

*Thursday,
30th March, 1893*

ABSTRACT OF THE PROCEEDINGS
OF THE
Council of the Governor General of India,

LAWS AND REGULATIONS

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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,

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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.

The Council met at Government House on Thursday, the 30th 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.

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 Ohentsal 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. O. 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.

QUESTION.

The Hon'ble Mr. FAZULBHAI VISHRAM asked—Whether the Government of India has received a second memorial, the first having been submitted in 1885, from the Outchee Memon inhabitants of Bombay, who are Muham-madans and therefore desire to be governed by the Muhammadan law, praying that the draft Bill prepared by their community to abolish the application to them of the Hindu law relating to succession, inheritance, divorce and kindred matters may now be passed into law ; and, if so, whether the Govern-ment of India intends to take any, and what, steps in the matter, which is one of great importance to those concerned.

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The Hon'ble **SIR ALEXANDER MILLER** replied:—"The Government of India has not yet received the second memorial referred to in the Hon'ble Member's question, though a duplicate of that memorial had been forwarded to it by the attorneys for the Cutchee Memon community in Bombay with the intimation that the original is being sent to the Government of India through the Government of Bombay. Until the original reaches the Government of India and the views of the Local Government thereon have been ascertained, it is impossible for the Government of India to state what action, if any, it is prepared to take with a view to meeting the wishes of the memorialists.

"I may add that the Government of India is fully alive to the great importance of the subject to the members of the Memon community. In response to the first memorial referred to in the Hon'ble Member's question, a Bill on the subject was, with the concurrence of Government, actually introduced into the Legislative Council of the Governor General in 1885 by the Hon'ble **Mr. Amir Ali** (now **Mr. Justice Amir Ali** of the Calcutta High Court). This Bill was not proceeded with, because it was found that the members of the community were not unanimous in opinion as to the law which should govern them, one party advocating the application of the Muhammadan law of the Hanafi school in its entirety, and the other desiring the maintenance of the special customs which had in the past been respected by the Courts.

"Two bills were in fact submitted to the Government—one which was adopted by **Mr. Amir Ali**, which was purely permissive, enabling such of the Memon community as desired it to place themselves individually under Muhammadan law, and another, which was, I believe, that favoured by the majority of the Memons themselves, by which that law was legislatively declared the law of the community, and individuals were authorised to take themselves out of it by a formal declaration. When I succeeded to my present office I found that nothing had been done with reference to this question since the year 1885, and I therefore considered the matter dead, and with His Excellency's permission removed the Bill from the list of legislative business pending. On receipt of the expected communication from Bombay the matter will again be taken into consideration."

LAND ACQUISITION ACT, 1870, AMENDMENT BILL.

The Hon'ble **MR. WOODBURN** moved that the Reports of the Select Committee on the Bill to amend the Land Acquisition Act, 1870, be taken into

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consideration. He said that he had some remarks to offer on the subject, but, as he understood that his hon'ble friend Mr. Mackay wished to make some observations, he would wait for these.

The Hon'ble MR. MACKAY said :—" I beg to suggest that the consideration of the Reports of the Select Committee on the Bill to amend the Land Acquisition Act of 1870 be postponed till next cold weather. In submitting this suggestion to the consideration of Hon'ble Members I do so not because I differ from the Reports made by the Select Committee on any particular points, but because I am not aware that there is any great urgency demanding a speedy passing of the Bill, and I know that there is a certain amount of feeling that the public and those likely to be affected by the measure have not had sufficient time to give consideration to it in the present form. The Bill should, I think, be proceeded with cautiously and only after the public have had ample time to comment upon its provisions and the changes it may make in the existing law. This is the more necessary, as in taking up lands for the public good, or in the interest of the State, that interest may occasionally clash with the interest of private individuals. It is necessary that there should be a law to regulate transactions of this sort, but that law should press as lightly as possible upon those who may have to give way to public necessities. While the measure before the Council has, I am perfectly sure, received special care from the Select Committee, the public have not had sufficient opportunity of considering it in its present form. The Hon'ble Member in charge of the Bill made a statement at the meeting of the Council on the 12th of January which had the practical effect of stopping public action as regards this measure, because the Hon'ble Member mentioned that he intended to ask the Select Committee to consider an alternative draft Bill, and in these circumstances it was not considered necessary to criticise the original measure introduced by Mr. Bliss. The Report presented to the Council on the 2nd of February was a preliminary Report, and criticism of the changes it proposed was, rightly or wrongly, deferred till the final Report came out, which was not until the meeting of last Thursday ; and it was some days later before the Report was published for public information. The Chamber of Commerce have written, through the Local Government, pointing out that sufficient time has not been allowed for the consideration of the proposals of the Select Committee. Members of the Chamber have addressed the Committee of the Chamber of Commerce to the same purport. Lastly, in my capacity as President of the Chamber, I have received a telegram from the Nilgiri Planters Association wanting more time. These points show, I think, that further opportunity might with advantage be given to the public

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to apprehend the scope and bearing of what is undoubtedly a most important piece of legislation—a measure as regards which it is desirable in an exceptional degree that the Government should know the views of the public of the three presidencies. I hope, therefore, that the Council will see their way to let the consideration of the Select Committee's Reports stand out till next Calcutta session."

The Hon'ble SIR PHILIP HUTCHINS said :—"It seems to me, my Lord, that this application for a postponement of the Bill is somewhat unreasonable. The publication of the Bill in January was an invitation to consider it and submit criticisms and objections so as to enable the Select Committee to amend it, if necessary, and re-present it in such a form that it could, unless it had been materially altered, be at once passed into law. Why anyone should have construed the publication of the Bill, or what fell at the time from the Hon'ble Member in charge of it, as an invitation to put it aside passes my comprehension. It is not alleged that there is any material difference between the Bill now on the table and that which was published in January. It is not alleged that anyone has any real substantial objection which he has not had time to bring forward. All that is said is that there *may be* objections ; but it is equally clear that there may be none. However, I shall content myself with putting these few observations before the Council as tending to show that there is no strong ground for the adjournment asked for. The principal result of a postponement will be to continue, for another eight or ten months at least, the procedure in regard to the compulsory reference to Court and the employment of assessors, which has been, I think I may say, universally condemned. It is for the Council to say if this evil does or does not outweigh what has been represented by the Hon'ble Mr. Mackay in support of his plea for delay."

The Hon'ble MR. WOODBURN said :—"The Hon'ble Sir Philip Hutchins has said most of what I have myself to say in this matter. Any proposition that comes from the Bengal Chamber of Commerce is entitled to the respectful consideration not only of this Council but of the country at large. At the same time I find that, when the Bill introduced by Mr. Bliss last year was under discussion for eight months, the Chamber took no part whatever in that discussion and contributed no criticism on the measure. The Bill contained some very material departures from the principles of the Act of 1870. When considered by the Select Committee of this session, it was decided to revert to the lines of the Act of 1870, and in the Bill which is now before the Council that Act is maintained with the single

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important exception of the abolition of the system of assessors. The abolition of that system is proposed, with the unanimous approval of all the authorities in India, official and non-official, as a cumbersome and useless procedure the expensiveness of which presses very severely on all the parties concerned. For the rest the amendments of the existing Act which have been made by the Committee are confined to those sections which it has been proved by the experience of the last twenty-three years to be faulty and injurious. The effect, therefore, of the intervention of the Chamber at this late period of the discussion is to postpone for a year the relief to the community of the abolition of the system of assessors, and the advantage of all the improvements which have been made in the working of the Act. Had the Chamber taken exception to the principles of the measure, I should have offered no objection to a further discussion; but, in the absence of any such exception to its principles, I can only regret, in the interests of the community at large, that my hon'ble friend has thought it necessary in these circumstances to press his motion."

The Motion that the Reports of the Select Committee be taken into consideration was then put and negatived.

DISCUSSION OF THE FINANCIAL STATEMENT.

The Hon'ble DR. LETHBRIDGE said:—"My Lord, my hon'ble friend Sir David Barbour in his speech on the Budget last Thursday referred to the increase in expenditure caused by the fall in the rate of exchange, and said—

'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.'

"With Your Excellency's kind permission the representatives of the services in Calcutta had an opportunity given them of laying before Your Lordship the extreme hardship that the fall in the gold value of the rupee was causing. Your Excellency's sympathetic reply, and the knowledge that the Government of India was not indifferent to the sufferings of its European servants, and was fully aware of the dangers likely to arise from this state of affairs, has had a reassuring effect on the services.

