged that, if the more accessible districts do not require a penal contract, it should not be allowed for the benefit only of more remote gardens; that these ought to attract labour by paying higher wages. But this argument loses sight of the fact that the special law is necessary to protect the nearer garden against the enticement of the coolies which it has exerted itself to import, quite as much as to facilitate such importation in the first instance.



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“ On the point that the Act system operates to the injury of the labourer the only opinions quoted are those of Messrs. Porteous and Stevenson and of Mr. Ward, the present Chief Commissioner of Assam. Dealing, first, with the opinion of the two first, I need hardly say that it is only natural that different officers should hold different opinions about the working of such an elaborate system as that of this Act. A prudent person will weigh one opinion against another, and look to the character and experience of those who express them : if we are only to take action when there is perfect unanimity, the world would stand still. Here, however, we are asked to undo what has been already done, because many years ago two or three gentlemen did not approve of it. On the other side we have the repeated assurance of successive Chief Commissioners—Sir Steuart Bayley, Sir Charles Elliott, Sir Dennis Fitzpatrick, Mr. Quinton and even Mr. Ward himself—that the tea-laboureer in Assam enjoys far more favourable conditions than those which fall to the lot of his fellows in his native district. I would further observe that Mr. Stevenson’s remarks related to the district of Sylhet—a district in which the Act was less used in proportion to its labour-force than in any other ; and that Mr. Porteous was writing with reference to the Karimganj Sub-division, the most advanced part of this (in this respect) advanced district. No observations as to Sylhet can be taken as applicable to the labour-districts generally. As for Mr. Ward’s remarks, these have been quoted apart from their context and will not bear the construction put upon them. His opinion as to the expediency of retaining the Act has been recently emphasized by his strong opposition to any reduction in the term of engagement permissible.

“ The next point is the question as to the retention of Act XIII of 1859 in its application to garden-contracts. It is perhaps somewhat inconsistent of the Association, while objecting altogether to special legislation as such, to ask that this Act should be declared inapplicable to Assam when it is in force in most other parts of the country. It is, however, in one sense a special Act, and doubts have at times been expressed whether it is really applicable to garden-contracts. Sir Charles Elliott proposed in 1882-83 that it should be declared inapplicable—by legislation, I presume ; and the Government of India in 1885 were inclined, on theoretical grounds, to concur in this view. They accordingly directed an inquiry in Assam with a view to taking action in this direction ; and it is remarkable that three successive Chief Commissioners, who enquired into practical working of the Act with a view to its repeal ; Sir Dennis Fitzpatrick, Mr. Quinton and Mr. Ward—have declared themselves distinctly in favour of allowing it to be applied to tea-garden contracts as a part of the ordinary law. The Government of India have

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accepted this view, as they are satisfied that this Act is more lenient and popular from the labourers' point of view than Act I of 1882, and also because it seems to be serving a useful purpose as a stepping-stone from Act contracts to free labour. I will read a very short extract from the Government of India's Despatch of October, 1891, showing that the objections to this Act are merely theoretical:—

'Side by side with Act I contracts another system of contracts, not recognised by the special law, has come largely into use based upon Act XIII of 1859. We have pointed out that, however objectionable in theory and opposed to the spirit of modern legislation in England, in its practical operation this Act has been harmless and even beneficial; that it is used chiefly on healthy gardens and for labourers who can be relied upon not to desert; that among the coolies contracted under it the death-rate is low, the rate of desertions still lower, wages high, and judicial punishments only about 4 a year to every 10,000 coolies. In the Surma Valley this system is very popular with employers as well as with labourers, and is facilitating the transition from officially controlled to free labour. In view of these facts, and of the great dissatisfaction which its repeal would create among all classes concerned, we do not think that we should be justified, on the information now before us, in withdrawing this Act from tea-gardens.'

"I pass on now to the last point urged by the Association against the labour-system as carried out in the tea-districts. It is suggested that the mortality among children and infants is excessive, and the remarks of one medical officer are quoted, showing the unfavourable conditions under which, in his opinion, children are brought up on tea-gardens. But it so happens that the very remarks which are quoted by the Association as having been made by this officer in 1884—nine years ago, be it remarked—were circulated for the opinion of district officers by Sir Dennis Fitzpatrick in May, 1889, in his exhaustive circular directing an enquiry into the working of Act I of 1882; and the district officers' replies are given at length in Mr. Quinton's Special Report. The conclusion arrived at was that, though there is much that is unfavourable in the conditions of child-life on a tea-garden, as elsewhere among the poorer classes, the remarks of this officer were much exaggerated; and that he had been misled into drawing general conclusions from the peculiarly unsatisfactory state of things on an individual garden, in which the death-rate among children had certainly been high. Moreover, there is nothing whatever to show that even on that garden the high infant mortality had anything to do with the labour-system. Women who depend on daily wages for their subsistence often do neglect their offspring everywhere. They are less likely to do so on a garden where they have permanent employment, and such considerate treatment as I

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know is generally given by the planters of Assam, even for their own sake, than if they were hired day by day.

“ It is difficult to compare the reported death-rate among children on tea-gardens with that prevailing elsewhere, as the statistics are not clearly shown in the Provincial Sanitary Reports, but for the satisfaction of the Council I have had the following figures compiled from such data as we possess. I find from the Assam Annual Immigration Reports that the death-rate per 1,000 among children *under 16* on tea-gardens ranges from 25·6 to 36·4. The figures for the last six years have been—in 1886, 36·4 ; then 31·7, 34·0, 33·5, 25·6, and in 1891 30·7.

“ On the other hand, the Provincial Sanitary Reports show that the death-rate per 1,000 of children *under 15*—unfortunately the age limit differs by one year—among the general population was as follows in each province for the year 1891 :—

Madras . . . . .	30·89
Bombay . . . . .	36·01
Bengal . . . . .	30·12
North-Western Provinces and Oudh . . . . .	40·46
Punjab . . . . .	34·81
Central Provinces . . . . .	48·76
Burma . . . . .	19·28
Assam . . . . .	32·65
Berar . . . . .	64·05

“ It is certain that the registration of deaths is, at any rate, not less accurate on tea-gardens than among the general population, and the above figures do not point to any excessive mortality among children on tea-gardens. In fact, the garden-rate for 1891, though much higher than that of 1890, was nearly the same as that returned by Bengal and Madras, and lower than the figure of every other Province, except Burma, where little reliance can be placed on the statistics.

“ The only other point, affecting the working of the system in the labour-districts, which arises out of the representation of the Association, relates to the verification of labour-contracts entered into direct between the employer and the labourer under section 111 of the Act. As to this I need only refer to the published correspondence as showing that the Government of India have given most anxious consideration to this subject. They have laid down, as a condition to be rigidly insisted upon, that all such contracts must be verified, and one of the most important executive questions which have been discussed with the Chief Commissioner is the necessity of having more fre-

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quent and better inspection. I may also remind Hon'ble Members that the Bill now before them limits to one year the term for which contracts may be entered into between employer and labourer without the intervention of a public officer. This is the only class of contracts which require verification:

“ With regard to the subject of initial registration, as well as with regard to abuses in recruitment, I propose to reserve my observations. Two Members of the Committee seem to be in favour of making such registration compulsory, or at least optional subject to such conditions as will make it compulsory; and if they press their view I shall have a right to reply. The point was thoroughly threshed out in 1882, and the published papers show very clearly why we could not revert to the old system. I also referred to the matter at some length when I introduced this Bill. At present I need only point out to the two Hon'ble Members concerned that if their view is pressed and should happen to prevail, the practical result must be the withdrawal or re-committal of the present Bill, most of the provisions of which are directed to a system of free or privately-assisted emigration, and to remedy mischiefs arising out of that system or defects which have been discovered in it. The immediate consequence then would be that the labourers will be deprived of that fuller protection which we had hoped to secure to them; but the ultimate consequences would, in my opinion, be far more serious. Emigration would again be brought under the irksome legal trammels from which for the last ten years, it has been emancipated: it would be forced back into those official channels which both labourers and employers regard with so much dislike: and the consummation to which we all look forward—the abandonment of special legislation and the substitution of free for officially controlled labour—will be indefinitely postponed.

“ Another amendment of which notice has been given proposes to raise the age at which a labour-contract is permissible from 16 to 18. This is a new point which has never before been discussed and was first raised in Committee. I did not think I could accept the proposal to alter the law, which was doubtless fully considered in 1873 and 1882, without giving the Assam employers and authorities an opportunity of considering its practical consequences and submitting their views. I am, however, willing to undertake, on behalf of the Government of India, to refer the question without delay, and either to publish the result or to bring in a Bill to raise the age according as the decision at which we ultimately arrive may be against or in favour of the Hon'ble Mr. Chentsal Rao's amendment. Perhaps under these circumstances the Hon'ble Member will withdraw

his amendment. But he must not misunderstand me. I am willing, I say, to give this undertaking, not because I am personally satisfied that the change is desirable, and far less because I admit that work on the plantations is specially trying, or that there is any real danger of minors being decoyed away ; but because I sympathise with my hon'ble freind's anxiety to protect them against any possibility of such a thing. On the other hand, the Council will doubtless bear in mind that the ordinary age of majority under Hindu law is 16, and that under the Penal Code it is no offence to take away a male of 14 or a female of 16, with his or her consent, from lawful guardianship. A person of either sex, aged 14, is reckoned as an adult under the Factory Act, and a youth of 16 to 18 is generally married. If, therefore, the amendment is pressed, I shall vote against it. I cannot see why a labourer in the labour-districts should be incapacitated—and the amendment would have this effect—from entering into a contract and securing a bonus, simply because he is not yet 18.

“ Lastly, there is the question whether the term for which labour-contracts may be permitted should be three, four or five years. It was raised to five years in 1892. We proposed to reduce it again to three as a long step in the direction of abolishing penal contract altogether. In Committee, however, the Hon'ble Mr. Mackay satisfied most of us that this was going somewhat too far. The principle seems to be that the employer should be able to recoup himself from the labour of the man whom he has brought up at his own expense from the congested districts, and the Act itself has provided in the redemption section a rough measure of the value of an immigrant's labour in successive years of his contract. It was for this purpose only that the redemption section was referred to. My Hon'ble friend Mr. Chentsal Rao has misunderstood the argument : the number of labourers willing or able to buy themselves off is infinitesimal. But by section 142 the value of the unexpired term of a labour-contract is fixed on the following scale : Rs. 12 for the first year, Rs. 36 for the second, Rs. 60 for each subsequent year. Thus, the value of a three years' contract may be taken to be Rs. 108, and that of an engagement for four years at Rs. 168. Allowance must be made for normal casualties, and for the men who cannot stand the climate and have to be repatriated. It seems fair, therefore, that the contract should have a margin of value over and above the actual cost of importing a well-conditioned labourer. That cost is rarely below Rs. 100 even at Dhubri, and further expenses have to be incurred between Dhubri and the gardens and on the gardens themselves. On the whole, I came to the conclusion that nothing short of a four-year contract would be fair to the employer.

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" Perhaps it will be well that I should mention here the Ohhattigarh cases which have been referred to by my hon'ble friend Mr. Chentsal Rao in his minute of dissent. They do not all bear on the age question, but I may dispose of them all together :—

" Case (a) relates to a boy of twelve. It does not appear how the facts stated had been ascertained in the absence both of the boy and the man who took him away. I suspect that they are founded on mere surmise, but, if true, the case is one of kidnapping, punishable under the ordinary law. I observe that no report of the case was made to Assam, and the boy may have gone to one of the Colonies after registration as another emigrant's son.

" Case (b) seems to relate to a registered woman. If she was not registered, any detention of her against her will would amount to wrongful confinement. It does not appear what are the false pretences which were alleged to have been employed, but I rather gather that she proceeded on her journey willingly.

" Case (c), if it shows anything, shows how absolutely free the emigrants are at Dhubri, and how readily they obtain repatriation. It is hinted that the emigration system is responsible for this adult male not having actually returned to his village, but he was apparently anxious to go elsewhere, and he was of course perfectly free to obtain labour at a mill or factory.

" Cases (d) and (e) establish two facts—(1) that it is known to be useless to put forward a girl of 13 or 14 as ready to execute a contract, and (2) that her decoyers can be severely punished under the ordinary law.

" Case (f) relates to a half-witted woman of loose character ; she was, however, stopped and sent home.

" Case (g) seems to me to make against the proposal to raise the age to 18, as it shows how easily any age-limit can be evaded where the young people are ready to lend themselves as accomplices. Here a boy and girl passed themselves off as the children of a stranger, who in his turn called himself their father. This might just as well have been done at a registration-office.

" I cannot think that any of these cases, or all of them taken together, go far to support Mr. Chentsal Rao's contention ; nor do they in any way controvert the position which the Government of India have assumed, namely, that such abuses as do exist are best met by vigilance on the part of the executive officers.

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“ My hon’ble friend is also in error in representing that everyone was agreed as to the term being three years. On the contrary, the officer writing under the greatest sense of responsibility, the Chief Commissioner of the Province, who has also much experience of Assam and the most intimate knowledge of its present needs and conditions, has expressed himself as very strongly opposed to any reduction of the five years’ term. Mr. Quinton took the same view, and so do all the Assam officers whom I have been able to consult.

“ On the other hand, I am clearly of opinion that four years is a sufficiently long period, and that we should not allow private contracts to exceed one year.”

The Motion was put and agreed to.

The Hon’ble MR. CHENTSAL RAO said :—“ I should have gladly acceded to the suggestion of the Hon’ble Mover to withdraw my amendment, pending a reference to the Assam authorities, but for the fact that the question I raise is a very simple one, and it is difficult to see how a reference to the Assam Government can throw any fresh light. The amendment which stands in my name is briefly this.

“ The general law in the matter of contracts is that no one under 18 years can enter into a valid contract, and what I propose is that the same law should apply to labour-contracts also. But section 11 of the Emigration Act enacts that, notwithstanding the Contract Act, it shall be lawful for any person of the age of 16 years or upwards to enter into a labour-contract. I have studied the debates that took place when the Act was passed, and I do not find one word of explanation in favour of the reduction of the age. If it is necessary that a man or woman should be at least 18 years old to be able to enter into a contract creating merely *civil* liability, I do not at all see why a person under that age should be declared competent to enter into a labour-contract involving *criminal* liability. The only argument advanced in the Select Committee in favour of retaining the provision was that, since men and women of 16 years commence to labour and earn their livelihood, there is no reason why they should be prevented from entering into a valid contract. This argument does not appear to me to be sound. Boys of even 12 years labour and earn their livelihood, but we cannot on that account argue that *they* should be able to enter into a valid contract. There is ample evidence that many persons who enter into labour-contract are men of a very low order of intelligence. The Deputy Commissioner of Chota Nagpur, which is one of the large recruiting districts, while proposing to raise the age of the male labourers to 18 and that

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of the female labourers to 20, remarks that ' the Kol girls of 16 are too young and simple to be able to properly understand the nature of the labour-contact ' and that ' it is even doubtful if youths of that age have sufficient intelligence in this respect. ' Convinced, as I am, of the reasonableness of the amendment I am proposing, I should have hesitated to bring it forward if I had not the support of my colleague, the Hon'ble Mr. Stevens, who has full knowledge of the working of the Act and of the general intelligence of the class of labourers in this part of the country ; and I fully trust that the matter will receive at the hands of the Council that consideration which its importance deserves.

" Without taking up, my Lord, more of your valuable time on a simple question like this, I beg to move the following amendments, and I beg that the sense of the Council may be ascertained :—

" That after the word ' repealed ' in sub-section (2) of section 3 of the Bill as amended by the Select Committee, the following be inserted, namely :—

' for the word " sixteen " the word " eighteen " shall be substituted. '

The Hon'ble MR. WOODBURN said that he had not intended to intervene in this discussion in any way, but he wished to explain that if Mr. Chentsal Rao pressed his amendment he would be unable to support it. As he understood the matter, a coolie when he was imported into Assam was, for all intents and purposes, a complete stranger to the place and the work. He entered upon work to him altogether novel, and he had to receive considerable instruction before he could be called in any sense an efficient labourer in a tea-garden. That being so, he thought that the ordinary law of apprenticeship should be applied in the case of the coolie labourer. He believed that in almost all departments of life the system of enlisting a recruit at an early age was in vogue. Amongst ourselves the system of enlisting apprentices at an early age was very largely practised. The soldier, for instance, was enlisted under age for foreign service ; young men were brought out to merchants' office in Calcutta under age on an agreement to serve for a certain time ; and, if he might draw an illustration from his own case, he was himself recruited by the Secretary of State for service in a distant and malarious country at the age of 18, when according to credible information under English law he was incapable of entering into a civil contract, and he was given no option whatever as to withdrawing from his engagement. He thought, therefore, that there was no particular harm in allowing a labourer in this country to contract himself to an apprenticeship at the age of 16. The Hon'ble Mover might say that in his (MR. WOODBURN'S) own particular case he had the advantage over



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the ordinary coolie of this country in possessing a better education and more general information ; but he could say that in the case of the coolie the information was also very complete and the conditions and terms of service very accurately known. In the part of the country with which he was familiar coolies returned to their homes and brought information as to the condition of service, which he was bound to say was extremely creditable to the general body of capitalists in Assam. It was in this way that the knowledge was spread through the whole country, that any man, with health and energy, who chose to go to Assam, was certain to find remunerative employment there.