"Within the last few days His Excellency the Governor of Madras has received a similar deputation in that Presidency, and has echoed the kindly sentiments to which Your Lordship has given expression in Calcutta.

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"I would not have troubled the Council with any remarks on this important subject if I did not feel that from the position which I have for some years occupied in Bengal, and from my present position under the Government of India, I have had exceptional opportunities for observing the extent of the distress that now prevails among the European servants of Your Excellency's Government in the more remote districts of the mufassal. It is on behalf of the officers working on small salaries in the mufassal stations, often completely isolated from their countrymen and cut off from all chance of receiving sympathetic advice and assistance, that I ask the Council's indulgence for taking up its time in again referring to the subject. As an officer ordinarily residing at the head-quarters of the Government, I have, as might be expected, been the recipient of much information on this subject. It is natural that these mufassal officers should take advantage of such an opportunity for discussing their hopes and fears and the misery of their position under the present circumstances. It has often been said, and with perfect justice, that the European officers working in immediate contact with the people are the backbone of the service. On their high moral tone and the faithful discharge of their duties, often under most trying circumstances, depends the well-being of this great Empire. I have no hesitation in saying that the strain which is felt throughout the services at the present time is felt with the greatest intensity by these European servants of Your Excellency's Government. I look upon a disheartened service as a positive danger to the country, and I conceive it to be the duty of every man, even at the risk of being accused of acting from interested motives, to lose no opportunity in enlightening public opinion where such grave issues are concerned.

"I have been told on good authority that it would take more than a crore of rupees annually to compensate the services to any appreciable extent for the losses they are now incurring by the depreciation of the rupee. If this is the case, it only shows the magnitude of the burden which the European servants of Your Excellency's Government have borne and are still called upon to bear. My Lord, if the expenditure of a crore of rupees is necessary to maintain the services in a high state of efficiency and integrity, it is my honest opinion that the country should, quite apart from considerations of justice and sentiment, and as a purely business matter, unhesitatingly pay this price and take steps to obtain the necessary funds."

The Hon'ble Mr. STEVENS said :—"As my hon'ble friend Dr. Lethbridge had said, on the 31st January last an important deputation, representing a very

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large number of European officers employed in India in different departments of the Government service, was permitted to explain to Your Excellency the distressing and disheartening effect of the downward progress of exchange on their financial condition. Your Excellency listened with the most careful attention to the sad story which, in various forms, was told by members of the deputation; and the gracious reply which was accorded proved to the infinite satisfaction of all that the hard conditions under which the services had been labouring, had long been appreciated, and that Your Excellency had been no less anxious than they that some alleviation of their undeserved misfortunes should be found.

“Your Excellency informed the deputation that in June last year the Government had directed the attention of the Secretary of State to the distress caused to European officers by the fall in the sterling value of the rupee, and had pointed out that, if the present conditions continued, it would, in the opinion of the Government of India, be inevitably necessary to take steps for the purpose of mitigating the sufferings of its officers. The deputation was further told that in September last the Secretary of State was again addressed, and a strong opinion expressed that unless a substantial rise in the gold value of the rupee should occur, it would be necessary to propose some measure of relief.

“At the same time it was said that it was not possible then to take this course. It was conceived that the enquiries proceeding in Europe might have results which would render relief unnecessary. A temporary measure would be inconvenient, because it would raise most difficult issues, and require the most delicate adjustment,—because it would be costly, and would disturb the whole of the financial arrangements of the year, and perhaps involve the imposition of additional taxation. All hopes of a solution of the currency problem by international agreement have been now dissipated; and the financial arrangements of the coming year are under consideration.

“My Lord, the servants of Government in India place the firmest reliance on the comforting words which were given them in answer to their complaints; they are certain that whatever remedy may be regarded by Your Excellency's Government as possible and reasonable will be applied to their case.

“In the Budget Statement which was communicated to the Council last Thursday by my hon'ble friend Sir David Barbour the subject was not forgotten; it was again admitted that the heavy fall in the rate of exchange has most seriously affected the position of Government servants not domiciled

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in India, and that their case cannot be put on one side much longer. In the Estimates themselves, however, it does not appear that any provision has been made for meeting expenditure on this ground. I am given to understand that this fact has caused serious disappointment and apprehension.

"It is impossible for any one, even while regarding his own personal interest, to overlook the gravity of the difficulties which now press upon the Finance Member, and I believe that those who have borne their troubles (to use Your Excellency's gracious words) 'with dignity and patience' in the past would not now, though those troubles are become more and more grievous, desire to embarrass Government by asking for a definite assurance. I shall ask for none; but I venture to hope that the absence of any provision in the Budget does not necessarily imply that the consideration of remedies for the distress which has been so amply acknowledged is abandoned even for the immediate future."

The Hon'ble MR. FAZULBHAI VISHRAM said :—"In the first place, I venture to suggest that all figures representing the Budget Estimates may be given in units instead of tens of rupees, as a good many people in going over the Financial Statement are apt to mistake the latter for the former and hence a sum of, say, ten lakhs is taken for one lakh. If it be convenient to adopt the suggestion, the objection might, perhaps, be met by stating at the commencement of the Financial Statement that the Budget Estimates are given in tens of rupees, but the former course will doubtless prove to be the most intelligible one.

"The next remark I have to make is with regard to the cash balance of over 15 crores of rupees with which Government expect to open the coming year. Now, it is not possible to arrange for the investment of a considerable portion of the great sum at some rate of interest? I presume, as it stands at present, it is deposited with the various Presidency Banks in current accounts carrying no interest whatever. Supposing it remains at an average of 10 crores throughout the year, and it could be arranged to earn at least 2 per cent. interest on it, it can be made to yield 20 lakhs. Bankers and merchants can of course make more than double out of it. Even Government can obtain a result of 40 lakhs by investing that portion of the cash balance in their own paper carrying interest at 4 per cent. per annum. It would be proportionately less if the balance be smaller. I see from the Statement that Government have been able in the current year to meet the increase in the pay of

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the British troops partially by having invested in Government securities a larger amount of the paper currency reserve. Perhaps the same might be done with regard to, at any rate, a portion of the cash balance.

"The Hon'ble Sir David Barbour puts down the increase in the cost of army services in India (excluding pay of British troops) at Rs44,68,000. If this also be wholly or partly due to the fall in exchange, is it not practicable or possible to fix some rate of exchange for these services, as is the case with some services paid for in England? Otherwise, as the matter stands at present, the rupee pay of the civil services goes on decreasing in its gold value, and the sterling pay of the army goes on increasing in its silver value as the exchange falls !

"Then, with regard to the probable loan of 300 lakhs to be raised in India, the public, I think, would like to be informed of its duration, and the rate of interest it will carry. Government will doubtless consider the advisability of issuing it, if at all, at a most favourable time of the year, and at the rate of $3\frac{1}{2}$ per cent. interest. This should also apply to the loan of £1,300,000 to be raised by the Secretary of State, and if both of these loans, aggregating as they do over 5 crores of rupees, are raised—as no doubt they can be with the high credit of Government—at $3\frac{1}{2}$ per cent. instead of $4\frac{1}{2}$, the difference per year would be $2\frac{1}{2}$ lakhs.

"These are all the observations I have to offer on the Financial Statement, which is a most able as well as interesting document in every way."

"The Hon'ble SIR GRIFFITH EVANS said :—"The Budget which has just been presented to us is at first sight an exceedingly gloomy one ; but when one comes to look closer into it, notwithstanding the every-grave apprehension there is as to the future of exchange, there are, as has been remarked by my hon'ble friend Sir David Barbour, some very hopeful features in it, notably the growth of the general revenues. As regards the question of exchange, there are gentlemen in this room better able to deal with the question than I am, and I will say no more about it except that it is to be hoped that some remedy will be found to introduce stability into our finances and to prevent their being the sport of parties in America, as at present. It is a very lamentable thing to be in this position that, owing to the uncertainty of exchange, it is impossible for the Government of India to take any steps to meet the deficit which appears in this Budget. That it is so there is no doubt ; and the arguments of the Finance Member are perfectly unanswerable as regards the position which he has taken up.