The Hon'ble MR. BUCKINGHAM said :—" I think it would be objectionable for the following reasons to raise the age of competency of entering into a labour-contract from 16 to 18 years. The change will cause inconvenience owing to the large number of grown-up persons capable of work who will be sent up as dependents and not as workers, and also to the fact that many young men and women who are capable of doing the work will not be able after reaching the age of 16 on the garden to enter into a local contract under sections 111 and 112, and get the bonus which is usually given for such contracts. Moreover, while employed as children without a contract, they would receive wages at a lower rate. I further wish to observe that the work required on tea-gardens is by no means severe, as assumed in the Hon'ble Mr. Chentsal Rao's minute, and that young people of 16 are fully capable of completing their daily task in five or six hours."

The Hon'ble MR. STEVENS said :—" I propose to vote in favour of the amendment of the Hon'ble Mr. Chentsal Rao. It appears to me that the analogy of apprenticeship does not altogether hold good. Here we have the case of a young person who is recruited for a very distant, and I may say, in most cases, an almost unknown, land. He goes to new work, and at any rate he is likely to be amongst strangers. I see comparatively little objection to a local contract being entered into by such person, but, in regard to any penal contract, I think it an extremely serious thing for a young person to enter into an engagement which binds him under the severe penalties imposed upon him by our law. Many of the alleged abuses which have occurred have taken the form of recruitment of young children—I mean young children of 12, 13 or 14 years of age, and I do not think such cases are disposed of by saying that they are met by the ordinary law. I think that the amendment of Mr. Chentsal Rao would have the effect of preventing any attempt to commit such cases, because it would be known that it would be useless, since, though such a child could sometimes be taken to be 16, he could never be supposed to be

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18 ; and again it seems to me that it would be in accordance with the acknowledged policy of the Government to assimilate the actual contract law as far as possible with the ordinary contract law of the country."

The Hon'ble FAZULBHAI VISHRAM said that as far as he could judge it seemed to him that more harm would be done to the coolie than otherwise if the age was increased ; because, as the Hon'ble Mr. Chentsal Rao had admitted, a coolie at the age of 16 was capable of work, and as a matter of fact did work, and if we precluded him from entering into a labour-contract we should deprive him of the higher rate of wages, as he would then be paid at the minor scale, as Mr. Buckingham had just pointed out, and, that being the case, he thought that it would be better to leave the age as it at present stood, namely, 16.

The Hon'ble DR. RASHBEHARY GHOSE said :—" I am prepared to vote in favour of the amendment proposed by the Hon'ble Mr. Chentsal Rao, and I may add generally for the reasons given by him and the Hon'ble Mr. Stevens. With regard to a remark which fell from the Hon'ble Sir Philip Hutchins, I do not find that there was any discussion in 1882 with reference to the age at which a coolie lad ought to be allowed to enter into a binding labour-contract. My idea is that the limit of 16 years was taken from the Bengal Act of 1873, in which I find the limit of age with regard to the capacity to enter into a labour-contract was laid down for the first time at 16 years. I have been looking into the debates on the measure in the Bengal Council before it was passed into law, but I cannot find in the discussions on the measure any reference whatever to this age question, and I imagine for the very simple reason that it was not intended by the Bengal Council in prescribing the age of 16 years to alter in any way whatever the law as it then stood with regard to the age of majority. In 1873 it was generally understood that the age of majority was 16 years, and I take this to be the reason why the matter was not noticed in the discussions in Council. The effect of the Act of 1882 is this. It lowers the age with regard to the capacity to enter into a contract of a very peculiar character, and it sets aside the ordinary law which regulates contracts by minors in order that a young coolie lad may be enabled to earn his wages by entering into a penal contract to perform services in what to him is an absolutely foreign country, amid strange surroundings and in a climate which is certainly not over-healthy. I submit that, although I can understand why, as Mr. Grimley, an officer of great experience, has pointed out, the age of majority should rather be raised in these cases, I do not see any sufficient reason why it should be lowered."

His Honour THE LIEUTENANT-GOVERNOR said :—" Personally I am inclined to support the principle involved in this amendment, not only on account of the advantage of bringing the law into harmony with the ordinary contract law, but on account of the argument urged by my hon'ble friend Mr. Stevens, which is a very sound one, that the increase of the age will enable officers to draw a more distinct line between those persons who can be properly recruited and those who are enticed and persuaded to contract when they are too young for the labour of the gardens ; and further because this is a step, though a very gentle step, in the direction, in which we must all wish to move, of gradually withdrawing from the penal contract attaching to labour in Assam. But I am fully persuaded that it is impossible for the Council to pass such an amendment, and by so doing upset what has been the established law since 1873, without consulting the authorities in Assam. It is far too late to bring forward a radical change of this kind in a matter as to which we have no information that the existing law is working in any unsatisfactory way, and, therefore, I think that the Hon'ble Mover should accept the undertaking made by the Hon'ble Sir Philip Hutchins, who has promised that the question shall be submitted to the Assam authorities, that it shall be thoroughly discussed and, if they are agreed that the change should take place, he will provide that at next year's session of this Council a Bill should be introduced to carry out this change. I should myself be glad to see it carried out, but only after the fullest discussion, and provided no material objection is raised by the persons most experienced in the working of the Act and most interested in its operation."

The Hon'ble SIR ALEXANDER MILLER said that when this question first came up for consideration his own feeling was entirely in consonance with what the Lieutenant-Governor had said, but he felt then, and he felt still, that to entertain this question, no notice having been given of it in the earlier stages of the proceedings, would be to throw over this Bill for another year, and he thought that, looking at the fact that every provision of the Bill was in favour of the labourer, rendered his position better, and gave him extra security against oppression, it would be a very unwise act, and one that the labourers would have the greatest reason to complain of, if they were kept under the Act of 1882 for another year, when they might get the great benefit of this Bill. For that reason, and for that only, he would vote against the amendment.

His Excellency THE PRESIDENT said :—" It is now for the Hon'ble Mr. Chentel Rao to say whether he will press his amendment to a division. I have listened attentively to his remarks, and wish to say that, if I am unable to sup-

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port him, it is not because I am desirous of being understood as saying that I regard his proposal as an unreasonable or impracticable one. His suggestion that the age should be governed by the ordinary law has on the face of it a good deal to recommend it. On the other hand, the point is entirely a new one, and I think that what has been said at this table makes it clear that, if the proposal were adopted, it would undoubtedly operate as a considerable restriction upon the importation of coolie labour—a kind of restriction which we could not impose unless a very clear case was shown for it.

“The whole of the conditions of coolie labour in Assam are so exceptional and so difficult for any one who is used, for instance, to the conditions of the European labour market, to understand, that I should always hesitate, without the fullest information, to make myself a party to any new point of departure in dealing with cases of this description.

“I shall, therefore, vote against the amendment, but I shall do so on the understanding that the matter is to be further examined, and, should our inquiries go to show that there are sufficient grounds for adding the restriction proposed by Mr. Chentsal Rao, the question of that restriction shall be taken up and duly considered at the proper time.”

The Hon'ble CHENTSAL RAO said that under the circumstances he would withdraw his amendment, as also the subsequent amendment which stood in his name, that in the first paragraph of section 7 of the Bill as amended by the Select Committee, for the word “After” the word “For” and for the word “inserted” the word “substituted” be substituted, and that the numbering of the new sections proposed by the same section for insertion in the Act be altered to 11, 11A, 11B and 11C, respectively.

The amendments were, therefore, withdrawn.

The Hon'ble DR. RASHBEHARY GHOSE moved that after section 4 of the Bill as amended by the Select Committee the following section be inserted, the numbering of sections from the present section 5 to the end being altered correspondingly :—

“5. After section 7 of the said Act, the following section shall be inserted, namely :—

‘7A. (1) Any person assisting a native of India to emigrate to a labour-district for the purpose of entering into a labour-contract under this Act therein may take such intending emigrant before a Registering-officer having jurisdiction within the local area in which such intending emigrant resides.

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“(2) If it appears to the Registering-officer that such intending emigrate resident within his jurisdiction is willing to emigrate, and has not been induced to undertake to emigrate by any coercion, undue influence, fraud, misrepresentation or mistake, the Registering-officer shall register, in a book to be kept for the purpose, such particulars regarding him and the persons, if any, whom he wishes to have registered as his dependents, as the Local Government may by rule prescribe.

“(3) Every officer registering any person shall, if so requested, forthwith forward a certified copy of such particulars to the Inspector or Magistrate resident at the civil station of Dhubri in the Goalpara District.”

He said:—“In moving the amendments which stand in my name I do not think that it is at all necessary to trace the history of legislation connected with inland emigration prior to the year 1882. I will only observe that the present Emigration Act, which was passed in that year, made a very important innovation, which was described not altogether felicitously, as I shall have occasion to point out later on, as free emigration out side the scope of the Act. It was said that the numerous restrictions imposed under the old law hampered emigration and artificially raised the price of labour in Assam. The new departure then taken by the Legislature would, it was thought, promote the interest of a valuable industry and at the same time lead to the gradual extinction of the contractors' system to be replaced by free emigration. These somewhat sanguine expectations, I think it will not be denied, have not been fulfilled. The contractors' system is not extinct, the price of labour has not been reduced, and free emigration to Upper Assam, in the opinion of many, it would be no exaggeration to say, still remains an unfulfilled prediction. Some of the worst fears, however, of those who were then ridiculed as pessimists have been realised. The reversal of the previous policy of State-controlled emigration gave rise almost immediately to evils of serious magnitude, and the Government were obliged to interfere in 1889 for the sanitary protection of the so-called free emigrant to Assam. Act I of that year of the Bengal Council empowered the Local Government to frame rules for the health and comfort of the emigrant in transit, and one class of evils which made themselves painfully felt have been relieved, by means of regulations made under the Statute. The present Bill is intended to guard against another class of evils the wide prevalence of which cannot be disputed for a moment—I mean the malpractices of recruiters working under the so-called free system, and some of the sections contain provisions directed against such abuses. But I venture to think with the greatest deference that the evils which have grown up would not be adequately met by the Bill as it stands, and it is therefore

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that I beg to propose for the acceptance of Hon'ble Members the amendments which stand on the paper, and which I may mention, have been framed on the lines of a proposal which was made by the Government of Bengal, then presided over by Sir Steuart Bayley, and which received the entire approval of Mr. Westland and the qualified assent of the late Mr. Quinton, both Chief Commissioners of Assam. This proposal was negatived by the Government of India, but on grounds which I humbly submit, do not appear to be quite conclusive. According to the Hon'ble Member in charge of the Bill, the objections to a system of local registration are that it would be expensive, vexatious and altogether alien to the principle of free emigration which for the last twenty years the Government have sought to encourage. There would also be serious difficulties in discriminating between emigrants who had been some time in Assam and those who had not; and lastly, it is said that initial registration would be an ineffective remedy against those abuses which really prevail, and which alone called for special measures of repression—against those cases in which the labourer, though under the influence of enticement or misrepresentation, is nevertheless a willing emigrant and himself desirous of emigrating.

“ Before discussing the validity of these objections I would beg to call the attention of Hon'ble Members to the serious and widespread character of the existing abuses which were not foreseen by the framers of the Act. The letter of the Bengal Government, No. 142, dated the 28th August, 1890, forcibly points out the very large proportion of cases of fraudulent enticement, often amounting to the virtual kidnapping of children and youths of both sexes, and this assertion is based, not on the irresponsible utterances of anonymous journalists or of travelling friends of humanity, but on the statements, of the representatives of Government in the recruiting districts. The late Chief Commissioner of Assam also admitted that the Dhubri system was open to objection, and insisted upon the necessity for greater stringency in local registration. I may here observe that the practical operation of the so-called free system which resulted in the Dhubri contracts was never anticipated by the supporters of the Act, and it was, I believe, far from the intention of the Legislature as well as of the Government that the concessions then made should be taken advantage of for such a purpose.

“ To come now to the objections to initial or local registration. It is said, in the first place, that such a system would be expensive; but as pointed out by the Bengal Government in their letter, paragraph 26, the expense of the proceeding cannot exceed eight annas a coolie, or at the outside one rupee eight annas, if a registration fee of one rupee is charged on initial verifications.

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The additional cost of initial registration is due to a distinction for which the Bengal Government were unable to find any justification, between contracts executed in the emigration district and those made at Dhubri. And here, I might be permitted to ask, with regard to the statement that official restrictions would check emigration and render it unpopular, whether an army of five thousand unlicensed recruiters, many of whom are released convicts or men of very doubtful character, in the Ranchi District alone was likely, with their numerous malpractices, to make emigration popular in the recruiting fields. It seems to me that experience has proved that some wholesome restrictions on unlicensed recruiting are essential not merely in the interests of the recruiter but also in the interests of the planter in Assam, and I am glad to find that the Hon'ble Mr. Buckingham quotes with approval some remarks of Mr. Driver, described as a gentleman of considerable experience in the recruiting districts in which the official registration of labourers is insisted upon. All the Bengal officials, I may say without a single exception, as far as I know, are of the same opinion. With regard to the vexations connected with official interference in any form, I would ask Hon'ble Members in the words of Mr. Grimely whether, in the face of the numerous restrictions imposed under the Bengal Act, to refuse the safeguard of official registration is not a mere straining at gnats.

“ But it is said that initial registration would prove an ineffective remedy against the abuses which really prevail, and that vigorous action on the part of the executive acting under the ordinary law supplemented by the provisions of the present Bill would reduce the malpractices of the unlicensed recruiter within the narrowest limits. But, as observed by the *Pioneer* newspaper, the acts of the recruiter in many cases, and those some of the worst cases, are such that they cannot be reached by the law nor by executive action which I presume must be controlled by law. I cannot here resist the temptation of quoting the whole passage, as the picture is by no means overcharged and as it expresses the general feeling of the country with regard to the unlicensed system.

‘ Boys and girls are cajoled or intimidated into leaving their homes and are carried off to Assam under false names. Married women are persuaded to desert their husbands and children, and are decoyed away under circumstances that make it practically impossible to trace them. District officers and non-officials, European and natives, missionaries and managers of collieries, all alike bear testimony to the growing prevalence of kidnapping in all its various forms, and to the misery and crime which it occasions. It has been said that if the Magistrates and the police do their duty properly the worst cases, at all events, would be

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prevented or detected and punished, and it is in this view that the Bengal Government lately deputed a special officer of the police to conduct an inquiry into such cases in Chota Nagpore. This view, however, leaves a great part of the question out of sight. The police can only interfere to prevent the commission of some offence, or to detect the culprit when an offence has been committed. But in many cases, and those some of the worst class, the acts of the recruiters, wicked and immoral though they are, do not constitute an offence at all. It is not an offence to entice a married woman to leave her husband and her children and become a coolie for five years or longer in Assam! It is not an offence to persuade a grown-up son to desert his parents and leave them destitute, even though his labour may be their only means of support! Even when some recruiter, grown bolder from impunity, does actually overstep the limits of the law, the chances in his favour are overwhelming. The expense of legal proceedings is almost always prohibitive to the classes concerned, while the entire freedom which the "free" recruiters enjoy from official supervision, and the ease with which names, castes and residences can be changed, render it almost hopeless to obtain a satisfactory clue.'

His Honour the **LIEUTENANT-GOVERNOR** inquired what was the date of the article which the Hon'ble Member had just read, as a great deal would depend on that.

The Hon'ble **DR. RASHBEHARY GHOSE** said that he could not say for certain, but it was more than two years old.

The Hon'ble Member continued :—"The Secretary of State also I may mention in passing, in his despatch No. 13, dated the 11th February, 1892, expresses his opinion that strong measures are required to amend the existing state of things. Experience shows that local registration would, in a great measure, check the abuses to which I have just referred, and my assertion is amply supported by official records.