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"When one comes to look at these figures, there is one comforting matter about them, and that is this: The present deficit is produced, to the full extent, by inserting in the accounts what is called the Famine Insurance. The exact nature of the Famine Insurance was discussed very fully when the Budget was discussed in 1890, and I will, therefore, say nothing more about it than that it was fully explained at that time, and the conclusion arrived at by the Financial Member himself was that in point of fact this item of account was merely a special surplus; that the Government had found that owing to the liability of this country to famine, which liability was estimated at a cost of about Rx. 15,000,000 in ten years, it was desirable to budget for a special surplus every year of one million and a half, which was called the Famine Grant or Famine Insurance; when they had got this, if they were not obliged to expend it on Famine Relief or some other great emergency, they would spend it upon productive railways, irrigation projects and other works of that kind, so as to accomplish these objects out of revenue, and so diminish the liability to famine. But if one has not got a special surplus of course it is not necessary to spend it, and in this particular instance it is to be observed that the total deficit estimated for in the year now closing is a little over a million. It is Rs. 10,80,000 if I remember rightly. This is worked out by introducing into the Budget Rx. 1,190,000 and odd for Famine Relief and by expending upon railways out of Revenue Rx. 292,000. In the estimate for 1892-93 the same thing is to be observed. When we come to examine details we find that that sum is to be expended, or has been expended in the year now closing, on productive railways and other works. For the year 1893-94 there is a similar sum of over Rx. 1,100,000 put down for this Famine Insurance, and the estimate is that this is to be expended on productive railways and irrigation works, that is, of course, if it is there. That is the way in which the deficit is arrived at. There is also Rx. 75,000 instead of the larger sum of Rx. 292,000, which is to be expended out of Revenue on railways on the coming year of 1893-94. Adding that Rx. 75,000 to the Famine Insurance, it comes roughly to Rx. 1,200,000. Deduct that Rx. 1,200,000 from the deficit, which is roughly for the coming year estimated Rx. 1,600,000; take that Rx. 1,200,000 from the total deficit, and the real deficit is Rx. 400,000, apart from the special surplus budgeted for.

"This seems to make the Budget very much more rosy than it appears at first sight; but when you come to look into the Statement you see that there is very good reason for budgeting for this sum, even if you are not able to spend it in productive works, because the exchange is going down. The exchange

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has gone down already. I am not sure how much the present drop is, but I think one may say roughly that the present fall in exchange already indicates a further liability of fifty lakhs. Therefore, although taking it at 1s. 2½d., which is the rate taken in this Budget, the actual deficit, apart from the famine Insurance and the expenditure in productive railways, would only be Rx. 400,000; yet as a matter of fact, the probable fall in exchange is likely to bring it up at least to a million unless something is done. There is also the liability, as Sir David Barbour has said, that something will have to be done in order to meet the undoubtedly great distress amongst the services owing to the fall in the rupee. If that demand should fall upon us, it is not improbable that the actual deficit which will have to be met will be as large as has been indicated, and possibly much larger.

“The relief, therefore, that at first sight seemed to me to dawn upon one at the discovery that a great portion of the deficit was caused by this head of account, this special surplus which did not exist, that feeling of relief is dissipated when one looks at these other threatening symptoms which forebode a deficit as great or greater than has been shown.

“So much for general remarks on the nature of the deficit. The next matter which I wish to touch upon is the military expenditure. No one can feel more thoroughly than I do that the maintenance of the army in an efficient state is absolutely vital, that without it no attempts at development will be of the smallest use. All development and all civilization shatters at once unless there is protection, and protection can only be secured by an adequate defence and an adequate army. But though this is so, one cannot help feeling that the figures of the present Budget with regard to the growth of military expenditure since 1884-85 indicate a growth which, if possible, ought to be put a stop to, especially now as we seem to approach so dark a time in the history of our finances. The figures in the Budget show that there has been an increase of something like Rx. 4,000,000 since 1884-85; that, eliminating matters connected with exchange, and things of that sort, expenditure since that period has been increasing at the rate of about 46 lakhs a year. The growth since 1890-91 is shown to be about Rx. 1,000,000, and the result is that, whereas in the estimates for the Budget for 1892-93, Rx. 21,000,000 odd was estimated for, yet when it came to the revised estimate now before us, it comes up to Rx. 23,500,000, and in the Budget for the coming year 1893-94 the Budget amount is 23 millions and a little over. This is, no doubt, a little less than the revised estimate for the last year. This is, as I understand, because there were a considerable number of ex-

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peditions in the course of last year not budgeted for, and it is hoped that there will not be any next year, but whether this hope will be fulfilled must remain a matter of uncertainty. Not only is there this very heavy increase in military expenditure, but one finds that this is not the whole of the military expenditure, because one may observe that Rx. 1,100,000 is found under the head of Military Works. Also, as far as I can gather, the military railways came to about 70 lakhs for the present year, that is, somewhat less than what they have been in years past. The whole of these sums would amount to Rx. 25,000,000 or 25 crores.

“ I should have observed besides that there were the special defences. As regards these it was estimated some years ago that a sum of £5,000,000 ought to be spent. I am happy to say that after the half million spent this year it appears that there will be only Rx. 490,000 to be spent in future ; so we are near the end of that, and I have nothing further to say upon this question. We must assume that the money has been well spent, and that there was a necessity for these defences ; we may hope that the necessity will now cease and that there will be no further requirement for expenditure under that special head. As regards the main question of military expenditure, it is generally felt that there has been a great improvement in the Army within the last few years, that there has been a great deal of money well and wisely spent, and that there has been a great deal to show for it during the time Lord Roberts has been Commander-in-Chief. Notwithstanding that that is so, one cannot help a feeling of alarm that the expenditure is still rising and rising. One knows that with enthusiastic soldiers their desire to get a perfect army will, unless it is kept in check by considerations of ways and means, continually tend to require more and more money, and, therefore, it is necessary, when times are bad and the revenue is getting short, to desist sometimes from expenditure which, if we were able to afford it, would, perhaps, be beneficial. So, too, with regard to expeditions. We all know that situated as we are, with a great many parts of our frontier surrounded by wild and savage tribes, that expeditions must from time to time be forced upon us. But, on the other hand, it is equally to be remembered that these tribes are most of them wanting in cohesion, split up as they are by tribal jealousies, and a great deal may be done, as has been done in times past, by having strong district officers who are accustomed to deal with these wild and semi-savage tribes, who have gained a personal ascendancy over them ; and that with such officers, together with the military outposts that are scattered along the frontiers, it has often been found possible to keep the peace fairly, to restrain these tribes, and to prevent such a

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state of things arising as to necessitate an expedition. We cannot expect that on the frontier we can have the same absolute security from violence and robbery as in other more civilized parts of the Empire. These district officers are in the position of 'Lords of the Marches,' and when our finances are, as they are now, at a very low ebb, great efforts ought to be made to instruct the Lords of Marches, so to speak, that they are, so far as they can, to keep the peace, to keep things quiet on their frontier, and not to requisition extra troops if it can possibly be avoided. There is no doubt that with an army well equipped and ready for action there will be constantly a desire on the part of strong officers to get up expeditions and to give the frontier tribes a lesson which will last. This is all very well suppose one is able to afford such a luxury. But it is not always that the conduct of the tribes is such as to render it a necessity. I am not in a position to criticise the various expeditions which have been made. I am only giving expression to a feeling which exists among people, whose opinion is more valuable than mine, that it is possible to do something to prevent these expeditions. Although we may at any time be driven to them, it is desirable that a strong curb should be put upon the tendency to come down upon these tribes, that that tendency should be restrained, at any rate while our finances are in their present condition. That this is a difficult task with our extensive and distant frontier is quite recognised.

"The general gist of my remarks is simply that great efforts should be made to curtail any expenditure on military account which is not absolutely necessary, and to prevent any expeditions which are not absolutely necessary. The reason why I make these remarks particularly is that I see how very much the Budget Estimates of last year were altered by expeditions, and one cannot help feeling that the same thing may happen again. I observe also that the tendency we have lately exhibited to enlarge our borders and push our advance posts further up is already beginning to be a source of expense in the Budget, for I see that there is a sum of Rs. 78,000 for transport for the Gilgit Force, and it may be the case that we may find Chilas and other places figuring in the next Revised Estimate. All I wish to say is that at such a time as the present every effort should be made to prevent money from disappearing in these expeditions. Many of them, as a matter of fact, yield no permanent result at all, although it may at first sight appear that they really do. When you coerce or subdue one tribe it generally happens that you have got into the neighbourhood of another tribe worse than the first, and that there is yet another tribe at the back of that; therefore it is rather like throwing the money away except in those cases in which action has forced upon us I should

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not have made these remarks had it not been that, in view of the exceeding difficulty of the time which is before us, all efforts at economy should be made, and that this item of military expenditure, though necessarily very large, is one in which apparently it is most possible that a large saving can be effected in future. At any rate, its tendency to expand can be kept in check.