'Emigration,' writes Colonel Samuels, 'is, I fear, in most cases tantamount to desertion of home and relatives. In my long experience of these districts I have known many instances of men and women in depôts before they were registered being persuaded by their relatives to return to their homes. To permit of this being done would be no real interference with the system of free emigration, whilst it would give every man and woman a chance of changing his or her mind before it was too late to do so, and afford a guarantee that every one who emigrated did so deliberately and without undue influence and deception.'

"The Government of Bengal in their letter say :—

'The only other advantage claimed for the Assam contracts is that, in the districts of recruitment, labourers, when brought before a registrar for the execution of their engagements, may be dissuaded from emigration by their friends and relatives, as suggested by Mr. Lyall in the observations quoted in paragraph 15 of this letter. The Lieutenant-Governor is inclined to believe that this is the objection which really weighs with many



who oppose initial verification, though it is kept somewhat in the background, the allegation as to increased cost being calculated to carry more weight with those unfamiliar with the subject. It is an argument which does not commend itself to the judgment of officers in Bengal, or to the inhabitants of this province, who, on the contrary, hold that, considering the large sums paid to every professional recruiter or occasional crimp who can persuade a labourer to execute the contract in question, some opportunity of knowing what is going on should be afforded to others interested. The subject is generally treated with special reference to wives induced by *arkatis* to desert their families in consequence of some quarrel which, had it not been for the facilities afforded by the Assam contract system, would have been soon made up; the case of children is also frequently quoted, and many persons consider that in such instances registration should be insisted on, whether labour-contracts are executed or not.

“In support of my contention I would beg to quote another passage from paragraph 14 of the same letter:—

‘The Lieutenant-Governor is distinctly of opinion that, under the circumstances, Dhubri is not the most suitable station for putting labourers under statutory engagements. The best place for explaining a contract to a person liable to be deceived as to its terms—say to a Lohardaga woman—is not to be sought where her language is little known, or the officer who has to make her understand the terms of the engagement is hurried by a multiplicity of engagements; and she would be more of a free agent, to accept or reject the agreement at discretion, in her own district, among friends, than at a strange station, where she cannot find employment or ask for alms in the language of the country, and from which she can see little prospect of getting away, as she has no money to pay the return fare.’

“Mr. Westland was also emphatically of opinion that the coolie recruited under the present unlicensed system is not in any sense a free agent, and that the power to put a labourer under a penal contract in the labour-districts should be withdrawn. Mr. Lyall, late Officiating Commissioner, Assam Valley, in an inspection report recorded:—

‘Once the emigrants get to Dhubri, they have cast the die and are started on their journey. It is too late for them to reconsider the matter. In the district of recruitment they would be subject to influences which would often make them change their minds. The contractor would thus lose a good many of his coolies and have to charge the planter a higher price for the remainder. The cost per head to the employer would, I think, certainly rise. At present his cost varies considerably. I have heard as high a figure as Rs110 mentioned, and as low a one as Rs57 (the latter for coolies for a garden in Sibsagar), but, whatever it is now, it would be higher under the other system.

“Can the ordinary law or executive action, however vigorous, deal with such cases or cope successfully with the abuses disclosed in these official

documents? Initial registration alone, in my humble opinion, would furnish an adequate remedy and effectively check the malpractices notoriously resorted to by the recruiter under the present system, or rather no system.

"I now propose to deal with the objection to compulsory registration based on the ground that such a procedure would be altogether alien to the principle of free emigration, and, if I thought that the restriction which I propose would have the effect of checking free emigration properly so-called, I should be the last person to advocate such a proceeding. But, if by free emigration is meant the spontaneous and unsolicited emigration of natives of other parts of India to the labour-districts to work under the ordinary law, the amendment proposed by me, although curtailing the license of the so-called free recruiter, would really facilitate free recruiting by insuring that the emigrant should really be a free agent. It would give him an opportunity of declaring his intention to emigrate to some constituted authority—the course which, we are told, an emigrant in England takes when he goes to an emigration office and expresses an intention to emigrate. The delay incident on registration would afford the parent or husband some chance of recovering his child or wife. The repatriation clauses contained in the Bill would probably go some way towards mitigating the abuses attendant on uncontrolled recruiting. But, as Mr. Grimley points out, the arm of the law is long, but its movement is sometimes remarkably slow, and, he might have added, not always sure; and it would be a very poor consolation for a husband to recover his lost wife or a parent his missing son two or three years after their disappearance. Prevention is, as we all know, better than cure; and surely there never was a case in which preventive measures were more urgently called for in the interests of those who stand most in need of the protection of the State.

"I have one word to add with reference to the supposed difficulty of distinguishing between a new immigrant and a *bonâ fide* resident in the labour-districts. With the care which, we are assured, is exercised at Dhubri before the labourer is put under contract, and the rules under which free emigrants proceed to Dhubri under Act I of 1889, it ought not surely to be at all difficult to distinguish between the two classes, and even Mr. Quinton admits that the difficulty would not be insurmountable—an opinion in which, I think, everybody would be inclined to agree. My amendment, I should add, differs from the proposal of the Bengal Government in insisting only on the condition that the labourer should be a resident without defining the period of residence by a hard-and-fast rule.

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“ I must add that to recognise and to enforce by a legislation the necessity for supervision in contracts entered into outside the labour-districts, when in the words of Sir Dennis Fitzpatrick, the emigrant is still close to his home and within hail of his own people, and to neglect such supervision when he is carried to Assam, to him a foreign country, is, I must say, with the greatest deference, both inconsistent and indefensible. Emigration which is really free may safely be left without fetters, but the emigrant who is assisted to emigrate under present conditions in order that he may enter into a labour-contract cannot properly be described as a free labourer, simply because he is carried to Assam before entering into any engagement.

“ It has always been the policy of the State to control the recruitment of such emigrants by law—a policy recognised in the restrictions imposed on the contractors’ as well as the sirdari system. It was probably expected when the Act was passed in 1882 that free emigration would take the same form in India as it has in other civilized countries, the employers of labour supplying the place of the emigration societies. But emigration has not unfortunately assumed any such shape notwithstanding the system of Dhubri contracts. It has only served to enrich a lawless body of men termed *arkatis*, to the detriment of legitimate recruiting, and hurtful alike to the employer and labourer. As observed by Mr. Stuart, Chairman of the Indian Tea Association, the *arkatis* have by their malpractices done much harm to the cause of emigration, and, unless their malpractices are effectively checked, will do still greater harm to it.

“ I propose to sum up briefly my reasons for inviting the Council to accept my amendment. First, the existence of grave abuses in the system of recruitment by Act I of 1882 is undeniable, and must in the interest of the people concerned be remedied. The control which can be exercised under the ordinary law cannot reach the evil in some of its worst forms, and the amendments proposed by Government cannot be regarded as adequate for the purpose. They may scotch the evil, but they cannot kill it. Secondly, there is no reasonable ground for making a distinction between labourers who contract near their homes and those who are carried to Assam for the purpose of placing them under labour-contracts there. I ought perhaps to say that there are stronger grounds for placing under control the latter class of emigrants. Thirdly, there is no danger of such restrictions as I propose enhancing in the slightest appreciable degree the price of labour or checking the progress of free emigration properly so-called. Indeed, I might venture to assert without much rashness that with the removal of the abuses which have grown up under the Dhubri system the occupation of the *arkati* would be gone, the price of labour

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would fall, and in the course of time free immigration properly so-called would take the place of the present system, which has certainly not been a very pronounced success, if, indeed, it has not brought emigration under all forms into not altogether undeserved discredit.

"In conclusion, I must say that there are very few laws in the Indian Statute-book the policy of which has been more keenly debated than the Emigration Act which it is now proposed to amend. It would serve no useful purpose to revive the memory of the controversies which have marked the whole course of legislation on the subject. On one point only we find a remarkable unanimity of opinion, namely, that exceptional legislation of the kind under discussion must be regarded as merely temporary and should not be maintained even a day longer than is absolutely essential for the protection of the classes concerned. While loyally accepting the conclusion arrived at by the Government, after the fullest and most anxious enquiry, that the time is not yet ripe for the repeal of penal contracts, I can only repeat the hope so often expressed that with the improvements in the means of communication between the recruiting and labour-districts, and the increasing knowledge of Assam life by labourers in the recruiting areas, the necessity for special legislation will soon cease and the relations of employers and labourers will be placed on the ordinary basis regulating their mutual rights and obligations. There is only one other observation that I should like to make. Emigration laws have been denounced in very severe terms, not only by some of my countrymen but also by European public servants in responsible positions. But the large mass of official literature which has gathered round the Assam coolie must convince everybody that special legislation is resorted to not merely in the interests of the tea-industry, but also in the interests of the people at large, as tending to promote emigration from those parts of the country in which the wages are low and the people liable to periodical famines. The evils which have crept into the system must not lead us to forget the good that emigration has done. They must not lead us to forget that the districts of the North-Eastern Frontier, once a wilderness, have now been covered with plantations which, while adding to the wealth of the country, support thousands of labourers, and where many of them have found comfortable homes. Then, again, the benefits secured by the Act to the labourer ought to be set off against the penalties by which the performance of his part of the contract is secured. It must also be borne in mind that some of the evils which have revealed themselves in connection with the system are inseparable from all emigrations conducted on a large scale among the

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poor and ignorant, and although I cannot help thinking that local registration would seem to be as nearly complete a remedy as can be devised for the growing evils of unregulated recruitment, I am bound to admit that the Bill now under discussion contains provisions which would to some extent reduce the evils which have sprung up, and that with the more energetic action of the executive, including the strengthening of the inspection system which has been promised by Sir Philip Hutchins, the condition of the labourer in the tea-gardens would be improved in a very large measure."

The Hon'ble SIR PHILIP HUTCHINS said :—" I have already indicated briefly why the Government of India cannot on any account agree to what is called initial registration. I am afraid I must now deal with the matter at considerable length. Reluctant as I am to trespass further on the patience of the Council, I feel that it is of the utmost importance that the views of the Government of India on this vexed question should be clearly understood, and that, if possible, it should now be finally determined. I propose to deal with it first in a general manner, and then with especial reference to Dr. Rashbehary Ghose's amendments.

"Registration, as the Indian Association itself has truly observed, is opposed to free emigration which we wish to promote. The two are incompatible. It is not possible, as Mr. Grimely asserts, that registration will facilitate free recruitment. For let us see what registration means. It means that no one is to be allowed to enter into a contract to labour in Assam without having first in his or her own district, or as near thereto as may be, gone before a Magistrate and registered himself or herself as willing to proceed to Assam for that purpose. On the other hand, free or privately assisted emigration means that the labourers find their own way up to the labour-districts without any official interference, and are then and there put under contract if willing. The registered labourer—by which I mean one registered under the Act or under any system under which registration can practically and equitably be enforced, the case would be different under the present amendment—the labourer registered under the Act, though not actually under contract, is under an obligation to execute one when called upon to do so, and can be fined or imprisoned if he refuses ; he has therefore ceased to be free. But the free labourer is under no obligation at all until he has actually executed a contract at Dhubri or elsewhere ; till then he is absolutely free.

"The two things being thus, as I have said, incompatible, my first objection to making registration compulsory, or clogging it with a condition which

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makes it practically compulsory, is that it will throw back all emigration into leading strings, and reverse the policy which has been consistently followed by the Government of India ever since 1873.

“For Mr. Grimley and others (I quote Mr. Grimley again as to some extent representing the district officers of the recruiting districts) are quite mistaken in supposing that the free emigration spoken of in 1873 and 1882 meant something essentially different from the privately assisted emigration which now prevails. Take, for instance, the report of the Commissioners upon whose advice Act I of 1882 was framed. This mentions at the outset that the Bengal Government had in 1873 ‘recognized in some degree the propriety of encouraging . . . free recruiting,’ and then proceeds to define free recruitment as ‘a system of inducing natives of other parts of India to emigrate, and furnishing them with the means of doing so, carried on by or on behalf of employers without any supervision or control on the part of Government officers.’ The Committee advised that this should not only be permitted, as it had been permitted under certain restrictions since 1873, but that those restrictions should be removed, and that free or unregistered recruitment should be encouraged as much as possible by the declaration of the competency of an unregistered recruit to execute a labour-contract after arriving in the labour-districts. So, in addressing the Secretary of State in August, 1886, the Government of India wrote that ‘the most important change which the present Act effected was the encouragement of assisted (sometimes called free) emigration by relieving it from legal trammels until the coolies reach the labour-districts.’ It was thus clearly recognized in 1882 that, in order to afford to employers a sufficient inducement to incur the outlay of taking up free or unregistered emigrants to the tea-gardens, it was essential that such emigrants should be permitted to enter into local contracts.

“I would here ask the Council to consider the happy results which this policy has produced in the Surma Valley Districts, and the disastrous consequences which would ensue if it were now to be reversed. The system of Act immigration and penal contracts is gradually dying out in the districts of Sylhet and Cachar. It is still necessary, in the interests of the administration, to maintain the Government control which the Act renders possible, but employers are voluntarily giving up the use of the penal provisions which bear against the coolie. This is especially remarkable in Sylhet. There, even in 1886, 64 per cent. of the adult immigrants were taken up free, while of the whole adult labour force only 27·6 per cent. were under Act contracts. In 1891 the percentage of free immigrants had risen to 94, while the percentage of adult

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labourers under Act contracts had fallen below 15. The corresponding figures for Cachar are little less remarkable: free immigrants were 26 per cent. of the whole in 1886, and 41 per cent. in 1891: Act labourers had been 30·7 per cent. in 1886, but had fallen as low as 13½ per cent. in 1891. It is clear from these figures that the question whether the Act may not be withdrawn from at least a large part of the Surma Valley will arise very shortly in the natural course of events, and any change in the law which would force employers to make a large use of its provisions is much to be deprecated. Yet this would be the inevitable result if they are not to be allowed to recruit free emigrants and to exercise their discretion, after the recruits reach the gardens, whether they should be put under contract or not.

“My next objection is that initial registration has been condemned on its own merits.

“The point has been argued as if the only objection to compulsory registration was the trifling fee which it involves, but if I have ever spoken of its expensive character it was certainly not any such legitimate charges which I had in mind.

“It is not at all true that registration was dispensed with in order to cheapen the supply of labour. ‘Its main evil’—His Honour Sir Charles Elliot once wrote, and he was only summing up in his graphic style what the records show—‘Its main evil was the great delay and annoyance experienced by the recruits, the difficulty of getting anyone in the Collector’s cutchery to attend to the business, the necessity of bribing every one all round, and the danger either that the whole registration was done so perfunctorily that it was no safeguard whatever, or else that it would be done by some one who was fanatically persuaded that no Hindu could possibly emigrate except under fraudulent enticement or compulsion.’

“The same question came up again in 1883, in connection with recruiting for the Colonies. A lengthy enquiry was made by Colonel Pitcher in the North-Western Provinces and by Mr. Grierson in Bengal. I find Mr. Grierson writing as follows—

‘The present system of registration is just about as bad as it can be, and so also is the way in which this system is carried out . . . . The divergencies of practice from the authorized system have all arisen from one cause: the wrong man has been made to do the work. A Magistrate’s business is not to keep complex registers but to look after the general welfare of the people . . . . Registration is an art in itself. It requires years of training to teach an officer to do the work . . . .

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The registration of the coolie's contract, if properly carried out, requires just as much care and experience as the registration of the deed of sale of a whole estate.'

"At Dhubri, I may mention, the work is really carried out as an art, under an experienced medical commissioned officer and a Deputy Commissioner who regards it as one of his chief functions. They are experts in the business, and this is why we consider registration at Dhubri so much more effective a safeguard against fraudulent or irregular recruitment than registration in the recruiting districts. The security against false personation, and changing of coolies after registration and other similar malpractices, is much greater at Dhubri than in the recruiting districts; for the emigrants are under official supervision from the moment they reach that station; and shortly after the execution of their contracts they are placed on the steamer in the presence of the Deputy Commissioner or a medical officer. Each batch of emigrants are identified with their way-bills at the time of embarkation and are then placed in charge of the master and medical officer of the steamer.

"Three results were clearly elicited by Mr. Grierson's enquiries :—

- (1) That there was a general hostility on the part of officials to the recruiter, who was frequently impeded in most objectionable ways by the police and underlings of the cutcherries.
- (2) That the magisterial officers have not sufficient time to attend properly to registration business; and, if they had not time then to attend to the few Colonial emigrants, how could they possibly hope to cope with the thousands now proceeding to Assam? In 1891, nearly 25,000 emigrants went up from Bengal to Assam.
- (3) That the verification before the Magistrate was by no means a sure preventive of malpractices.

"And this brings me to the subject of malpractices, which so far as I can understand, form the main, if not the only, ground on which a return to initial registration is demanded. It is remarkable that the allegation of abuses is always made with regard to Dhubri: we hardly ever hear of them in connection with the Surma Valley, where the number of free emigrants going right up to the gardens, without any official control except for sanitary purposes, is so large. The number of complaints, however, was certainly at one time startling, and there was no doubt that many of the best district officers had taken up the position that free recruiting gave rise to all sorts of abuses. This led me in 1889 to make a very careful analysis of the various charges, so far as particulars



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were given, and the first conclusion to which I came was that, in their laudable anxiety to protect the people entrusted to their care, many excellent officers had imbibed an unconscious prejudice against free recruitment. I have since found that this is no new discovery, but has all along been recognised. For instance, in 1886, the then Lieutenant-Governor of Bengal, Sir Rivers Thompson, wrote as follows:—

‘In reporting upon cases of this kind there can be little doubt that the judgment of most district officers is likely to be warped by a not unnatural prejudice against free emigration. Formerly, they controlled every step of the emigrants’ movements; now they know nothing about them, except through complaints of abuses which only come to their knowledge after the emigrants have left their jurisdiction. Again, the people of the recruiting districts, particularly those classes of landlords whose opinion is likely to influence the district officers, are violently opposed to any form of emigration, on the ground that it takes away from the district large numbers of the landless classes, and thus tends to raise the wages of agricultural labourers.’

“My second conclusion may also be summed up in the words of the same distinguished Head of the Bengal Government, who wrote in the letter from which I have already quoted:—

‘The Lieutenant-Governor is unable to find in them (the cases reported) any special form of abuse which can be definitely put down to the system of free emigration as distinguished from the protected emigration under the Act of 1873. The abuses, such as they are, are of the same kind.’

“I found also that the low ratio of convictions indicated that many of the complaints were frivolous or unfounded, that the figures included many cases in which the coolie was the accused and not the accuser, that all cases connected with emigration had been mixed up together, including assaults and even charges for absconding with advances after registration. Indeed, it seemed as if every case of a disappearance were at once attributed to the machinations of *Assam arkatis*, just as suspicious deaths used to be put down to snake-bite! Many of the malpractices which I found graphically described as the work of an *arkati* or free recruiter actually implied that the victim must have been registered; and yet the remedy suggested was more registration.

“As an instance of the inefficacy of registration in checking malpractices and preventing unsuitable coolies from being sent up, I may refer to the Rowta case reported in the Bengal Government’s letter of 25th February, 1893, which was submitted to the Select Committee. Sixty-two coolies were sent up after registration in Calcutta, and after executing contracts under the Act, to the

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Rowta garden. They were described in their contracts as Ghasi by caste, and as coming from the Sonthal Parganas, a district from which good recruits are ordinarily obtained. Seven months later only 16 were left on the garden; 26 had deserted, 16 had died; the contracts of 6 were cancelled for permanent physical incapacity; the remainder were a sickly and feeble set. It was found when they reached the garden that they were not Sonthals at all, but coolies from the North-West Provinces of a low and sickly type. Their castes and addresses had been misstated. Altogether the case was a most distressing one. I had carefully gone into it before the Select Committee sat, and the conclusion I came to was that the coolies had been personated at the time of registration, or that they had been changed before despatch to the labour-districts. At all events, more registration would not have prevented the occurrence: the men had not only been registered, but had actually been put under engagement in Bengal. The fault lay entirely with the Calcutta agents, who had been invited by the contractors to inspect the men, but had neglected to do so. As I explained on a former occasion, we can only reach the agents through the gardens. The Bill on the table will give very stringent control over the gardens, and has been framed on the principle that they are responsible. The owner of the Rowta garden should, I think, change his agents, and no other planters should employ a firm which has been guilty of such gross and culpable negligence.

“Now, what are the malpractices to which we are most anxious to put a stop? When I introduced this Bill I endeavoured to show that most of the abuses in recruitment complained of could be, and had been, suppressed by vigorous executive action under the ordinary law. I mentioned that in 1891 there were only 13 complaints made by coolies throughout the Bhagalpur and Chota Nagpur Divisions. The only cases calling for anything like special measures of repression were, I said, cases in which the labourer, though under the influence of enticement or misrepresentation, is nevertheless a willing emigrant at the time he would be brought up for registration. For such cases obviously registration is no remedy at all. Even if it were possible to secure that every emigrant should be registered within his own district, there would still be nothing to prevent his giving a false name and address, and nothing to prevent personation. I submit that it is impossible now for man or woman to be taken all the way to Dhubri against their own will. The fact seems to be that, speaking generally, a recruiter does not go through the trouble and expense of registration where he believes the coolie will go with him willingly, in which case registration would be superfluous: but, where the coolie has been in any way deceived, the recruiter would naturally seek to establish a

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hold on him by means of registration, and in this class of cases registration would be positively mischievous.

“ These remarks also apply in some measure to cases in which there has been a disruption of family ties. I cannot regard it as an unmixed evil that an ill-used member of a family should have some means of escape, and if he or she, being 16 years old, is determined to emigrate, I do not see why it should be in the power of a Registering-officer to say no. But, as a matter of fact, it would be easy to take a person before an officer, known to be perfunctory or over-worked, and get him or her registered; and then there is no room for a change of mind. Theoretically, registration can only be effected in the district for which a recruiter may be licensed; but he would have no difficulty in passing on his willing recruits to the next district, or in registering them under false names or as coming from villages not really their own. It would be impossible to keep back every case in which the emigrant was not known until enquiry could be made. It would be equally impossible to prevent a runaway from presenting himself for registration at Calcutta, as having come down to obtain work in a mill or the like and been recruited here.

“ I have already referred to the Chhattisgarh cases and shown that they do not in any way controvert the position that such abuses as do exist are best met by vigilance on the part of the executive officers—in the recruiting districts, on the road to Assam and especially at the halting-places fixed under the Bengal Act of 1889, and lastly at Dhubri itself or elsewhere in the labour-districts. At Dhubri special precautions have always been taken with regard to women travelling alone and young persons. And under the present Bill the contract of a person found to have been improperly recruited can be cancelled at any time, however formally executed.

“ It has been suggested, and if I rightly understood my hon’ble friend who moved the amendment he would support the suggestion, that we should make inducement to emigrate by misrepresentation and intimidation punishable under the criminal law; but I am decidedly opposed to the manufacture of technical offences. The Penal Code says what misrepresentations or intimidation can properly be treated as offences, and anyone who comes under its provisions will doubtless be severely dealt with. It is undoubtedly an offence already to confine or restrain an unregistered coolie against his own will. Misrepresentation or intimidation is very commonly falsely alleged by the coolies to cover and excuse their own change of mind. The conditions of life in Assam are now well known throughout the recruiting districts, ar

emigrants proceeding there fall into a stream of companions where little else is talked about. It is hardly possible that the effect of misrepresentations can be maintained all the way to Dhubri, but of this the recruiter takes the risk. I regard with some suspicion the graphic pictures of *arkatis* worming themselves into family and taking advantage of disputes between husband and wife, but no doubt they are ready enough to assist people who have already quarrelled with their families and wish to get away; but here they have to risk the very probable contingency that before the recruit reaches Dhubri he may change his mind and have to be repatriated at the recruiter's cost. This is in itself a serious punishment, and I would not add any other. As for the recruit himself, it is surely better for him to have time to cool down during his journey, instead of being hurried fresh from his quarrel into the presence of a Registering-officer and there finally committing himself. Under the provisions of the present Bill, there will be no doubt about his right to repatriation.

"I venture to think that emigration to Assam may be compared to that which goes on from the south of India to Ceylon and to the Straits Settlements. When I first came out to India complaints of malpractices on the part of the recruiters—*kanganis* we called them there—in connection with emigration to Ceylon were very common. But they gradually died away and registration became obsolete. Even to this day or at all events till very recently, the law of Ceylon recognised penal contracts, and yet there is a constant flow of perfectly free emigrants into the island. As communications improve Assam may be reasonably expected to come under the same conditions. So again in the Straits Settlements the law provides for penal contracts, but if there is anything at all resembling registration in India, it is of the simplest possible character and confined to the port of embarkation.

"I will now deal with the particular amendment which has been proposed by my hon'ble and learned friend Dr. Rashbehary Ghose. Unfortunately he did not attempt to formulate it when the Bill was in Select Committee, and I have only been able to glean his intentions from the notice of the amendments, which reached me late last evening, and from what he has just orally stated. It seemed to me that his explanation of the real scope and effect of his proposals was of a very meagre character indeed.

"It is proposed, as I understand, (1) that any unlicensed recruiter—that is, any person recruiting otherwise than under Chapters III and IV of the Act—may register his recruits before the Registering-officer of the area in which the

intending emigrant 'resides'; and (2) that no person, other than a 'resident' of the labour-districts, shall be eligible to enter into a local contract under section 112 of the Act unless he has been so registered.

"It seems to me that the Hon'ble Member must have moved these amendments rather for the purpose of raising the general question than with any intention, even if the Council should decide in his favour, that his amendments should be adopted as establishing a final and practicable scheme of initial registration. The words 'reside' and 'residence' are singularly vague. I presume that it is not intended that any person who has resided a few days or months in a recruiting area or a labour-district shall be eligible to be registered or to enter into a contract. The Hon'ble Member said that he had purposely abstained from laying down any hard-and-fast rule, but I submit that we must have something definite and capable of being understood.

"It seems to be considered by the Hon'ble Member—and I have seen the same statement made in certain newspapers—that the proposal we are now considering will not discourage free (unregistered) emigration, or impede the growth of free (non-contract) labour, because it will still be open to the employer to engage free or unregistered recruits and to bring them up to his estate and employ them as free labourers. Only he will have to finally exercise this option, not, as at present, after the recruits have reached the labour-district, but before they leave the recruiting districts.

"I venture to assert that the whole course of experience is against this contention. The argument is not a new one. As far as I was able to follow my hon'ble friend, he has done little more than reiterate the case which was put forward by the Bengal Government in 1890. This was fully considered by the Government of India, and in our published Despatch of 5th October, 1891, reasons were given at length to show that the proposals submitted would in fact throw back the progress which is now gradually being made towards free emigration and free labour, and delay the time when the Act could safely be abandoned. The part of the Despatch to which I refer is paragraphs 15 to 26 and covers eight pages. It is too long to quote. I will therefore merely give the substance of it as briefly as possible considering the intricate nature of the subject.

"Taking first the Surma Valley, the experience hitherto gained has shown that registered emigration necessarily carries with it a general system of Act-labour. As registered emigration develops into privately assisted emigration,

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this general system of Act-contracts passes into an intermediate stage, such contracts becoming less common and being superseded by less stringent forms of contracts. Act XIII of 1859 furnishes this intermediate stage of contracts in the Surma Valley. As privately assisted emigration passes into unassisted, that is, unsolicited and spontaneous emigration, there follows a system of entirely free labour without any contracts at all. There are many gardens in the Surma Valley where this final stage of free labour has been reached. But experience has shown that emigration must pass through its various stages to the final stage of unassisted emigration before the stage of entirely free labour becomes generally practicable. If we now throw back the privately assisted sirdari emigration, which has become the regular practice in the Surma Valley, to the stage of registered emigration we shall also throw back the intermediate stage of contracts to the stage of strictly Act-contracts.

“For various reasons, which were fully stated in the Despatch to which I have referred, the development has not gone so far in the Assam Valley as in the Surma Valley; but the first stage in the development has been reached in the establishment of privately assisted emigration with Act-contracts at Dhubri. Now, as was recognized by the Commission which prepared the first draft of Act I of 1882, the chief inducement which employers have to bring up a free or unregistered emigrant is that they are competent to execute an Act-contract with them after their arrival on the garden; and their chief reason for resorting to free emigration is to avoid initial registration. It is entirely contrary to experience to suppose that, under the conditions which these amendments would bring about, employers will on any large scale avail themselves of the option of both bringing up their recruits as free or unregistered emigrants and employing them as free labourers—that is, without any form of penal contract. The sole reason why employers now resort to unregistered emigration is because, by doing this, they avoid the trouble, vexations and delay, and the irregular exactions and opposition from subordinate officials, which surround registered emigration; while, on the other hand, they have still, in suitable cases, the security of the contract system, and can, if, necessary, place the recruits on Act-contracts on their arrival in the labour-districts. When the coolies arrive on a garden in the Surma Valley, if they are steady and well-behaved (and especially if they come in families) and are not likely to desert or give trouble, the employer often does not care to place them under Act-contracts. If, however, they seem to require the stricter discipline of the Act, they are placed under Act-contracts. But under the proposal now before us the employer will have to decide whether or not he will place the recruits under Act-contracts before they leave

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the recruiting district, and this practically means that he must decide at the time when he sends his sirdar down to recruit. Not knowing the kind of coolies that will be brought up—whether they will be well-behaved or likely to give trouble, and whether they will come in families or as solitary individuals—he will not be able, as a general rule, to take the risk of deciding to employ them without Act-contracts, and will therefore ordinarily have to give general instructions for registration. And, if he goes to this much trouble and expense—just what he wishes to avoid when he recruits outside the Act—he will, in most cases, at once give his sirdar a certificate, and thus get a legal hold over the recruiter and the recruits at the outset by having contracts executed in the recruiting district. For it must be remembered that under these amendments, if I understand them rightly, although the omission to register in the area of residence involves a disability to make a local contract, the registration observed creates no obligation. The registered emigrant may decline to proceed to the labour-district or to execute a contract, and he will not be punishable for this, except in certain cases to which perhaps the Penal Code may apply. The consequence will be that employers, instead of undertaking privately assisted recruiting, will go back to Act-recruiting.

“These remarks apply particularly to the Surma Valley. In the Assam Valley, where only an intermediate stage between registered emigration and privately assisted emigration has been reached, there will *a fortiori* be a similar retrogression, and further progress towards free emigration will be checked.

“I must apologise for having troubled the Council at such length on this point, but it seemed to me important to show clearly that the proposal is in fact likely to throw back the emigration and labour system.

“The Hon’ble Member has referred to a proposal made by the late Mr. Quinton for restoring the Goalpara District to the status of a recruiting district which it occupied before 1882, and for restricting contracts there to recruits originally registered in the actual area of their recruitment. Our objections to this proposal also have been fully stated in our published letter of the 5th October, 1891, to the Chief Commissioner of Assam. But I would point out that Mr. Quinton’s proposal is an entirely different one from that now before us, as it involved no interference with the execution of Act-contracts on a tea-garden. It merely made Goalpara a recruiting district, but still allowed unregistered emigrants to execute local contracts under sections 111 and 112. Besides, as we pointed out, Mr. Quinton was not personally in favour of this proposal; he merely suggested it as a substitute for initial registration in case the Government of India should determine to abolish the present

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Dhubri system. We have, however, decided to maintain that system. Later on, when I visited Assam at the end of 1891, I found that the planters as a body were strongly opposed to any interference with the existing arrangements at Dhubri; they entirely approved of the conclusion at which the Government of India had arrived independently. They had then had full time to understand Mr. Quinton's alternative scheme, the effect of which they may not have fully understood when it was first put before them.

"Again the main object of Mr. Quinton's proposal was to compel unlicensed contractors and *arkatis* to take out licenses and thus to get them under proper control. The present proposal, so far as I can see, does not profess to do anything to bring these people under control, and it appears to be hoped that some accident or other will bring about this result.

"To return to the amendments—I would ask if the proposal to restrict registration to the area of the recruit's residence is at all fair or reasonably practicable? I have already said something upon this topic. The Act now contemplates that a recruit shall be registered in the actual area of recruitment. Yet we know that this is not, and cannot always be, done. It is hardly possible for a Registering officer, without great delay in making inquiries, to decide whether an intending emigrant actually resides in his district or sub-division. The largest number of labourers recruited under the Act are now registered in Calcutta, but they do not live there, and many of them are doubtless brought there for the purpose by *arkatis* and others. It would be a direct discouragement to emigration if we absolutely forbid the registration of such persons and thus declare them incompetent to enter into Act-contracts. A coolie from the North-Western Provinces or from Madras might spontaneously come to Calcutta—or say that he had so come—and offer himself for registration; I submit it would be unreasonable to refuse to register him.