"The next point upon which I wish to touch is the Home charges. There has been no doubt a good deal of talk about the Home charges as if they were things that could be avoided; that is, of course, an entire fallacy. There is a certain amount of money which must be expended in England. So long as we purchase our stores there, there must be a large amount of expenditure on these stores; and, unless it can be shown that advantage would be derived by getting them in India, the purchase must be made there. The stores must be had, and, whether the money is spent here or there, they have to be got and paid for. Besides there are pensions. When we came to look at the large sum of the Secretary of State's drawings—£18,700,000 for the present year—one finds that there is no real abnormal difference in the Home expenditure, but that the difference is made up of casual charges, that is to say, having to repay money and purchase stores for railways, and various other things which really do not in any way indicate an increase of expenditure. There is no real difference, practically speaking, in the expenditure in England, which comes to something like 15 or 16 millions, and the rest of the £18,700,000 is only inconvenient inasmuch as that so large a drawing will tend to depress the exchange, but it does not indicate any increase of expenditure on the part of the Government.

"Out of the 15 or 16 millions spent at Home one notes certain charges which are tolerably fixed. There is about £5,600,000 for Railways, £2,600,000 for interest on debt, £4,500,000 for the Army, £1,700,000 for pensions, making altogether about £14,000,000. The rest is made up of smaller sums which are more or less irreducible. I therefore do not see any likelihood of securing any large reduction of the Home charges, but there may be many points in which we may save to a certain extent, and one or two of those I will now indicate. First of all, I would observe that there is a tendency on the part of the various departments in England to shove everything they can on India. The safeguard is supposed to be the Secretary of State. As stated recently in a debate in another place, the Secretary of State is supposed to be the guardian of the finances of India; but, so far as I have been able to see from the way things go, and if report speaks true, the Government of India have constantly to fight the Secretary of State over the finances of the country. Whether that is the case

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still I am not able to say ; it may or may not be the case ; but certainly it was so in former days, and it is said to be still going on. Unfortunately, however, the Government of India have no power to get their remonstrances attended to, and, although they may have in some cases succeeded, as far as I can gather, most of their remonstrances were pigeon-holed. Besides they are not made public unless they should chance to be called for by Parliament. It is much to be regretted that there is not some way by which when charges are sought to be placed on India, the Indian public can be informed of them before they become irrevocable. As it is now, we do not get the accounts of the Secretary of State until they are presented to Parliament in May, and the last one, as far as I know, that is accessible is the statement of accounts which was printed by order of the House of Commons on the 13th May 1892. This contains the accounts of 1891-92 and the estimates for 1892-93 ; but, if there were some means by which the Financial Member could inform the Council in the Budgets in future of any charge which had been ordered or proposed by the India Office to be placed on the finances of India, it might be that, although this Council has not the power to do anything except grumble—I mean the legislative portion of it—it might, I say, be that their representations would strengthen the hands of the Government of India in that fight which it has often, so far as I understand, in former times had to carry on in defence of the finances of this country.

“There are two things which have struck me in this account of May, 1892. I find that there is a sum of £7,000 put down for the Persian Consulate, a Mission to the Court of Persia. At first it was £10,000, and was afterwards reduced to £7,000. I understand that we do contribute to or keep up an Agency at Meshed ; but if we are called upon to contribute towards the main Mission at Teheran, it is difficult to say where one is to stop and why one should not do the same with regard to Turkey or any other Asiatic Power. The next item is with regard to Her Majesty's establishments in China, for which a sum of £15,000 is set down ; this was ultimately reduced to £12,000. The note of the Auditor is that an agreement has been come to for ten years. At first I thought that Her Majesty's establishment at China really might mean nothing more than that we were contributing on account of this Chinese Mission, which is going on now and which is concerned with the Indo-Thibetan frontier dispute, and which, of course, is a very legitimate object ; but, when I find that it is agreed upon for ten years from the 1st April, 1890, one sees that it cannot be that, and what it can be or why we should pay for it I fail to understand. The £12,000 for Her Majesty's establishment at China does not seem to be a charge which ought

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to be borne by the revenues of India. However, I merely suggest this that the people who pay the money, if they were entitled yearly to have such expenditure placed before them and to make their remarks and criticisms upon the expenditure ought to have these matters laid before them in time to offer their criticism and remarks before the expenditure becomes irrevocable. Of course, the object of discussion here is that whatever we say may not only be a relief to our own feelings, but may attract some attention from the people who have to decide these matters.

"The next thing I have to observe is that the India Office expenses, when one comes to look at them, appear to be on a somewhat lavish scale. The total expenditure upon salaries, wages and allowances amount to £151,000. One sees that if you take the whole of the expenses they come to over £191,000. The total increase in the last year is put down at £3,147. When you come to look at that you find that there has been an increase of £5,000 and a decrease of £2,800, but, when you come to see where the decrease and increase are made, you find that the increase is in the permanent charges, and that the decrease was in the occasional charges. The decrease has been in the postage of despatches to and from India. In the accounts of 1891-92 there is £4,000 under this head. In the estimate for 1892-93 there is only £1,200. Whether the Secretary of State will be able to reduce either the bulk or the cost of his despatches to this extent we must wait to see. If you take that out, there has been an increase to the permanent charges of over £5,000. There is a tendency generally on the part of this establishment to increase; but, when one comes to look into the establishment itself, one is struck by a number of small things indicating very clearly that there is no strong hand there to curb or keep down expenditure. I will instance a few to the Council. I will not say anything about the salaries of the Secretary of State and the Members of the India Council. They only come to £25,000 a year and are not excessive; but after paying this we come to the Correspondence Department, which costs £32,000, and we find six Secretaries on £1,200, and six assistant Secretaries on from £800 to £1,000 a year. Then I find this item: Special Assistant and Visitor to the Indian Museum at £800 a year. I am at a loss to understand the nature of this gentleman's duties, but I find that he requires, or did require, for the performance of them a clerk at £400 a year. But that is not enough. The Visitor is apparently short of technical knowledge, and so he has special a technical assistant at £350 a year. Then welcome to the general clerks in the Correspondence Department, and we find 11 senior clerks; then we find 6 redundant senior clerks. Now I have

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no idea what a redundant clerk may mean, but the term certainly suggests something in the nature of a luxury. Then I find a number of junior clerks and a large number of other assistant clerks, so that there are altogether 49 persons engaged in this Correspondence Department of the India Office. Then you find that they apparently all receive personal allowances of one kind or another, in addition to what seem good salaries. Some of the allowances are very extraordinary. You find that some of these clerks receive allowances for editing the India List. One receives £70 a year; another £50 for the same thing; another a similar allowance, and who edits the India List I really cannot make out. Then I find that another official is a second class clerk of the third grade, and he is not only one of the persons who receives an allowance for editing the Indian List, but he also receives £50 for the preparation of a Sanitary Blue Book. Then in the Registration and Record Department there is another clerk, one also of the second grade, attached to the Record Department, who also receives £50 for editing the same India List. This peculiarity of always receiving extra remuneration for doing anything becomes more marked, I observe, as we go down the list. Then I come to another class of persons, the office-keepers and messengers, and it appears that £6,230 are spent upon this class of officials. We find that these messengers are of the first and second class, and receive the following allowances, which are instructive, besides their salaries of £100 a year: three receive £30 each for attendance on the Secretary of State. I apprehend that there would be considerable astonishment if any of the chuprassis here were to demand extra pay for attending, for instance, upon the Viceroy or upon any of the Members of Council. One would think that that was all in the day's work. Then there are a number of other similar allowances, amongst which I find that one receives £30 for despatching and posting letters, as if this could not be done without extra pay. Another receives an allowance for superintending the delivery of coals.