"But, even if all this could be overcome, what provision does the amendment make to ensure that the work of registration shall be properly done? That there shall be no delay or vexatious obstruction to the recruiter? That recruits shall actually be registered in the area of their residence? That false names and addresses and misdescriptions will not be given? That false personation will not be resorted to, and that coolies will not be changed after registration? These are not mere captious objections. I have had to refer to them before. Repeated and exhaustive enquiries, and even the reports of officers who are in favour of initial registration, show that these evils are practically inseparable from any system of registration.



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“The difficulty of distinguishing ‘resident’ and ‘non-resident’ emigrants in the labour-districts arises from the fact that there is not only a large and annually increasing domiciled immigrant population in the Province, largely composed of persons of unsettled and migratory habits moving about from district to district, but in addition to them there are new emigrants going up every year in large numbers whose history it would be difficult to trace. There are also old emigrants going backwards and forwards between their homes and the Assam gardens. The difficulty will naturally be increased when railway communication is established and has led to more rapid traffic between Assam and other Provinces. It is for those who propose the restriction of local contracts to residents of the labour-districts to show what is meant by the term ‘resident,’ and what steps should be taken to prevent unregistered non-residents from evading disability to contracts imposed on them. The amendments proposed seem to leave this to accident. It must be remembered, too, that under these amendments licensed recruiting will not be required; any unlicensed recruiter will be able to produce a recruit before a Registering-officer.

“All these matters must be foreseen and provided against in a manner which is not detrimental to emigration. Unless such special provision is made, the scheme will certainly be retrograde, dilatory, vexatious and expensive; but I venture to submit that it will not be effectual in attaining its object, which I understand to be the prevention of abuses. We cannot embark upon novel legislation merely in the hope that it will reform the system, and leave it to accident to bring about the desired result.

“It must be remembered that the proposal would entirely disturb the existing course of emigration throughout Assam. Nearly all emigrants to the Assam Valley execute contracts at Dhubri without previous registration; nearly all emigrants to the Surma Valley go up to the gardens as free labourers, and a large number of them enter into local contracts.

“We cannot deal with this question with exclusive reference to Bengal—we have also to consider the effect of the proposal on other Provinces. I will first take Assam. I see at once three awkward results. In the first place, residents of districts other than the labour-districts will be incompetent to enter into a labour-contract. I understand that Garos, Nagas, Khasis and other hillmen work on the tea-gardens. Secondly, suppose that unregistered emigrants were taken up on a large scale and did not enter into local contracts under the Act; they would still almost certainly be placed on some other kind of penal contract, enforceable under section 492 of the Penal Code or Act

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XIII of 1859, with the result that during their first few years in Assam, and until they had become 'residents,'—that is to say, at the very time when they most need it,—they would be deprived of the sanitary and other protection afforded by Government to Act-labourers. Thirdly, how are we to distinguish between 'residents' and 'non-residents' of labour-districts? At what period after his arrival in a labour-district would an emigrant become a 'resident'? How could the Magistrate or Inspector, or even the employer, say whether any particular coolie was a resident or a non-resident? If he chose to represent himself as a resident, could he afterwards turn round and get his contract cancelled by proving that he had made a false statement? What steps would be taken to prevent unregistered emigrants being placed under contracts as residents?

"Let us next take the case of the North-Western Provinces and Oudh. In 1891 more than 10,000 emigrants went from these provinces to Assam. Seven thousand of them went as free labourers. An excellent system of family emigration has been established between these provinces and the Surma Valley gardens, and no abuses in recruitment are complained of in connection with it. The Hon'ble Mr. Woodburn has just informed us that his province is perfectly satisfied with the present state of things. These amendments would check, if they did not wholly stop, this most desirable description of free emigration, and the effect of the proposal would be the same in every other recruiting province. No free emigrant could enter into a local contract, and no opening would be left for the growth of the free emigration system.

"I submit then, again, as I did before, that, with or without initial registration, abuses in the recruiting system cannot be kept in check without vigorous and sustained executive precautions, while with such precautions initial registration is unnecessary. I have shown that such abuses have already been reduced within very narrow limits in Bengal by executive action, and that, as a supplement to executive action, we now have the Bengal Act, I of 1889, which authorizes the Local Government to frame rules for the transit of unregistered emigrants. The proper remedy, I venture to think, if anything more is necessary, is to amend these rules, or, if legislative action is really required, to amend the Bengal Act itself. That Act, or some similar enactment, might also be applied to any other recruiting province in which it may be required. It will thus be possible to take whatever measures are required in any particular province to check abuses without interfering with free emigration.

"I submit, then, in the first place, that abuses in recruitment are not now so serious or prevalent as to call for this retrograde step which is now proposed ;

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secondly, that initial registration in any form, but particularly in the form proposed in the amendments before the Council, is not a proper remedy for such abuses; and, thirdly, that there are other and better available remedies, if any are wanted.

“For all these reasons I confidently ask the Council to accept the considered policy of the Government of India in this respect and their decision not to revert to the antiquated system of initial registration.”

The Hon'ble MR. BUCKINGHAM said:—“The Hon'ble Dr. Rashbehary Ghose has introduced my name as favouring initial registration, and in answer I may state that Mr. Grimley does refer to certain remarks written by me last year, and states that I supported his views with regard to initial registration. My remarks were enclosed with Mr. Ward's letter of the 12th August, 1892. What I said was that I should like to see the recruiting of all professional contractors and recruiters resident in Bengal brought under official control. But I strongly object to enforcing initial registration imposing other restrictions, in the case of unlicensed garden-sirdars or coolies or other persons sent down from the Assam tea-gardens for the purpose of recruiting outside the Act.

“I also feel sure that all employers in the Assam Valley will strongly object to any change in the law which will prevent unregistered emigrants from entering into labour-contracts at Dhubri as at present, and I have not the slightest doubt that employers in the Surma Valley will be equally opposed to the prohibition of local contracts in the labour-districts in the case of unregistered emigrants. Other grave objections to initial registration are unnecessary delay, and various expenses in bringing the coolie into Court; again, the strong inducement that would be placed before sirdars and coolies to accept bribes and engage elsewhere; in fact, every registry office will become a recruiting centre, where there would always be people waiting ready to waylay and entice away labourers recruited by others; lastly, the certainty that free emigration, pure and simple, which has made such rapid strides in the Surma Valley, would receive a death-blow.

The Hon'ble MR. STEVENS said:—“I desire to explain that, though I sympathize heartily with the object of the Hon'ble Mover of the amendments, I am not inclined to vote for them as they stand. The literature of this subject shews that purely free emigration to the nearer districts is growing and has

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already attained considerable dimensions; and this most satisfactory form of emigration would be, I think, discouraged, if not suppressed altogether if registration in the districts of original residence were insisted on in the case of persons adopting it. I would interfere no more than I would with emigration to the Duars. I have studied the papers to the best of my ability, and have listened to the remarks of Sir Philip Hutchins with the attention they deserve. As I do not propose to vote for the amendments, I will not take up the time of the Council by discussing them in detail. I will merely say that I have not been able to discern that the objections to initial registration, as it used to be conducted, were incapable of remedy, and, whatever defects Mr. Grierson found in the registration of emigrants to the Colonies, as it was conducted, I have not heard that registration for the Colonies has as a consequence been deferred till the arrival of the emigrants in the Colonies themselves, or even till they are put on boardship. And, as a matter of fact, registration is now required under Act I of 1882 in the case of coolies recruited by licensed recruiters, and even in the case of coolies recruited by garden-sirdars, under a system which is universally considered comparatively healthy. What is the object of this registration, and why does it remain in the Act at all? What I desire is to require initial registration in the case of contractors' coolies recruited outside the Act; for it is these who appear to me to require special protection. I confess that to devise a practical method of carrying out such registration requires more consideration than I have been able to give the subject, and I am not ready to offer to the Council a matured scheme. But I am so convinced that it is desirable in the interest of the labourers that the present Bill should be passed that I should be sorry to see its enactment postponed even for this important question."

The Hon'ble MR. FAZULBHAI VISHRAM said:—"I have no desire to offer any lengthy remarks on this Bill; in fact, I shall be very brief considering the hour and what has already been said, especially because I consider that, on the whole, it is framed in a very fair spirit and with due regard to the interests both of the planter and the labourer. Almost everything that is necessary for the protection and well-being of the coolie has been provided for, and he is likely to be better off abroad than he can be at home. I have no particular experience of the labourers who go to Assam, but I do know a little about those who proceed to the Mauritius, and they generally profit by migrating from India. To a certain extent the Muhammadan pilgrims who yearly proceed from India to Arabia are cared for in a similar manner whilst travelling on board a steamer. Of this I can speak from personal experience, as our steamers often take pilgrims

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from Calcutta and Bombay to Jeddah, and we have under the Pilgrims Act to provide for the n doctors, hospitals, medicines, disinfectants, tea, sugar, and many other comforts to which ordinarily they are strangers. The Hon'ble Mr. Mackay must know more about it than I do. The Emigration Act seems to have been conceived in the same liberal spirit as the Pilgrims Act, and very properly so; but there is one point about it which I thought was lost sight of, and that is the initial registration in the district where coolies are recruited. I may add that I had the advantage of conferring with certain gentlemen who are more or less authorities from the points of view of planters as well as labourers, and I have now come to the conclusion that the absence of a system of initial registration is likely to lead, and *does* lead, to malpractices on the part of recruiters. I need not now go into details about them. They are borne out by some of the planters themselves, and it is but right that some check should be provided against them. I intended, therefore, to submit this morning certain amendments with this view, and may still do so if Dr. Ghose's amendments (which reached me last night) do not meet the case.

"I was thinking of moving for a provision for the initial registration in sections 30, 31 and 32 of the Act, which really bear on the question of registration *within the local area for which the recruiter is licensed*, and in my humble opinion it would be more convenient to alter this to *the area to which the labourer belongs* than to insert the new section 7A and sub-sections proposed by Dr. Ghose.

"I should also like to have seen a provision made in the Bill for the appointment of a Protector of Emigrants, the same as there is for a Protector of Pilgrims under the Pilgrims Act, but I am now not prepared to propose anything under this head.

"On second thought, and after what has fallen from the Hon'ble Sir Philip Hutchins as regards the amendments in their present form, on further consideration I think I had, perhaps, better propose the amendments indicated by me, if I may be permitted to do so. I know the rules require three days' notice, but it must be borne in mind that I received the Bill and the Select Committee's report officially on Monday last, and by the time I could go through them it was Wednesday, that is, yesterday. Hence there was no time to send in any formal amendments beforehand."

The Hon'ble SIR PHILIP HUTCHINS said:—"I ask Your Excellency's permission to make just one remark on what has fallen from the Hon'ble

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Mr. Stevens. He said that he was not aware that colonial registration has been given up. That is quite true, but the reason is that it is absolutely essential for emigrants proceeding to a foreign country. Dhubri and the rest of Assam, including all the labour districts with the local contracts executed therein, are under our own laws and the administration of our own officers; all that we require is that somewhere or other officers whom we can trust shall ascertain that the labourers know the nature of their engagements and enter into them voluntarily."

His Honour THE LIEUTENANT-GOVERNOR said:—"I am unwilling to say much upon a subject which has been discussed so long, and especially after the very full and closely-argued speech of my hon'ble friend Sir Philip Hutchins, in whose statement of the case I wish to express my entire concurrence; but I have been so much identified with this question of initial registration, and I may even say that the Government of India has laid so much weight on my opposition to it in their Despatch to the Secretary of State that I do not think it would be right for me to give a silent vote on the subject.

"It seemed to me that in the speech of the Hon'ble Mover of the amendment there was a singular hiatus between the major and the minor of his premises. His argument seemed to be that there were great and serious defects in the mode of conducting emigration and in regard to the offences of kidnapping and enticement; but in order to cure these defects and stop these offences his only proposal was to introduce this system of initial registration, which, as I have shewn to the best of my ability elsewhere, and as has been shewn to-day in the clear exposition of the matter given by Sir Philip Hutchins, will not provide the required remedy. And then, while calling this registration permissive, he proceeds, further on, to make it compulsory, by providing a penal clause the effect of which would be to the last degree disastrous to the condition of labourers throughout Assam by abolishing the possibility of their executing local contracts unless they are sent up under registration from the country of recruitment.

"The evils connected with enticement and kidnapping are grave in themselves, and were at one time very serious in Bengal; but Sir Stewart Bayley took active steps to put them down by appointing special officers and by strong administrative measures, and I have lately been able to report to the Government of India that to a very large extent these evils have been put a stop to. That they ever will be entirely put a stop to no one, I think, can expect; all we

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can do is to give every facility to those who desire to stop them. The Government of India, in their letter to the Government of Bengal, took this view when they wrote :—

‘As the letter of the Bengal Government had only suggested remedies which were judged to be inexpedient and likely to prove inefficacious, . . . His Excellency in Council was compelled to throw on Sir Charles Elliott the entire burden of devising appropriate measures.’

“This was in the Despatch of May, 1892. I have not been neglectful of this burden and have since that time been largely occupied in the effort to devise the measures which Your Excellency’s Government directed me to consider, and I have lately submitted to the Government of India in the Home Department a set of rules which will, if approved and carried out, effect to a very large extent the exact result which the Hon’ble Mover desires to effect. They will to a certain extent be within the law, and to a certain extent without the law. To some extent they are supported by the Bengal Act, I of 1889, and to some extent they are instructions to executive officers, and I believe that they can be satisfactorily carried out. If not, we shall take measures to provide full legislative power, but I believe that the existing legislative power is sufficient. If these rules are approved, we propose to keep a record of every person who passes through the free depots, and so shall be able to effect the end of tracing those who leave their homes, which is the main object, I think, of my hon’ble friend’s amendment. There will still remain the danger of personation, which cannot possibly be effectually dealt with by any legal or executive system of registration. But the other evils and offences can be put down by active and constant supervision and by the readiness of the persons who suffer from these offences to complain and to get their wrongs righted. Barring that one difficulty of personation, I believe we shall have effected what is necessary and sufficient to trace the free emigrants, to be able to ascertain their destination when their relatives wish to get them back, so that they can follow them up and either catch them on the road or redeem them if they choose to do so from the effects of the contract. I believe that these rules will be a real remedy, and that the amendment of which my hon’ble friend has given notice not only is not required in itself, but would be altogether ineffectual in putting down the abuses complained of.”

The amendment was put and negatived.

The following amendment by the Hon’ble DR. RASHBEHARY GHOSE was then withdrawn :—

That after the new section 112A proposed to be added to the Act by

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section 12 of the Bill, the following section shall be inserted, the present section 112B being renumbered 112C ;—

“ 112B. Nothing in section 111 or in section 112 shall be deemed to authorise any employer to enter into a labour-contract with any native of India who is not resident in a labour-district or who has not been registered under section 7A.

The Hon'ble MR. BUCKINGHAM moved that section 5 of the Bill as amended by the Select Committee be omitted. Also that in the new section proposed to be substituted for section 112 of the said Act by the same section of the Bill, for the words “ Notwithstanding the provisions of section 111, any employer may enter into a labour-contract with any native of India in a labour-district for any term not exceeding four years commencing from the date of the execution of the contract if he appears,” the words “ Any employer desirous of entering into a labour-contract with any native of India in a labour-district may, instead of executing such contract under section 111, appear ” be substituted. He said .— “ With Your Excellency's permission I will take together these two amendments which stand in my name, as they relate practically to the same point, namely, whether the maximum term of the labourer's contract should be allowed to stand at five years, as at present, or should be reduced to four years.

“ The Hon'ble Member in charge of the Bill has already explained to what an extent the condition of tea-estates has been enquired into of late years. The Government of India have acknowledged, in published documents, the efforts made and expenditure incurred by persons interested in the tea-industry ; in promoting emigration to Assam ; the benefits caused thereby both to Assam and to the provinces from which the emigrants come ; the generally satisfactory condition of the tea-labourers ; and the creditable manner in which the labour-system has worked with rare exceptions so far as planters are concerned.

“ But in spite of these admittedly favourable results it is now proposed to reduce the period of contract to four years ; to prohibit contracts for periods exceeding one year without the intervention of a public officer ; to extend inspection to natives of the actual labour-district ; to render more stringent, as against the employer, the provisions of the Act which enable the Government to close gardens to Act-labour ; to make the employer liable for the cost of repatriating persons wrongfully recruited, even though he may personally have been in no way concerned with their recruitment ; and to add to and strengthen the powers of control which the executive authorities exercise over the employer.