"But I will not weary the Council by going into any more details; but I do say that the perusal of this report seems to indicate to a certain extent that, if there were something in the nature of a Finance Commission with a view to retrenchment in these matters, the results, if not very large, would at any rate be considerable. One has a general impression, on perusing these papers, that the employés in question are very lightly worked, and that they seem to be always wanting extra pay for anything additional that they do. I observe also that the Store Department costs £40,000 a year, and whether the Store Department is worth that expenditure I am not able to form an opinion. All that I can ask for is that the money applied to these various purposes should be judiciously spent and should not be wasted.

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"There is only one thing more I desire to say. In 1890, when the Budget was last discussed, I made some observations with regard to the taxation of justice, and I then suggested that there ought to be some alteration in the taxation of justice, because Bengal, upon the figures then available, paid 14 lakhs more than was required to cover the whole of the cost of justice in Bengal, and that those 14 lakhs went into the general revenues. I, therefore, suggested that the taxation should be reduced, or that the money should be spent upon the improvement of the administration of justice. I do not propose to repeat that suggestion now in the face of a deficit, but in going into the question on that occasion I pointed out the very grave complaints made with regard to the sufficient number of Munsiffs and the want of accommodation as regards chucheries, and so on, and suggested that although that was the part of the Provincial Government to provide, yet that the Provincial Government could not provide it without money, and that the Imperial Exchequer ought to allow them funds for these things out of the excess taxation of justice. At that time the answer of the Hon'ble Sir Philip Hutchins was that, as a matter of fact, considerable changes were being made and reports were coming in, that the matter was being consulted upon between the Home Department and the High Court; and that there would be a considerable amount of alteration for the better. I have reason to believe that there has been considerable alteration for the better, but at that time the matter was still in progress and the settlement of the complaints put forward by the High Court had not been finally dealt with. I believe that they have been finally dealt with since, but I am not in a position to know the result. If the Hon'ble Member or the Lieutenant-Governor could inform me of what was the end of them, I should be glad, although I do not know that I have any actual right to ask the question.

"These, My Lord, are the observations I have to make, and I wish to add that I am entirely sensible that as regards the Indian administration of the finances of India there has been throughout an earnest endeavour to administer them for the real benefit of India. My criticism is made in no hostile spirit and with no suggestion that there has been any other than an undivided endeavour to administer the revenue for the best interests of the country; it has been made with regard to various matters in which there seemed to be a possibility either of retrenchment or improvement."

The Hon'ble MR. CHENTSAL RAO said :—"I have only a very few remarks to make in connection with the Budget.

"Although in the present unsettled condition of our finances it is not proper that I should say anything which may have the appearance of suggesting a diminution, however slight, of the resources of the Government of India, still

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there are one or two points which on principle seem to require early consideration, and I venture to notice them now, as I may not have another opportunity of doing so, and as I hope that the Government of India may be able to give consideration to my suggestions as soon as the question of exchange is settled, which I hope it will be ere long.

"I observe that, during the last five years ending 1891-92 for which

	Receipts. Rs.	Expenditure. Rs.	Surplus. Rs.
1887-88	31,12,530	18,72,000	12,40,530
1888-89	33,17,130	19,36,810	13,80,310
1889-90	35,37,920	19,32,870	16,05,050
1890-91	36,54,490	19,87,310	16,67,180
1891-92	39,98,020	20,75,630	19,22,390
Average			15,66,592

accounts are available, the Registration Department has yielded an annual average surplus of $1\frac{1}{2}$ millions of rupees, which is divided equally between Imperial and Provincial. As the object of the Registration Department is not revenue,

it seems to me that the appropriation of the receipts of the Department for general purposes is questionable. I do not, however, think that the registration fees need be reduced as they are sufficiently light, but more registration offices may with advantage be created, so that people may not have long distances to travel to get their documents registered. The present charges of registration officers are extensive, at any rate they are so in Madras, and the creation of more offices will be highly appreciated. The Registration Department is indeed a great check upon forgeries, and it is so popular and so much appreciated that in my humble opinion the registration of all documents relating to real property may be made compulsory; such a measure will have the additional advantage of checking the large mass of litigation arising out of questions of priority between registered and unregistered documents affecting the same real property.

"A sum of 15 millions of rupees is now annually set apart for famine

	Rs.
1878-79	31,35,470
1879-80	10,40,590
1880-81	3,48,400
1881-82	3,48,830
1882-83	2,21,030
1883-84	92,050
1884-85	73,500
1885-86	4,06,350
1886-87	10,410
1887-88	4,020
1888-89	77,990
1889-90	6,82,880
1890-91	55,790
1891-92	2,34,230
1892-93	7,68,000
Total	75,00,140
Average	5,00,009
Add interest charge on Midland and Bengal-Nagpur Railway as per Budget of 1893-94	34,02,676
Total	39,02,685

relief. I do not know how this sum came to be determined upon, but I observed that, ever since the Famine Fund has been started, the cost has in no year exceeded 31 lakhs, and the average cost, including the interest charge of 34 lakhs on the Indian Midland and the Bengal Nagpur Railway debited to the Famine Insurance Fund, is only Rs. 39,00,000 a year. I think the country has now, by the construction of protective works—railways and irrigation—been sufficiently insured against the recurrence of famine in anything like the degree of intensity

of the famines on which the average annual cost was assessed at a

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crore and a half, and that the allotment may now therefore well be revised. It seems to me that, making every allowance for increased charges in future, a provision of 75 lakhs of rupees for the Famine Insurance is enough, and the remaining 75 lakhs may be appropriated for general purposes with a corresponding remission of questionable taxes. The export-duty on rice is virtually a tax on the agriculturists, who already pay a heavy assessment on the lands which yield the produce. It is a questionable tax, and may will be abolished. The average net revenue from the duty in the last five years has been just 76 lakhs, only one lakh more than the sum which can be spared from the Famine Insurance Fund. I say it is a tax on the producers, because India is not the only country which exports rice, and it is also very unequal in its incidence, as the duty is collected on quantity instead of on value, though the prices of different qualities of rice vary very largely. It may be said that there will not be enough of money for protective works if the Famine grant is reduced to 75 lakhs, but I think that these must be undertaken from borrowed capital, as they benefit not only the present but also the future generation. Interest on the capital so spent seems to me to be the only legitimate charge upon the Famine Insurance Fund.

"I observe that the charges under Stamps, Assessed Taxes and Excise, though not very heavy in the aggregate, vary largely in the several provinces, as shown below, the figures being those taken from the Budget for 1892-93. The Police charges, which are almost entirely Provincial and on which, perhaps, I may not be at liberty to say anything here, also vary very largely. For instance, Bombay with a population of 21½ millions costs 57 lakhs, while Bengal, with 71 millions, or nearly 3½ times of the Bombay population, costs only 58 lakhs. I do not allude to these variations because I know for certain that any avoidable expenditure is incurred anywhere. The variations are probably due to local peculiarities, but I thought an explanation of the causes would remove misconceptions on the subject.

Percentage of charges to receipts.

	Excise.	Stamp.	Assessed taxes.
Central Provinces	1.6	2.6	.2
Burma	1.4	2.9	3.5
Assam3	4.4	.9
Bengal	6.2	3.8	4.4
North-Western Provinces	2.8	2.1	.8
Punjab	2.9	4.6	1
Madras	5.4	3.8	.9
Bombay	3.6	4.2	1.4

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"I observe that under superannuation allowances the charges in 1892-93

	Total cost.	Deduct exchange.	Remainder.
	Ra.	Ra.	Ra.
1888-89	3,11,48,230	75,01,290	2,36,36,940
1889-90	3,14,03,610	72,93,860	2,41,09,750
1890-91	3,06,15,410	64,81,030	2,50,34,380
1891-92	3,32,41,090	74,95,570	2,57,45,520
	Average		2,46,81,647
1893-94	3,80,15,000	1,09,81,000	2,70,34,000
1893-94	3,78,93,000	1,11,80,000	2,67,13,000

and 1893-94, exclusive of the cost on account of exchange, is about 24, or 21 lakhs above the average cost of the previous four years. Although this is an item under which any retrenchment is impossible, still, as it is an item which should vary within narrow limits, I shall be glad to know the cause for the increase.

There is also a similar increase under Furlough Allowances, but it is not large.

"I am unable to find out what sum has been provided in the Budget for advances under the Land Improvement Loans Act, but, considering the large reduction in the cash balances at the end of 1893-94, I feel unable to suggest any increased provision under the general head 'Advances' in 1893-94; but I must say that the advances made under the Land Improvement Loans Act in the several provinces during the last five years appear to me to be too small when the needs of the country and the amount of surplus revenue obtained during the last twelve years are considered, and I hope that the Government of India may be able to see their way to increase the provision. In India there is nothing so well calculated to mitigate the effects of ordinary droughts as the excavation of wells and the use of sub-soil water. The present obstacles to the utilization of the Act are—

- (1) the ignorance of the raiyats even of the existence of the Act;
- (2) the dilatory procedure adopted in granting the loans;
- (3) the rigidity with which repayment is enforced.

"The last is the chief obstacle. The Government of Madras have made excellent rules for the repayment of loans by very small annual instalments, and they are working well; but I submit for the consideration of the Government of India whether, in cases where raiyats prefer it, the time for the payment of the loan cannot altogether be left to their option, the payment of interest alone along with the assessment being made compulsory, at least in the case of money advanced for wells. Formerly, lands under wells paid as much as seven and ten rupees per acre, even where the wells were excavated at the expense of the raiyats. But now, owing to the liberal policy of Government, they pay only the assessment which the land bore before the well was excavated, i.e., one or two rupees an acre; and if money be advanced to them at 4 per cent. to enable them to excavate wells, they would be glad to

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pay an addition of three or four rupees an acre more. Ordinarily in Madras a well excavated at a cost of, say, Rs. 300 can irrigate three or four acres, and its interest comes only to three or four rupees an acre. This can with perfect ease be always realized, and, when this could be done, I do not see why the time of repayment should not be left to the option of the raiyat. As regards the ignorance of the raiyats and the delay in obtaining loans, the appointment of a special officer in each province for a year or two to travel and make advances on the spot will remove the obstacle, and this measure is being tried in Mysore with much success."

The Hon'ble DR. RASHBEHARY GHOSE said :—" Every one must sympathise with the European servants of the Crown in India in their present difficulties, which it is to be hoped are only of a temporary nature. But while fully acknowledging the magnitude of the burden which the European servants of the Government of India are called upon to bear, we cannot altogether shut our eyes to the state of our Exchequer or to the magnitude of the burden which would be imposed on the tax-payer by the suggested addition of a crore of rupees to the estimates. It must also be borne in mind that the Government is in the position of a trustee of the public money, and that it cannot in the present critical condition of the finances be fairly called upon to be generous to any class of its servants at the expense of the taxpayer, the *cestui que trust*, so to speak, whose interests have to be carefully watched and protected."

The Hon'ble MR. MACKAY said :—" My Lord, it is to be regretted that the first Budget Statement submitted to this Council under the rules lately introduced by Your Excellency should, by the force of unfortunate circumstances, so far as many points are concerned, be little more than a temporary document. This being so, it would serve no good end to occupy the time of Hon'ble Members by entering upon a discussion of items of projected ways and means which from the nature of things can be regarded, in a great measure, only as tentative figures.

" Apart from the question of ways and means, however, the submission of the Budget has been accorded a special and peculiar interest owing to the eloquent, comprehensive, lucid and exceedingly impressive speech with which it was introduced, and the situation explained, by the Hon'ble Sir David Barbour. It was impossible to listen to the Hon'ble Member as he addressed this Council a week ago without being more than ever convinced that the country has been fortunate indeed in having had at her financial helm, during the past five years, a man with the matured judgment, experience and caution of the Hon'ble

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Sir David Barbour, and I believe all Hon'ble Members must have felt—as I did when he alluded to the fact that this would be the last statement which he would lay before this Council,—that it is an unqualified misfortune that he should be leaving the country so soon, just at this critical juncture, when we are more than ever in need of his guiding hand.

“The public, as the Hon'ble Sir David Barbour said, were prepared for the two serious deficits which he announced, but I venture to think they were scarcely prepared to find that the Government would not be in a position to frame its Budget for the coming year in a manner which would meet these deficits and prevent their recurrence.

“It is a great disappointment to find that ten months have passed since the proposed change of standard was pressed upon the Government of India and upon the Secretary of State, and that the question still remain unsettled, thereby further impairing the Indian Exchequer and doing nothing to alleviate the anxiety of the public.

“I gather from the general tenor of the Budget and from the preceding Budgets produced by the Hon'ble Member that there is now in reality only one permanent and grave cause for anxiety in connection with the Indian finances, that cause being the fall in the gold value of silver. Of the four uncertain factors which have hitherto affected the finances, three may be said to have been practically eliminated. War is still doubtless a contingency which may any day become a certainty, but the effective, though costly, measures for the increase and efficiency of the army, which have been taken since 1885, have to a great extent ensured the country against a calamitous reverse, and it is certain that if war overtook us, though the strain might for a time be severe, it would be nothing more than temporary in its effects.

“Against famine we have also now been insured to such an extent, by the spread of railways and canals, that we may fairly dismiss from our minds the apprehension that we shall see anything approaching in intensity, and difficulty of relief, the famines which used to overtake the country down to the year 1878.

“The third uncertain factor, opium, has now taken what may be called a subsidiary place in the revenue sources of the Empire; the net revenue has fallen since 1881 from nearly 8½ crores to 5 crores—a decline of something like 40 per cent, and it must be recognised that the time is not far distant when the revenue will be still further reduced. Meanwhile, with the decline

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of the opium revenue the fluctuations are of less importance in the point of view of the Budget than they were when it formed a very much larger proportion of the total revenue of the State.

"But, while these three uncertain factors have lost very much of the importance which they once possessed, the advantage which would have resulted to the Indian finances has been more than neutralized by the fourth factor, of loss by exchange, which, small in the beginning, has gradually grown larger, until now it is, as Sir David Barbour says, a dominating factor in the finances of the country.

"It is manifestly impossible to set our house in order, impossible to produce a Budget which will reasonably approach to accuracy, as long as this disturbing element is allowed to override and swallow up every provision made for the necessities of the State.

"Sir David Barbour still holds the opinion that the best solution of the currency question would be found in an international agreement for the use of both gold and silver as full legal tender, and I think no one will be found to deny that, from an Indian point of view at any rate, this would undoubtedly be the best remedy. But it is vain and futile now to cling to the hope that such an agreement will be made for at least a generation to come, and I gather it is the opinion of Sir David Barbour that it would be unwise to further defer action for the regulation of our currency system till such time as bimetallism will solve the problem.

"The recent Conference at Brussels showed that several nations were opposed unconditionally to the restoration of silver to its ancient position of full legal tender, and that others who were inclined to the restoration of silver absolutely refused to move unless Great Britain gave the lead and went the whole way with them. Early this month the discussion and division in the House of Commons proved that Great Britain would do nothing of the kind, and we have therefore before us three facts: first, that several nations will under no circumstances join the agreement at all; second, that other nations will do so only on condition of Great Britain adhering in full to the agreement; third, that Great Britain positively declines to join in any agreement whatever which would be acceptable to the other nations. Under these circumstances we must regard the question of international agreement as altogether outside the sphere of practical politics and must make up our minds to do as all other civilized nations have done, that is, take independent action. Let us look, my Lord, at the position into which we have drifted solely owing to our silver standard. We are obliged

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to curtail expenditure on useful public works. We are literally starving the servants of the Government, and thereby impairing the efficiency of the administration, and we are casting about for new sources of revenue at a time when we ought rather to be engaged in discussing the repeal of unnecessary taxation. The country has now been free from any great calamity for the past twelve or thirteen years, the revenue continues to increase, and yet expenditure increases in a far greater ratio, and we are unable to make both ends meet, simply because we choose to retain as a standard of value a metal which has now been discarded as a standard by practically the whole civilised world.

"I remember a few months ago it was argued, in reply to the suggestion that India should change her standard, that Russia was a factor, and that she would benefit in her competition with Indian wheat if India changed to gold. Within the last few days, however, Russia herself has closed her mints to the free coinage of silver and has placed the rouble on a gold basis. And speaking of wheat export, it may be within the recollection of Hon'ble Members that considerable stress was laid upon the supposed advantage which India gained through her silver standard in selling her wheat in the markets of Europe. I freely admit that at first sight the condition of things twelve months ago was calculated to give the impression that the low rate of exchange which ruled in 1891 must have had something to do with the unprecedented export of 1,500,000 tons of wheat which marked that year. In the year just ended, however, we have had lower exchange, lower freights, and probably as much wheat available for export as in 1891, and our shipments have fallen off by almost one-half. The theory that low exchange stimulates exports has, I believe, now been generally abandoned, and a study of the wheat export statistics, combined with ruling rates of exchange for a number of years past, including 1892, will, I believe, have the effect of finally discrediting the mischievous theory.