“ But, although the present Bill is in these respects one-sided (the one or two points on which it amends the law in a direction favourable to the employer being



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of minor importance), I am prepared to accept it generally. I am willing to agree to any powers being taken by Government which are considered necessary, or even desirable, for the protection of labourers and emigrants. I therefore accept the main lines of the Bill, but I feel bound to take strong exception to the provisions of the Bill which reduce the period of the contract (under whatever section it is entered into) below five years. The changes on this point are likely to prove detrimental to the working of the labour-system, and, as far as I can make out, it has not been shown that there is any necessity for them or that they are likely to effect any useful practical result.

“ The grounds on which the maximum contract period was raised from three to five years in 1882 are thus stated in the Report\* of the Commission, which revised Act VII (B.C.) of 1873 :—

‘ We have raised the maximum limit of time to five years, and provided for payment in accordance with the system of task work universal in the labour-districts. It has been thought essential to provide for a minimum rate of wages for a fully completed task, and for a higher minimum in the fourth and fifth years of service, to which it is proposed that the contract term may now be extended. These changes have been made in accordance with the almost unanimous demand of those interested in the tea-industry, and concurred in by both the Chief Commissioner of Assam ’ (Sir Steuart Bayley) ‘ and the Lieutenant-Governor of Bengal ’ (Sir Ashley Eden). ‘ The argument in favour of the extension of the term is that it is only thus that the employer can be fairly recouped his preliminary outlay and risk in importing the labourer and maintaining him while he gets acclimatized and learns his work.’

“ To develop this argument further I may explain that there are two distinct sets of reasons which make a five-year contract necessary to save the employer from loss.

“ In the first place, for about the first two years or so of their residence in the labour-districts the coolies are not really useful. They are getting acclimatized and learning their work. Large expenditure has to be incurred on their health and well-being and on medical and hospital arrangements for them. It is only during the latter half of their five-year contract that they become thoroughly acclimatized and efficient as workers. I will quote an extract from paragraph 9 of the Chief Commissioners of Assam’s letter of 12th August, 1892, regarding the contractors’ coolies so largely imported into the Assam Valley. Mr. Ward writes—

‘ In the first year after arrival on the garden they do little or no work ; in the second year they are capable, perhaps, of performing, on the average, half the work of an acclimatized coolie ; in the third year they have settled down and do full work.’

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\* Paragraph 106, Assam Special Report.

" It follows from this that in the first year the employer recovers little or nothing of his outlay from the value of the work done by the coolie ; in the second year he recovers a little, but nothing like the proportion of the outlay which the one year bears to the whole period of the contract. It is to the third and subsequent years that he must look for recouping himself the expenditure and risks incurred.

" Secondly, a short period of original contract unsettles the coolies and gives opportunities for their enticement away to other gardens. There are many employers and others who do not go to the expense of importing labourers from the recruiting districts into Assam, but are ready to draw away labourers imported by other employers (often by the offer of larger bonuses than are ordinarily given, but which they can afford to pay as they do not incur any expense in importing labour). The Hon'ble Mr. Chentsal Rao, in his minute of dissent attached to the Select Committee's Report, writes that ' if the coolies receive fair treatment, there is nothing to prevent the renewal of their contracts, and good employers have nothing to fear even if the maximum duration be reduced to two years.' It is true that with a three years' contract good employers have not much to fear from good coolies, and we do not object if the coolies go away after performing their three-years' contract for the purpose of returning to their homes or settling down to cultivation or trade in the labour-districts ; but we do object to their being enticed away the moment their original contract has expired by employers who have not gone to the expense of importing labour. If all or most of our coolies were recruited by garden-sirdars, as in the Surma Valley, I should not object to a three-year limit of contract ; for though we might *not* in all cases recover the cost of importation during the period of the original contract there would be some reasonable guarantee that the contract would ordinarily be renewed on its expiration. Sirdari coolies ordinarily come up in families and settle down on the garden in a comparatively short time, and they are of better physique and capacity for work than contractors' coolies. But, as the Chief Commissioner, Mr. Ward, has pointed out so forcibly in paragraph 9 of his letter of August, 1892, a large proportion of the coolies recruited for the Assam Valley are, and for a considerable time to come must be, obtained through contractors. Contractors' recruits are of inferior physique, often single men and women without family ties, and not unfrequently indolent persons who could not, or would not, earn a livelihood for themselves in their own country. A three-year contract is certainly insufficient for such persons to form ties in, and to become attached to the garden and I submit that nothing less than five years is sufficient for this.

“ Moreover, I fail to see that the circumstances have changed in any respect since 1882, when a five-year contract was found to be necessary. The cost of importation and expenses of maintaining the coolie on the estate have certainly not become less ; on the contrary, they have increased. The late Chief Commissioner of Assam, Mr. Quinton,\* was of opinion that all the reasons which led to the extension of the period of contract in 1882 still applied with equal force. The present Chief Commissioner is strongly in favour† of maintaining the maximum of five years ; and it is admitted by all authorities that the risk to the emigrant from sickness and death is chiefly confined to the first two or three years of his residence in Assam. I have only been able to find two serious arguments in favour of reducing the term of the contract.

“ In the first place, it is said that it is desirable to restrict the scope of the penal contract system. I admit that this is sound in theory : no one would be more glad than employers of labourers if the conditions were such that the whole of the special labour law could be swept away. But, as I have endeavoured to show, the time has not come when the system of contracts can be restricted without injury to the employer, and therefore ultimately to the labour-system and to emigration generally. I think I am right in saying that five-year contracts are allowed in the case of emigration to the Colonies. If so, I see no reason why such should not be allowed in the case of emigration to Assam.

“ Secondly, it seems to be assumed that with a shorter maximum period of contract the profits of professional suppliers and recruiters of labour will be diminished ; that the number of professional recruiters will therefore become less ; that consequently abuses in recruitment will also become less frequent ; and that the field will be left more open for the recruiting of garden-sirdars and other non-professional recruiters sent down from Assam to bring up coolies. If there was any good reason to suppose that this would be the case, I should welcome the change : but I doubt if these results are likely to happen, and I see that the Chief Commissioner of Assam is inclined to share this doubt.‡ It is stated in Mr. Ward’s letter, ‘ the *arkati*, the Chief Commissioner has been assured (and he sees no grounds for doubting the correctness of the statement made to him on this point), disposes of the coolies he has recruited at a valuation which is in no way dependent on the term for which they may be willing to contract.’

“ It may be said that the cost of recruiting coolies has actually increased since 1882. This is true, and I also admit that *arkatis* and professional con-

\* See page 108, Special Report on working of Act I.

† Mr. Ward’s letter to Government of India, paragraph 9.

‡ Mr. Ward’s letter to the Government of India.

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tractors are (so far as the Assam Valley Districts are concerned) gaining ground on our garden-sirdars, but I do not see that it has been shown that the fixing of the maximum period of contract at five years has had anything to do with these results. The fact is that employers everywhere (in Assam, as well as in the tea-gardens in Bengal) require much more labour now than they did ten years ago ; we in Assam require every year at least double the number of labourers that we required ten years ago.

"The competition for labourers having increased to such an extent, it is not unnatural that the profits of professional recruiters should have increased also ; I should like something more than mere conjecture before I can suppose that reducing the maximum term of contract to three years will effect a reform in the recruiting system. I do not myself see how it can be so. We should still have to recruit through contractors ; the recruiters and *arkatis* would still have the same work to do as they have at present ; the competition for labourers would not become less severe ; and the contractors, I imagine, would be able to dispose of their recruits on the same terms as those which they now get. I can say that most employers of labour agree with me in the view that the reduction of the contract will not have the effect of lowering the cost of importation or reducing the profits of professional recruiters. That it will have this effect seems to be merely a conjecture on which I venture to think that it would be unsafe for the Legislature to Act.

"The Hon'ble Mr. Chentsal Rao in his minute of dissent appended to the Select Committee's report has set forth a new argument which I have never heard before. He says that the only argument advanced during the discussions of the Select Committee in favour of the longer period of contract assumes that in a large number of cases labourers are only too ready to unfetter themselves of their contracts by paying large and (to them) ruinous sums for their release. 'Such an assumption,' he adds, 'if true, is a sad commentary on the lot of the labourers on tea plantations,' and he suggests that the supposed frequency with which contracts are redeemed throws an unfavourable side-light on the conditions of coolie life on tea-gardens. I think I shall be able to satisfy my hon'ble friend that his remarks under this head were written under more than one misapprehension. I have already shown, on the authority of the Chief Commissioner of Assam, the fallacy of supposing that a coolie imported at a cost of (say) R90 for three years would, as the Hon'ble Member supposes, work off R30 of the initial cost in each year of his contract. In the first year he would probably work off very little, taking into consideration the expenditure which would have to be incurred on him ; in the second year he certainly would not work off a third of the costs ; in the third and subsequent

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years his work would be of the average value. Moreover, the risk arising from the deaths and desertions of a certain proportion of new immigrants (specially of contractors' coolies) has to be taken into consideration. I do not know how far it is permissible to refer here to what occurred during the discussions of the Select Committee, but, as the Hon'ble Member has done so in his minute, I will, with the permission of His Excellency the President, say a few words on the subject. I do not remember that any such argument regarding the redemption of contracts as that referred to by the Hon'ble Member was brought forward at the meetings of the Select Committee. I certainly did not bring it forward, and had I understood that any other member of the Select Committee had done so, I should at once have stated my opinion that the likelihood of a three-year contract being redeemed on the terms laid down in section 142 of the Act in no way affects the decision as to the maximum duration of the contract, and may be altogether disregarded in considering it. The grounds on which, as I understand, the Select Committee decided to recommend a maximum of four years were that section 142 of the Act fixes the value of the coolie's work to the employer at R1 a month in the first year, R3 a month in the second year, and R5 a month in each subsequent year, and that the total value of a coolie's work for three years thus ascertained, namely, R108, is not in all cases sufficient to cover the cost of importation. As a matter of fact, contracts are hardly ever redeemed. The number of contracts redeemed in each year are set forth in the return appended to the Annual Immigration Reports.\* I find from Mr. Quinton's Special Report† and subsequent Annual Reports that 37 contracts were redeemed in 1883, 40 in 1887, 36 in 1888, 19 in 1889, 17 in 1890 and 6 in 1891.‡ During 1891 there was a daily average strength of more than 108,000 Act labourers in Assam. Of these an average strength of between 6,000 and 7,000 were under contracts for one year only,§ which they could have redeemed under section 142 of the Act by paying a sum of R12 only—a sum in many cases not more than the bonus paid to a labourer for entering into a one-year contract. Moreover, there were at least another 7,000 || coolies under contracts for two years, which they

\* The return at the end of the Reports, column 28.

† Page 129.

† Period of contracts redeemed not shown in the Reports.

§ The number of coolies who entered into local contracts for one year or less (as shown in the Annual Reports) was 6,408 in 1890, and 7,105 in 1891.

|| The Annual Reports show that the number of coolies entering into local contracts for two years was in—

1889	.	.	.	.	.	.	3,550
1890	.	.	.	.	.	.	4,145
1891	.	.	.	.	.	.	4,915
							<hr/> 12,610

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could have redeemed by paying R48 only. Yet only six coolies redeemed their contracts throughout the province in the whole year. I think my hon'ble friend will now admit that (so far as these figures go) the 'side-light thus thrown on the conditions of coolie life on the tea-gardens' is highly favourable. The grounds on which I oppose the reduction of the contract period below five years are, first that there is no guarantee that the work of the coolie will in less than that time enable the employer to recover the initial expenses of importing labourers and the continuing expenses and risk of maintaining them, while they are getting acclimatized and learning their work; secondly, that, with the stamp of persons sent up to the Assam Valley gardens there will be a risk of the employer incurring serious losses owing to the three years' limit or even the four years' limit being insufficient to attach the coolies to the garden so as to ensure them against being enticed away to other estates (especially by persons who do not themselves import labour); and that any such general enticement will lead to the demoralization of labour in Assam; and, thirdly, that the reasons for proposing a reduction are not of a practical nature and assume that certain results will happen, as to which there is no certainty or reasonable basis for forming any opinion, whether they will actually happen or not.

*"Redemption of Contracts—Section 24 of the Bill : Section 142 of the Act.*

"If the Council accepts my proposal to retain the maximum contract period at five years, section 142 of the Act will stand as it is at present. I have, however, no objection to its being declared that no coolie shall be required to pay more than R150 for redeeming any contract, and I propose that a proviso to this effect should be added to section 142 in order to meet objections such as those raised in the minute of dissent of the Hon'ble Mr. Chentsal Rao.\*

*"Reduction of term of Garden-contracts to one year—Section 12 of the Bill : Section 111 of the Act.*

"Much of what I have said in moving my first amendment applies also to my second, that section 111 of the Act should be allowed to stand as at present, that is to say, that employer and labourer should be permitted to enter into contracts for the maximum period allowed by the Act without the intervention of a public officer. I may say that I think that this change (prohibiting garden-contracts for more than one year) is quite as open to objection, or more so, than the reduction of the maximum term of contract to four years. I have failed to

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\* This was proposed by Mr. Quinton, page 130, Assam Special Report.

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discover any reason for it, except, again, the theoretical one that it is desirable to restrict the present contract system.

“ Since 1882, employers and labourers have been able to enter into local contracts for any period up to five years, whether direct on the garden or in the presence of the Inspector or Magistrate. I will not take up the time of the Council by going into arguments to show that it is necessary that the local contract system should be retained. The Government of India, in their published Despatch of October, 1891, have decided\* that it is necessary to maintain it in the interests of the administration, and I have already said enough to show that in my opinion it is still required as a safeguard against evils arising from the systematic enticement of labour. I think I am right in saying that a similar opinion has from time to time been expressed by various Chief Commissioners of Assam, including His Honour the present Lieutenant-Governor of Bengal, an extract from whose remarks, said to have been written in 1885, and quoted in one of the published letters of the Government of India,† I will take the liberty of reading. In my humble opinion it represents exactly the state of things now prevailing in the Assam Valley. His Honour wrote—

‘ As to the tea-coolie, the protection he gets, the excellent cottage he lives in, the good water-supply, the fairly cheap food, and the fairly reasonable wage he gets, are the *quid pro quo* granted in return for the penal clauses which compel him to carry out his part of the contract. He would not get the one without the other, and he would certainly be worse off if he had to part with both. The alternative would be a migratory class of labourers whom no one would go to much expense in hutting and providing for, because he could not be sure of retaining their labour; who would be constantly shifting from one place to another under the influence of enticement and bribery; who would have to build their own houses and would build them of poor materials on unhealthy spots; who would be entitled to no medical care when ill, and would have no opportunity of making complaints or getting grievances redressed such as they have now, when the Inspector’s official visit takes place. Such a state of things would be good neither for their *morale* nor for their bodily welfare, but such a state of things would necessarily arise as long as population is scarce and the labourer of great value to the planter, if the law did not intervene to give permanence and solidity to the mutual relations of planter and labourer.’

“ The proposal to modify the system of local contracts seems to have come from the Government of India.‡ It was first proposed absolutely to prohibit

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\* Paragraphs 10 to 12 of Despatch.

† Letter of 5th October, 1891, to Government, Bengal, paragraph 20.

‡ Paragraph 19, letter to Chief Commissioner of Assam, dated 5th October, 1891.

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contracts being entered into for more than one year with time-expired emigrants who have served out their original contracts, and with local coolies, natives of Assam, and emigrants who have become domiciled in the labour-districts. We are glad to see that the proposal in this form has been dropped. It would have been in practice a most vexatious and unworkable restriction and would not have been to the interest either of employers or of the labourers who, when they renew their contracts for periods longer than one year, do so with the desire to obtain a larger initial bonus; but I submit that the present proposal to prohibit local contracts for more than one year, except when entered into in the presence of a Government officer, is also open to objection, and that no necessity has been shown to exist for it.

“On the Assam Valley side the change will chiefly affect contracts entered into with time-expired and local coolies; for very few new coolies are brought up to the garden without being already under a contract executed either at Dhubri or in the recruiting districts. Now, what is the necessity for limiting the term of a direct contract executed with time-expired and local coolies to one year? Both Mr. Quinton and Mr. Ward have distinctly expressed their opinion that such coolies are well able to look after themselves in making contracts; and this opinion seems to have been accepted by the Government of India in Sir E. Buck's letter of 5th October, 1891.\* One or two cases may have occurred in the last few years in which contracts may have been obtained by undue pressure; but I think it will be admitted that planters have shown little sympathy with the employer at fault in such cases. Section 111 of the Act, however, which provides that the labourer must appear before the Inspector on his next visit to the garden to have his contract verified, is, I submit, a sufficient check for such cases, and we are told that the system of inspection and verification is going to be much strengthened. It has not been alleged that the results of verifications have hitherto been unsatisfactory, or have shown that these contracts are, to any extent calling for action, exacted by undue pressure.