"It has been urged that the proper course for India is to remain a silver country and to go on re-adjusting her fiscal system till silver finds its natural level. But, my Lord, there would seem to be no natural level for silver. In 1891 we had an outturn of 144,463 000 ounces, while in 1892, with a much lower price than that which ruled the previous year, we have had an output of 152,119,000 ounces. Those who told us a year ago that the low price then prevailing would speedily curtail production are now forced to admit, as even the *Economist* does, in its issue of 4th March received by yesterday's mail, that the fall in price has had the effect of stimulating production.

"The only mints in the world now open to the free coinage of silver are those of Mexico and India. As regards Mexico, the silver coined there is the

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product of the country, and the coining is practically the stamping of a trademark on pieces of silver to admit of their exportation to China and Eastern Asia. We, on the other hand, allow every producer of silver in the world to throw his production into this country, and we coin it into rupees with which we are obliged to meet our gold obligations, though the rupees are every day declining in their gold value. We refuse to receive gold at our mints, and we hesitate to adopt a gold standard—a position which is as illogical as it is untenable, and I sincerely trust that it may soon be terminated.

“Sir David Barbour says that at this juncture the proper course is to await the decision of the Home authorities on the currency question before adopting measures which must necessarily be of a stringent and exceptional nature with the object of re-establishing an equilibrium between revenue and expenditure, requiring the imposition of heavy taxation or a large reduction of expenditure, or even both, and he hopes 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. I feel perfectly sure that the Indian public will fall in with the wishes of the Hon'ble Member, at any rate so far as not to press for the imposition of additional taxation. But I do not feel so confident that the country will be inclined to accept the decision of Lord Herschell's Committee without demur should it be against us and should it involve us in further overwhelming imposts.

“Sir David Barbour, I observe, has confidence in the resources of the country and in the industry of its people, and, while he admits that the task of establishing, securing and maintaining the integrity of the financial position of India in the event of our continuing on a silver basis may be a heavy one, he considers it will be our plain and obvious duty to address ourselves as best we may to fulfilling the task. Now, my Lord, I have, like Sir David Barbour, great confidence in the resources of the country and in the industry of the people. I should be perfectly willing to bear my share of burdens imposed in view of real emergency and for the common weal; the emergency, however, which is staring us in the face is not a real one but is our own creation, and the crippling of our resources and the grinding of our industry by taxation will not remove the evil. The evil will present itself again with every further decline in the rupee, and the operations of crippling and grinding will have to be repeated indefinitely. I do not think the country will calmly consent to taxation which will be applied to no useful purpose and which will be as great a loss to the people as if the money extracted from them were taken out to sea in one of my steamers and cast into the Bay of Bengal.

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[*Mr. Mackay ; Lieutenant-General Brackenbury.*]

“It would have been interesting if Sir David Barbour could have given us some indication of the resources and industries to which the fresh taxation can be applied—taxation to yield, say, an additional ten crores of rupees. It seems to me that, if we decide to continue on a silver basis, and England decides to retain us as a dependency, before many years are over one-half of our population will be engaged in the occupation of collecting taxes for the State, while the time and intelligence of the other half will be devoted to devising means to avoid the payment. I believe I shall not be without the mark if I say that those who watch the progress of affairs in India most attentively are fast coming to the conclusion that the depreciation in the value of the Indian currency is beginning to press with serious effect upon the poorer classes of the population, and this is a phase of the question which should not be longer disregarded, but should attract the gravest attention of the Government not only in this country but in England. If, therefore, it should unfortunately happen that Lord Herschell’s Committee and the Secretary of State are not inclined to permit this country to adopt the much-needed reform of her standard so as to bring herself within the pale of civilization, I trust that the Government of India will insist on being furnished with the fullest and most cogent reasons for inaction, and that they will not quietly accept the verdict, if it be against their own convictions, but that they will continue to press upon the Secretary of State the fact that this country can never hope to settle down to a period of assured internal peace and financial prosperity, nor can her resources be properly developed, until such time as she has secured a standard of value which is common to that of England.”

The Hon’ble LIEUTENANT-GENERAL BRACKENBURY said :—“The Hon’ble Sir Griffith Evans has called attention to our military expenditure in terms to which I for one can take no exception. The Government of India should, and does, welcome such friendly criticism of its acts, and I am the more glad that he has made those remarks in Council, because I am thus afforded an opportunity of making a few observations which, I venture to hope, may remove from his mind and from the minds of others some of the misapprehensions which now exist as to what is called the constant growth of military expenditure.

“In the first place, I would wish to say that the Government of India are not running blindly on in this matter. We have given the very closest attention to military expenditure ; and for many months past our Accountant General has been engaged in the preparation of an analysis of military expenditure for the last ten years, which we are sending Home to the Secretary of State, and in regard to which we have undertaken still further investigation.

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"The opinions of my hon'ble friend and others as to this great growth of military expenditure are based upon the figures contained in the Financial Statement. These, I should like to point out, are gross figures; and gross figures are apt to be somewhat misleading when taken by themselves. In many items of our military expenditure our receipts rise almost exactly in proportion to the outlay which appears in the Estimates of gross expenditure on those items. But, without going into any lengthened exposition of figures, I may state that there are more than 71 lakhs of receipts to be set against the gross expenditure shown as to be incurred in India for 1893-94 in the Financial Statement, and I think it will be more convenient if I deal with net figures in connection with what I am about to say.

"Now, I have before me a table prepared in the Financial Department, and vouched for by the signature of my hon'ble friend Sir David Barbour, which gives the net army expenditure in India for the past ten years, commencing with the year 1884-85. That year has been chosen because it was the year when the military expenditure touched its lowest figure after the Afghan War. I find that there was between that year and the following year (1885-86) a leap of more than three crores in the military expenditure. The causes which occasioned that rise in military expenditure between 1884-85 and 1885-86 are familiar to every one in this Council, and it is scarcely necessary that I should refer to them. Since that date of 1884-85 the army in India has been increased by more than 11,000 British soldiers and 19,000 Native soldiers, and measures have been taken to render the army of India fit to take the field without delay on any emergency that might arise. From 1885-86 military expenditure has been constantly higher than it was before that date. But, since that great leap took place between 1884-85 and 1885-86, I contend that there has been no constant or great rise in military expenditure in India except such as has been brought about by a falling rate in exchange, and I think I can prove this by a very simple statement.

"In 1885-86 the amount of net army expenditure brought into account in India was Rx. 14,361,000. In the year 1893-94 the Budget Estimate is Rx. 14,981,000. The difference between the net military expenditure in India between 1885-86 and 1893-94 is therefore 62 lakhs of rupees, and, of these 62 lakhs, 57½ lakhs are due to the fall in exchange, the actual increase apart from that item of exchange being 4½ lakhs of rupees.

"Exchange in 1885-86 stood at 1s. 7½d., while this year it has been taken 1s. 2½d. Every farthing of difference in exchange makes a difference of 3 lakhs of

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rupees in the military estimates for the pay of the British soldier. There have been fluctuations between 1885-86 and 1893-94, and those fluctuations, I think it may fairly be said, have been chiefly due to expeditions. It is not for me to say much upon the subject of these expeditions. They are not due to the action of the Member of Council who is at the head of the Military Department; they are due to the action of the Governor General in Council; but I would like to make this one remark. I was reading a few days ago, in the French Official Journal, a debate in the French Chamber on their own colonial policy. A member of the Opposition, attacking the policy in Tonquin, said :—

‘There are two Tonquins, the Tonquin of the plains and the Tonquin of the hills; and my contention is that we should administer the Tonquin of the plains and let the Tonquin of the hills alone.’

“The answer made to him by the Minister for the Colonies was this. He said :—

‘Tonquin is like one of those luscious tropical fruits of which you cannot enjoy the juice until you have broken the rind.’

“I venture to think that that simile applies forcibly to India. That rind extends from the frontier of Baluchistan to the Burmese frontiers of China and Siam.