“I believe that very few contracts are taken in Sylhet and Cachar under the Act from local and time-expired coolies; and that the majority of such contracts are entered into with new emigrants. It is obvious that, in any case in which an employer pays the expense of bringing an emigrant to the garden, he cannot be content with a one-year contract. All new coolies whom it is pro-

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\* Paragraph 19.



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posed to place under the Act will therefore have to be produced before an Inspector or Magistrate. Now I do not contend that a new emigrant is in as good a position to make his own terms in entering into a contract as time-expired and local coolies; but I would point out that Sylhet and Cachar are districts comparatively near Bengal, the circumstances of which are well known to the emigrating classes, and to which free emigrants go in large numbers. The Health Act enables the Government to watch these emigrants in the course of their journey, and the more stringent powers as to inspection, verification and repatriation, which the Bill now before us gives to the Magistrate and Inspector, will be a sufficient safeguard for allowing the practice of direct contracts, which has been carried on for these ten years, to continue.

"I submit, therefore, that the change is wholly unnecessary. I am, moreover, doubtful if it will have the desired result. The intention seems to be that employers should ordinarily content themselves with a one-year local contract. If this really happens, the use of Act contracts will certainly be restricted. But if, on the other hand, provisional contracts are taken for one year, and then the labourers (as opportunity offers) are taken before the Inspector or Magistrate and placed under contracts for longer periods, I do not see how the change will lead to the disuse of the Act. I do not say that this will happen; but it is a probable result.

"I am not sure if it has been realized how much trouble and inconvenience will be caused to the employers and labourers as well as to the officers themselves if any considerable numbers of labourers are produced before the Inspector or Magistrate for the execution of their contracts. Many gardens are at a long distance from head-quarters. Communications are difficult in Assam, especially in certain seasons, and the journey may have to be made at unhealthy times of the year. The employer will be put to additional expense in keeping up an establishment to send in with coolies, and the coolies themselves may lose their wages for two or three or more days, besides undergoing much discomfort. Moreover, the Magistrate or Inspector (there may be only one such officer at a sub-division) is, I believe, required to be on tour for not less than 120 days in the year, and the employer has no means of knowing where he may be at any particular time. The journey may have to be made two or three times before he can be found. Even when he is at head-quarters, he is engaged in other work, and there must be some delay in attesting the contracts.

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of batches of labourers. Meanwhile the labourers will be kept hanging about the cutcherry and will be liable (especially if they are new coolies) to be tampered with by unscrupulous persons and exposed to the bribery and enticement of other employers and their crimps. The alternative of putting the labourer under a provisional contract for one year and then taking advantage of the Inspector's visits to the garden or neighbourhood to execute contracts with them for longer periods will also cause trouble and inconvenience, and possible expense in stamp and registration fees, owing to the renewal of contracts before the former ones have expired, and the cancelment of existing contracts at irregular and uncertain intervals. I also ask Hon'ble Members to consider whether such ignorant people as coolies in this country would not become suspicious and distrustful if they were asked to renew their contracts in this manner at short notice. Again, employers in Sylhet and Cachar will not be able to follow this alternative course with new emigrants imported at their expense, as the coolie will probably consider that the one-year's provisional contract is his original contract, and demand a bonus (according to the usual practice) before consenting to a renewal.

"Another serious objection is that the change may be taken as an indication that the Government distrusts employers. I do not for a moment think myself that this is the case, and I admit that any such idea would be inconsistent with what the Government of India have said in published documents. But this may, and probably will, be the view in which the change will be regarded, especially by the coolies: and any such impression among them will certainly not promote the good relations of employers and labourers.

"For these reasons I submit that the proposed change in section 111 is open to serious objection, and that garden-contracts between employer and labourer should be permitted up to the maximum allowed by the Act."

With the permission of His Excellency the President the Hon'ble MR. STEVENS moved that in the paragraph proposed to be substituted for the penultimate paragraph of section 9 of Act I of 1882 by section 5 of the Bill, for the word "four" the word "three" be substituted, and the last thirty-six words omitted, as it was found convenient that this amendment should be considered simultaneously with the amendments proposed by Mr. Buckingham. He said :—

"With Your Excellency's permission I will move the amendments of which I have given notice. In doing so I have to represent that I am

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introducing no novel suggestion of my own, but am seeking to restore a provision which is universally approved in the recruiting districts, and which after very mature consideration has commended itself to Your Lordship's Government and to the Secretary of State, but which has been modified by a narrow, and (as I venture to think) somewhat hesitating, majority of the Select Committee. One reason alone has been brought forward in the report, and that is that the majority are not satisfied that a three-years' term is sufficient to recoup the employer the expenses incurred in importing the labourer and maintaining him during the period of his acclimatization in the labour-districts. But this is not a new consideration; it has been brought forward again and again; and I had hoped that it had been finally rejected.

"It is admitted that it does not apply to Sylhet and Cachar, and I think I may justly assume that it has as little application to the nearer districts of Assam. I may say by the way that to the Tarai and Duars Districts emigration is entirely free, and there are no special penal contracts whatever. Only in the more remote and less desirable and healthy tracts in the Brahmaputra Valley do the planters appear to need a longer term than three years. And I regret to find that my hon'ble friend Mr. Buckingham is not content even with the four years' term which the Bill as amended by the Select Committee would give, but takes strong exception to any reduction from the maximum term of five years allowed by the existing law, and now seeks to retain that law. I acknowledge and regret that I have no personal experience of the labour-districts; but I have served for a considerable period in the recruiting districts, and wish to be understood as bringing forward the arguments which occur to me as looking at the subject from the point of view of those districts.

"The most powerful advocacy of the views of the tea-planters is to be found in the report from the Chief Commissioner of Assam, dated the 12th August last. To the arguments contained in this letter the Indian Tea Association admit their inability to make any addition. With Your Excellency's permission, I therefore propose to address myself to them. I do so with great diffidence, having regard to Mr. Ward's great experience and local knowledge, and I regret that my remarks may have the appearance of a somewhat invidious criticism; but this is scarcely avoidable since the report is put forward as containing the adopted exposition of the views of the planters of Upper Assam.

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'The real point for determination' (Mr. Ward says) 'is whether any valid ground has been made for reversing a decision arrived at after full consideration before the passing of the present Act.'

"It has never, so far as I am aware, been suggested by any one that the existing law should be in any respect final. It has been generally recognised that to bind a labourer for a long period by a penal contract with strong measures of procedure for its enforcement is an evil, only justifiable on account of necessity or at least of some greater good to the labourer himself. The policy of Your Excellency's Government, which has received the approval of the Secretary of State, is to direct all amendments of Act I of 1882 to facilitating the disuse or abolition of the system of penal contracts on which that law is based. On every occasion, therefore, on which the law is before this Council for amendment, those who support the present system must expect to have to justify every material part of it. And I venture to assert that circumstances have greatly changed since 1882. Those who do not admit this, if there be any, forget that the Government is doing all it can to improve communications, for the express purpose of conveying labourers cheaply and expeditiously to Assam. And they also forget a most important and unforeseen effect of Act I of 1882 itself.

"One main object of that Act was to encourage the growth of a system of really free emigration, whether at the expense of the coolie or assisted by the employer, and to discourage the contractor system, which was believed to be one of the main causes of the delay, difficulty and expense connected with emigration to Assam. The very strong and able Commission, which was appointed by the Government of Bengal to consider the whole subject and to indicate the necessary legislation, gave utterance to the following opinions:—

'We have no doubt whatever that most of the abuses attendant upon the engagement of natives of India for emigration purposes have been attributable to the operations of professional contractors and recruiters; and we believe that the only way to put inter-provincial emigration on a sound and natural basis, and at the same time to diminish the cost of procuring labour, is to sever all connection between garden-sirdars and contractors' dépôts, and to give the widest scope to the working of the sirdari system; providing at the same time, in the employer's interests, for the effective control of the sirdars when engaged on recruiting duty. The fiction that the garden-sirdar is sent back to induce only his own immediate relatives to return to the garden where he has prospered must be given up. He must be recognized as a recruiter, but as a recruiter directly commissioned by the employer himself, with personal knowledge of a labourer's life, and of whom his employer has personal knowledge. He should not be allowed to degenerate into a pre-

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fessional crimp, and his certificate should, therefore, run only for a limited period, and be renewable only with the consent of the Magistrate of the labour-district. We should have been glad to see the contractor and his recruiters abolished altogether. But, apart from the injury to individuals, which the summary closing of an industry would certainly inflict, it is probable that there are some gardens which are not yet in a position to employ sirdari recruiters, and must for the present depend upon professional assistance in procuring labour.

“The Bengal Government supported the Commission’s recommendations, and anticipated that the coolies sent or going to labour-districts to contract there would go chiefly to the nearer districts of the Assam Valley and Cachar and Sylhet, while the garden-sirdari system would be suitable for Upper Assam and for occasional gardens in other places. In discussing the Bill in Council more than one Member hailed the measure as likely to have the effect of leaving the emigration of coolies less and less in the hands of professional recruiters and contractors, and of bringing the employer and the employed into earlier and more immediate contact.

“After the Act was passed it was observed in a Resolution of Your Excellency’s predecessor in Council that—

‘it is not expedient that the operation of contractors in the recruiting districts should be at once freed from all control; and it is not intended that the system of local agency (which may be paid agency) should be utilised to introduce a new class of contractors who would work on the recruiting districts outside the provisions of the law.’

“But contrary to these anticipations and intentions a new system of professional recruiting outside the Act has grown up, and has not only seriously interfered with the sirdari system which the Government and the Legislature of the day desired to foster, but has almost destroyed the old contractor-system which has been hampered by the restrictions imposed by the law. Its methods and procedure in recruiting simulate those of the legal system; but the legal safeguards and restraints are wanting, and to this source are traced most of the abuses which now exist in the recruitment of labourers. It is only just to say that the planters themselves (as reported by the late Mr. Quinton in his special report) are fully alive to the abuses which have arisen from unregulated recruiting and are willing to do all in their power to assist Government to suppress them. It is evident, therefore, that the Act requires to be reconsidered, and that this new and objectionable form of recruiting should be especially discouraged.

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"The system depends entirely for its existence on one circumstance, *viz.*, that a labourer delivered at the garden is under present conditions worth a certain sum in cash, which varies according to his nationality and healthiness. This amount is largely in excess of the actual cost of recruiting the labourer and transporting him to the garden. I have no means of ascertaining precisely how much the labourer generally receives as an inducement to emigrate, but believe that the *arkati* obtains at Ranchi about Rs. 40 per head. This is, therefore, the extreme limit of what can be given to the coolie. As a fact, it is unlikely that he ever obtains anything near this sum.

"I have examined a number of cases in which recruiters in Lohardugga have prosecuted under the Penal Code men whom they alleged to have taken advances and not proceeded on their journey, or to have absconded on the way. In two instances the amount advanced is said to have been Rs. 20, and in all the rest Rs. 10 or less. If from Rs. 10 to Rs. 20 be taken as the expense of the journey, we find that the actual amount received by the coolie does not exceed from Rs. 30 to Rs. 50. The garden-sirdar actually delivers his coolies for from Rs. 40 to Rs. 70. Yet the planter has to pay Rs. 100 to Rs. 120 per head to the contractor, and I was informed lately that even so much as Rs. 150 has been paid for the best procurable labourer.

"The fact that a planter is able to pay down such a sum as the price of the coolie is attributable solely to the penal contract which is made under the Act. The Chief Commissioner, in his report of August last, writes thus: —

'The assumption that *arkatis* charge more for five-year than for three-year coolies, Mr. Ward has been informed by every planter he has met, is also incorrect. The *arkati*, the Chief Commissioner has been assured (and he sees no ground for doubting the correctness of the statements made to him on this point) disposes of the coolies he has recruited at a valuation which is in no way dependent on the term for which they may be willing to contract.'

"Mr. Quinton, on the contrary, says in his special report on the working of the Act that a higher fee is paid as commission for the recruitment of a coolie who contracts for five years than for one who contracts for three years, and that it is therefore to the contractor's interest to induce the recruit to agree to the maximum term. Mr. Ward's assertion must be of course accepted that, so far as his information goes, no higher price is paid in one case than in the other; but an evident reason for the fact, where it is a fact, is that the proportion of three-year contracts made at Dhubri by immigrants into Assam is so very small that it is sometimes not worth while to distinguish between the prices in particular instances,

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and an all-round price is arranged. But it seems to me impossible to believe that, if the three-year limit were now adopted, the price of coolies would not go down. If, instead of five years, a ten-years' limit were permitted, or (to take the extreme case) if a contract could be made for life, it is incredible that the immediate and present value of the contracting coolie, bound as he is by a strict penal law, would not be much higher than it is even now. And, if, instead of three years, the term were reduced to one, it would be out of the question that the planter should be able to give a large bonus in addition to the bare cost of a present to the labourer and the expense of transporting him to the garden. I cannot, therefore, concur with Mr. Ward in thinking this consideration of no importance. On the contrary, it appears to me to go to the root of the whole question.

"In addressing the Chief Commissioner, Your Excellency's Government brought forward the argument that it is not known how many of the desertions and how much possibly of the mortality may be due to a feeling of despair engendered in the coolie who has contracted for the longer time; this is regarded as scarcely calling for serious consideration. The argument is necessarily indefinite and the extent of its applicability unknown, but practical experience has shown that this very thing has happened elsewhere. And, until the contrary is proved in any particular case, it is a safe rule to assume that human emotions are very much the same, and that a coolie from Chota Nagpore is not exempt from the depressing influences which affect others under similar conditions.

" 'The arkati coolie' (says a manager of experience quoted in the special report,) 'is a perfect stranger among strangers.' 'Absence of family life in the garden' (writes Mr. Quinton) 'follows from the system of recruitment adopted, and is one to which the Chief Commissioner attaches great importance.' Now, when such a coolie finds himself under such conditions in a remote and unhealthy spot, with his fellow labourers undergoing the process of acclimatization around him, it seems right to assume that his feelings will be those of any ordinary human being, and that the thought that he is bound under pain of imprisonment to stay and work out his full term of five years may well depress him and predispose him to sickness. However this may be, the desertions are facts, and the heavy mortality and sickness are facts, and of such we hear comparatively little in the case of the perfectly free emigrants to the Tarai and the Duars.

"It is considered by the Chief Commissioner that there is no ground for the statement that in the Brahmaputra Valley healthy gardens do not want five-year contracts. In the sense that healthy and accessible gardens as well as unhealthy and remote gardens would like to have five-year contracts,

this is probably correct, but the needs of gardens of the two classes are certainly not the same, and there appears to be no reason why the nearer tracts of Assam should not be on the same footing as Sylhet and Cachar. Throughout the discussions on this subject the differences have been acknowledged.

"It comes then to this, that, if a longer term than three years is to be allowed, it is for the purpose of furnishing labour to the more distant and less healthy and desirable tracts. The Chief Commissioner thinks it right (to use his own words) to give the Brahmaputra Valley planter 'something more for the cost he incurs, the inferior article he has to put up with, and the consequent risks he runs in losing by death or desertion the coolies he has paid for, or in having his garden declared by the Government to be unfit for the particular class of coolies that he imports.' But the cost which the planter incurs is greatly enhanced by the nature of the agency which he employs, and which is in a great measure forced upon him since it has risen up under the favourable conditions of the present law. It seems eminently unfair to recover this from the coolie. And I cannot see the justice of providing that an 'inferior article' recruit for a garden in which he is scarcely fit to work should be made to reimburse the importer for his own chances of sickness or death, and even for the risk which the employer runs of having his garden closed through the mortality among the 'inferior articles' whom that employer has to put up with! Further, the sirdari coolie who has been imported at a cost of Rs. 50 is to be bound for the same period as the contractor's coolie for whom double the amount has been paid, and the strong and healthy 'first class jungly' (as I believe he is technically called) from Chota Nagpore has to make good the same amount as the feebler and more hazardous recruit from the North-West or Behar! But he is in a worse position, since the Commissioner's report shows that more of these 'inferior articles' for whose defects especially the planters must be compensated are now being recruited, and that they often decline to contract for more than three years. Consequently it is for the strong Chota Nagpore recruit to make up by his labour-contract for five years, which he is too stupid to object to, for the unhealthiness and weakness of the Behar or North-West coolie who is sharp enough to refuse to contract for more than three years.

"Under section 142 of the Act, as it stands now in force, a coolie recruited for five years who may repent of his bargain cannot obtain his release for less than Rs. 228. This is double the present cost of an ordinary contractor's coolie, and four times the cost of a sirdari coolie. If the fourth and fifth year were taken off, the amount would still be Rs. 108, or approximately the whole cost obtaining an



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ordinary contractor's coolie. And this seems to me to be quite as much as even a contractor's coolie could be expected to make good ; it is far more than should be paid in money or in labour by a sirdari coolie.

" I cannot indeed think it equitable that, when the employer is even more anxious to obtain the labourer than the labourer to find the employer, the whole expense of bringing them together should fall on the labourer. The whole question seems to me to come to this : the planter is able to spend a certain sum for labour ; it is to his interest as well as to that of the labourer that as much as possible of this should go into the hands of the person who actually works, and that a large fund should not be created out of it to be coveted and fought for by a horde of unscrupulous *arkatis*. If the market-value of the coolie in cash is reduced, the amount available for the cost of recruiting him must be reduced also, the competition among the recruiting agents will become less acute, and in all probability the smaller men will betake themselves to other trades. On the other hand, whatever the planter can give will go to the labourer, and will tend to improve his condition and make him more contented. I believe that the limit of three years will go far to produce these results.

" In reference to section 12 of the Bill I have merely to say that, whatever justification there may be for giving a longer limit than three years in the case of a labourer when originally imported, there appears to be none for doing so in the case of one who makes a fresh one in the labour-district. The employer has not to reimburse himself for any expense of importation, and a three-years' contract appears to be quite enough to permit of any bonus which the coolie is likely to require.

" In conclusion I need hardly disavow the slightest desire to hamper the planter in the collection and transport of labourers. On the contrary, I entirely believe in the humanity and enlightened self-interest of the great body of the planters ; I fully recognize the enormous importance of the industry, and I regard it as the duty of the Legislature to facilitate in every reasonable and justifiable way the meeting of employer and labourer on free and equitable terms, and the transfer to comfort and plenty of those who obtain but a scanty and precarious livelihood in their own poor and over-populated districts."

The Hon'ble SIR GRIFFITH EVANS said that he had not intended to offer any remarks on this question, as he had not been a member of the Select Committee and had been too busy to study the details of the measure. He had listened attentively to the speech of the Hon'ble Mr. Stevens. Mr. Stevens

[*Sir Griffith Evans ; Dr. Rashbehary Ghose ; Sir Philip [23RD MARCH, Hutchins.]*]

admitted the great desirability of getting men who were living in the congested districts out of those districts to the valley of the Brahmaputra, where they would find plenty of food and good wages; but it was doubtful whether he had realised how great the boon was to the labourers in those overcrowded districts to have their passages facilitated from a land of perpetual hunger and scanty pay to a land of plenty, where hunger need never be known and where the wages were good enough to allow them to save money. Had he kept this before his eyes he would hardly have indulged in so much sentiment as to separation from family ties. Still less would he have suggested that a coolie who could easily stand expatriation for three years would be likely to sicken and die of despair at the thought that he would not see his native village for five years instead of three. This was hardly an argument to place before a practical body of men many of whom were emigrants themselves for a much longer period than five years. He should himself be inclined, after listening to the discussion which had taken place, to agree with the view that a four-years' term would probably be best. It seemed to him that a considerable step had been taken in cutting the period down from five to four years, and that it should not be further reduced.

The Hon'ble DR. RASHBEHARY GHOSE said that, with regard to the proposal that the maximum period ought to be limited to three years, he would beg to point out, in addition to the reasons given by the Hon'ble Mr. Stevens, that the provisions of section 492 of the Indian Penal Code—a section which made breaches of contract in certain cases penal—could only be brought into play when the term of the labour-contract did not exceed three years, and in reducing the period of five years to three they would bring the Inland Labour Law into line with the provisions of the Penal Code.

The Hon'ble SIR PHILIP HUTCHINS said :—" I have not much to add to what I said before with regard to the amendments to lengthen or reduce the period for which labourers may be permitted to engage. The exact period must be to some extent a matter of opinion and estimate, but, on the whole, I am still in favour of the four-years' term, as a maximum as most equitable to all parties.

Sir Griffith Evans has, I think, correctly explained what Mr. Ward meant in regard to the feeling-of-despair theory, and Mr. Stevens seems to have somewhat misapprehended him. This theory or objection originated with myself : I do not think I have found any one who regarded it as entitled to any weight, and I must confess that I now consider that the view taken by Mr. Ward and Sir Griffith Evans is sounder and more practical.

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[Sir Philip Hutchins.]

"It is of course optional with the coolie whether he will engage for the maximum term, and in this connection I may here state that I failed to mention one of the reasons which induced me to agree to Mr. Mackay's proposal to substitute four years for three in the Bill. Formerly nearly all Dhubri contracts, and very few executed elsewhere, were for five years. But during the last two years, about twenty per cent. of the Dhubri engagements have been for three years only. There is, therefore, no longer reason to doubt that the immigrants not only have, but exercise, an option.

"On the other hand, I do not altogether agree with Mr. Buckingham that the cost of a coolie is absolutely independent of the length of his engagement. Very possibly the contractor makes no enquiry of any particular man what term he is prepared to serve, but conducts his business on a rough average principle—so many will go for three years, so many for five, and so on. But, if the maximum term is reduced, the average will also fall, and I think the cost should fall too.

"It has been urged that the so-called 'price' of a coolie at Dhubri is not (so to speak) a consideration moving from the coolie himself; but I submit that the expenses of his journey, as well as reasonable agency charges, may properly be taken into account. A sirdari labourer costs very nearly as much as one supplied by a contractor, and it was recognised in 1882 that the employer should have some reasonable return for all expenses incurred by him, or on his behalf, in bringing up labourers. The system which has sprung up is a great private emigration agency, over which we maintain such control as seems essential to prevent abuses, but with which we interfere otherwise as little as possible.

"The reasons why we thought it necessary to continue to allow penal contracts by old immigrants or natives of the labour-districts have been fully stated in our Despatch of October, 1891. Briefly stated, they are—

that such contracts are necessary as the *quid pro quo* for decent lodging, protection and general amenities on which we insist;

that they are necessary to prevent enticement and desertion just when labour is most needed;

that the alternative would be engagements under Act XIII of 1859, which gives the labourer no compensating advantages;

that there is great difficulty in distinguishing between old and new labourers; and, lastly,

that it is a manifest advantage to keep all classes of labour under one uniform law.

[*Sir Philip Hutchins ; the Lieutenant-Governor.*] [23RD MARCH,

"There is no reason whatever to doubt that the old hands and local labourers take care to exact a bonus or other full consideration before executing a contract. A large proportion of these contracts are for one or two years only, but if they wish to settle down for longer there is no reason why we should prevent them. They will certainly not do so without a proportionately larger bonus. I should have been quite prepared to cut down these contracts by local labourers and re-engagements of old labourers to three years, if it had been possible to distinguish them. But, as I have said, they are fully competent to look after themselves, and section 112 has to cover all local contracts, including those made at Dhubri or elsewhere on first arrival. The advantages of a uniform law are so obvious that I strongly deprecate any attempt to draw distinctions.

"On the other hand, the Government of India have thought it wise to limit to one year the term for which an agreement may be made otherwise than in the presence of a responsible officer. It is not that we think that improper pressure is really exerted, except perhaps in very rare cases, but some people certainly believe that it is employed, and it cannot be denied that opportunities for using pressure do exist. Officers will assuredly take more care about contracts actually entered into before them than about mere verification. There is a widespread apprehension, however unfounded it may be, that verification is apt to degenerate into the simple issue—'did you sign, aye or no?'"

His Honour THE LIEUTENANT-GOVERNOR said:—"I confess that I saw with some regret that the Select Committee had agreed to this compromise and had raised the term from three years to four years. Writing on behalf of the Government of Bengal, I expressed my complete acquiescence in the reduction to three years. For many years I have held that view and I still think it desirable, but I recognise that the matter is one on which there is a great deal to be said on both sides, and I attach the greatest weight to the fact that the Assam Administration has opposed any reduction of the period. I do not think it desirable to press the Bengal view as represented by the Hon'ble Mr. Stevens and myself on behalf of the recruiting districts, against the view of the Assam Administration and the tea-planters, as representing the labour-districts.

"Another argument had great weight with me, and I mention it particularly because though I do not suppose I am more difficult to convince than most people, still I think that it seldom happens to us to come down to Council and have our views changed in the course of a debate. It certainly was the opinion of the Government of Bengal in 1890 that the enhancement

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of the contract period had decidedly increased the competition among the *arkatis* for coolies, and so lately as February last Mr. Grimley, the Commissioner of Chota Nagpore, wrote that—

‘I entirely approve of the proposal to reduce the term of the contract from five to three years, as it will have a tendency to reduce the chance of malpractices. The longer the term of the contract, the higher the price set on his head, the keener the competition for him among *arkatis*, and the greater the chance of abuses.’

“This certainly was my impression, and it was borne out by what I was told when I travelled in Chota Nagpore in July and November last, and it was also shared by the Hon’ble Mr. Stevens. But from what my hon’ble friend Mr. Buckingham has said there appears to be great doubt as to whether that impression is based on any sound basis. At any rate he has put forward a “*vera causa*,” a cause which is probably true, and is sufficient, if true, to produce the results we see, when he asserts that it was not to the increase of the period but to the increase of competition for coolies, due to the demand for a larger amount of labour, that the increase in cost is attributable. I certainly think this may account for the facts and that the argument I relied on has not the same weight which I thought it had.

“With regard to section 112, the case against the four-year period is stronger. The view of the Select Committee that the period of three years is not sufficient to recoup the employer for expenses incurred does not at all apply to the case of the local labourer whose period was to have been reduced to three and is now raised to four years, and I have even more reluctance to accede to that alteration in the original Bill than to the first one. But, on the other hand, my hon’ble friend Sir Philip Hutchins has argued that it is very desirable to make the law uniform. I have agreed, for the reasons already stated, that for the Dhubri contracts the four-year period is the right one, and unless you alter the law the result will be that you will require a different section for the Dhubri contracts and for the local residents of the district, as it would be impossible to say in the same section that in the one case there should be a maximum of four years and in the other that there should not be such a maximum. It would be a difficult matter to effect such an alteration in the draft of the Bill at the present moment, and I am therefore prepared to accept the Bill as it stands amended by the Select Committee; but I hope it will not be for very long. The time will come when the Council and Your Excellency will feel justified in reducing the period from four to three years, and by gentle steps of that kind we shall gradually reach that object, which, we all aim at, of abolishing the anomalous conditions under which

[*The Lieutenant-Governor ; Sir Alexander Miller.*] [23RD MARCH,

labour exists in Assam and by introducing free labour and free emigration from Bengal and the North-West."

The Hon'ble SIR ALEXANDER MILLER said :—" When this point was first considered by the Select Committee there was a very distinct majority in favour of maintaining the word 'three' as it was found in the draft Bill. That, speaking for myself, was only altered to 'four' on what I understood to be a bargain on the part of the two gentlemen—the only two—of the Select Committee who were anxious to maintain the longer period, that the concession of three to four would be accepted as settling the question as far as it could be settled, and thereupon the word 'four' was put into the draft Bill by my casting vote—a vote which I would not have given had I supposed that the question would be afterwards treated as open. It appears to me that the only justification for these labourers being under a penal contract at all is that it is to their interest that they should be brought up to the labour-district, that they cannot bring themselves up there as they have not the means, and it is not worth the while of the employers to bring them there unless they have the hold over them which is given by a penal contract of this kind. The question therefore to my mind, when you come to consider the time, is, what is such a length of time as will fairly compensate the employer for his initial expense and give him such a margin of profit as will make it worth his while to bring the labourer up to Assam? Now, I confess that in the calculations which we made in the Select Committee on the subject I was more or less misled by the terms of section 142 of the Act. I am now satisfied, more especially when I have the Hon'ble Mr. Buckingham's evidence that sirdari coolies are better than contractors' coolies, and that you can get sirdari coolies up to Dhubri for not more than Rs. 75, and then taking the estimate of section 142 as a fair estimate of what a man's labour was worth, I found that three years amount to Rs. 108, and I think that, if you give a man labour for this amount from labourers who one with another do not cost him more than Rs. 75, the margin between the two is quite sufficient to make it worth his while to run the risk of loss by death or desertion. Any extension of the period of the penal contract seems to me calculated only to increase the profits of the contractor, at the expense of both labourer and employer. Therefore, if my hon'ble friend Mr. Stevens presses his amendment to substitute the word 'three' for 'four' I shall vote for it.

" On the other question I cannot see that there is any hardship whatever to an employer if he is obliged, in case he desires that a labourer should enter into a fresh contract with him, to bring him before an officer who will see that the

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contract is a fair one, and that the labourer has received a fair consideration for entering into this penal contract; and I was myself anxious that a clause should be put into the Bill providing that it should be part of the duty of the Inspector to see that the labourer had received adequate consideration for entering into the renewed contract. The majority of Select Committee, however, thought that sections 111 and 112 as altered sufficiently safeguarded his interests. I cannot see any justification for allowing a man to put himself under a contract by which he is exposed to sudden arrest and imprisonment for six months without at least giving him security of this kind.

"Then the provision in section 111 which now proposes to allow an employer to enter into a labour-contract for a term not exceeding one year is under the peculiar circumstances of the case a useful one, because it might be extremely difficult for the employer to bring all these labourers up to the central station and put them under new contracts, and therefore some opportunity must be given to the employer to keep those men with him for a reasonable time until the contracts can be renewed. He can always arrange for a visit of the Government officer within the year for the purpose of renewing these contracts, and they can then be renewed for three or four years according to the terms of the Act.

"I quite agree that under the circumstances of this Bill it is impossible to put one term for the original contract and another for the local contract. The Hon'ble Mr. Buckingham says that when a man is engaged only for a year he will of course before consenting to a renewal ask for a further bonus. So far from considering that an objection, I think it is rather an argument in favour of the proposal, because I do not think any one ought to be allowed to enter into such a contract without getting, in some form, a handsome bonus, and consequently I do not think that there would be any hardship in it."

The Hon'ble MR. BUCKINGHAM's amendment that section 5 of the Bill as amended by the Select Committee be omitted was then put and negatived.

The Hon'ble MR. STEVENS' amendment, that in the paragraph proposed to be substituted for the penultimate paragraph of section 9 of Act I of 1882 by section 5 of the Bill, for the word "four" the word "three" be substituted, and the last thirty-six words omitted, was then put and negatived.

The amendment of the Hon'ble MR. BUCKINGHAM that in the new section proposed to be substituted for section 111 of Act I of 1882 by section 12 of the Bill the words "for any term not exceeding one year commencing from the date of the execution of the contract" be omitted, was then put and negatived.

[*Mr. Buckingham; Mr. Stevens; Sir Philip Hutchins; [23RD MAR., 1893.]*  
*the President.*]

The following amendments, of which notice had been given by the Hon'ble MR. BUCKINGHAM, were then withdrawn :—

(1) that in the new section proposed to be substituted for section 112 of the said Act by the same section of the Bill, for the words "Notwithstanding the provisions of section 111, any employer may enter into a labour-contract with any native of India in a labour-district for any term not exceeding four years commencing from the date of the execution of the contract, if he appears," the words "Any employer desirous of entering into a labour-contract with any native of India in a labour-district may, instead of executing such contract under section 111, appear" be substituted;

(2) that for section 24 of the Bill the following be substituted, namely :—

"24. To the last paragraph of section 142 of the said Act the following shall be added, namely :—

'Provided that the amount payable by a labourer to redeem the labour-contract shall in no case exceed one hundred and fifty rupees.'

The amendment by the Hon'ble MR. STEVENS that, in the section proposed to be substituted for section 112 of the said Act by section 12 of the Bill, for the word "four" the word "three" be substituted, was then put and negatived.

The amendment, of which notice had been given by the Hon'ble MR. STEVENS, that in section 24 of the Bill, for the words "third and fourth years" the words "third year" be substituted, was then withdrawn.

The Hon'ble SIR PHILIP HUTCHINS then moved that the Bill, as amended, be passed.

The Motion was put and agreed to.

The Council adjourned to Thursday, the 30th March, 1893, His Excellency THE PRESIDENT remarking that the discussion of the Financial Statement would take place on that day.

CALCUTTA ;  
 The 30th March, 1893. }

J. M. MACPHERSON,  
*Offg. Secy. to the Govt. of India,*  
*Legislative Department.*