“The Hon’ble Sir Griffith Evans has acknowledged, as has the Hon’ble Mr. Mackay, the good work done in connection with improvements in the army. I think both these hon’ble gentlemen were present recently when the Commander-in-Chief in his speech at the public dinner given to him in Calcutta explained and stated how much had been done in recent years for the army in India. He spoke of the reduced death-rate of the British troops, which has come down from 69 to 15 in the 1,000, owing to improved sanitary arrangements; of the reduced amount of drunkenness and of the crime resulting from it; he spoke of the improved shooting of the British army in India, and of the Indian army, saying, with perfect truth, that the army in India is now absolutely second to none in this respect; and I trust that those who criticise military expenditure will not forget that Lord Roberts, in making that speech, said clearly that it was due to the wise liberality of the Government of India that these great improvements had been made.

“There is one cause—I will not say of increase of expenditure, as of our expenditure not going lower than it is—in which I feel perfectly certain I enshall have the sympathy of every one here, and that is that we have be

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making great efforts to render India as independent of England as possible. We are now manufacturing in India clothing and boots for the whole army of India, which were formerly made at home; we are making ammunition for the army; we have introduced the manufacture of steel for the projectiles of our heavy guns; and we hope shortly to introduce the manufacture of cordite, the new smokeless powder, for which we are at present dependent on England. I need not say that all this means money spent in India instead of in England, and that it adds to the expenditure shown in the Indian Estimates; but it will undoubtedly, in the near future, cause not only a corresponding, but a greater, decrease in the Home Estimates, because it has been distinctly shown that we can manufacture in this country, bringing the capital afforded by the State to the cheap labour of the East, much more cheaply than the same articles can be manufactured in England.

“In regard to military works, I think it is scarcely necessary for me to say more than a few words; because a fixed sum of a crore is granted every year for such works, the only addition being that when Upper Burma was taken over and a special addition was made for military works in that country; but that sum is virtually fixed, and I think I may say that it is useless to take any exception to the amount of money spent, because every year the demands upon us for Imperial and Provincial military works come to six or seven times the grant at our disposal.

“In regard to strategical railways—a subject which was also referred to by the Hon’ble Sir Griffith Evans—we are now engaged in making two railways which I venture to think are of vital importance to our military position on the North-West Frontier—the Murree-Attock line, which will complete our transverse railway communications on the left bank of the Indus, and the Mushkaf-Bolan line to Quetta, which we hope and believe will place our direct communication with Quetta by rail beyond all risk of flood or other accident. When these two railways have been completed, there is not, so far as I am aware, any other strategical line that has been sanctioned by the Government of India; and therefore, unless some fortuitous circumstances occur which we cannot now contemplate, compelling us to change our policy, I do not think it likely that there will be any fresh important expenditure under the head of strategical railways.

“As regards special defences, as has been stated by the Hon’ble Sir Griffith Evans, a special sum has been allocated for the purpose of fortifying India. That sum is now spent, with the exception of about half a million pounds

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sterling; and when it is all expended this heavy yearly charge also will, I hope and believe, practically cease. It may interest the Council if I read an extract from a despatch received from the Secretary of State to the Governor General in Council, dated the 9th instant, which was received yesterday. Lord Kimberley writes:—

‘The explanation given in paragraph 4 of the Review of Military and Marine Stores Expenditure for India for 1890-91 seems sufficient to account for the increased expenditure in England during the four years 1887-88 to 1890-91. The supply of the 70,000 magazine rifles demanded has now been completed, and, when the guns for the siege-train, heavy field batteries and North-West frontier defences and of machine guns for the various services have also been provided, there appears at present to be no reason why the expenditure should not return to normal.’

“I would point out that we have now nearly completed the frontier defences of India and the defences of our seaports, and have armed them with the latest and most efficient artillery. We have nearly completed the re-armament of our British infantry with magazine rifles, and of the Native army with Martini-Henry rifles, and the entire re-armament of our field artillery with the latest and best weapons; and we have done all this without borrowing, while France, Germany, Austria, Italy and every European nation has had to resort to borrowed money for these purposes, and even rich England borrowed money for her fortifications and even to build new barracks for her troops.

“I would only add this, that we are determined to exercise all possible economy in military expenditure. Steps were taken by me this year in conjunction with my hon’ble colleague the Financial Member to introduce greater order into the military financial arrangements—steps which I trust will, in the near future, result in improved economy. I can assure my hon’ble friend Sir Griffith Evans that nothing that we do not consider absolutely necessary has been included in the estimates of this year, and that a sum larger than that by which the estimates have been increased for items which the Commander-in-Chief and I would have wished to include in the estimates was put aside owing to our willingness to recognise the financial difficulties which made it undesirable to increase the estimates further; and I may assure him that in our establishments we do everything that we can to keep down expenditure to the very lowest limit, that we have no ‘redundant’ clerks, and that we have no officers drawing special salaries for posting letters.”

The Hon’ble SIR PHILIP HUTCHINS said:—“My hon’ble friend Mr. Chentsal Rao has mentioned three points on which it seems desirable that I

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should offer a few words of explanation. I am glad to say that his observations on all three have been anticipated by the departments of which I have the honour to be in charge. Two concern the Home Department ; the third that of Revenue and Agriculture.

“ And, first, with regard to the surplus under the head of Registration. Very recently the Government of India have been in correspondence with the Secretary of State regarding an increase to the registering establishments in the Madras Presidency, and in the course of it we ourselves distinctly laid down the principle, and Her Majesty's Secretary of State assented to it, that registration had never been intended to be a source of revenue. That I understand is what my hon'ble friend contends, so that we are entirely in accord with him, though this is not a time at which we can afford to give up any income which we already possess. The only doubt which the Secretary of State raised was whether the surplus should not be devoted rather to the increase of facilities for registration or the reduction of fees than to the improvement of the establishments. As to the reduction of fees, I am glad to find that the Hon'ble Member, with his far more intimate knowledge of the real sentiments of the people, has so entirely confirmed my own view, which is that the present fees are not at all regarded as excessive. Whether further facilities are required is being considered by the Local Government. I know it is a point which they have always kept in view, and I was under the impression that they had already done as much in this way as could reasonably be expected.

“ Next, my hon'ble friend drew a comparison between the cost of the police in Bombay and Bengal. This is precisely the ground on which the Government of India lately demurred to a demand made by the Bombay Government for increased expenditure on its police. I wish I had the Local Government's reply here to read to the Council, for I feel sure that it would satisfy them as it satisfied me. Speaking from recollection, I can say that there are three main reasons why the cost of the Bombay police is so high in the Presidency proper. The first is the vicinity of the Native States, which are included in its boundaries or march along its northern and eastern frontier. The second cause is the number of wild tribes, like the Bhils, which require constant and careful watching. Lastly, the ordinary rates of wages for unskilled labour and for those classes from which the rank and file of the police are drawn are greatly in excess of the rates prevailing in Bengal.

“ Towards the end of his speech the Hon'ble Member asked that a special officer should travel through each province to offer and distribute advances

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under the Land Improvement Act. I cannot think this is necessary, though the suggestion will doubtless be considered by Local Governments. During the last year or two, the Government of India in the Revenue and Agricultural Department has constantly impressed on the district officers their duties in this respect, and commended by name those who have worked the Act with energy and success. I am confident that the people are now well aware almost everywhere that loans can be had for asking, provided security is forthcoming. That this is the case in Madras, to which the Hon'ble Member chiefly referred, is shown by the enormous sums distributed under the Act, as I recently had occasion to inform the Council, during last year's scarcity. On the same occasion I showed that the rules had been greatly simplified and that the procedure had been made as prompt and summary as is consistent with the security of the taxpayers' money of which we are merely administrators. At such a time of financial difficulty as the present I can hardly press the Financial Department for a larger allotment of funds for loans.

"I shall leave His Honour the Lieutenant-Governor to deal with Sir Griffith Evans' remarks on the Bengal Civil Courts and the accommodation for them, merely remarking that the matter is one which seems more suited for discussion in the Bengal Council than in that of Your Excellency. My recollection is that the full number of justices which the High Court ultimately thought to be necessary were supplied fully two years ago."

His Honour THE LIEUTENANT-GOVERNOR said:—"As my hon'ble friend Sir Philip Huthins has just mentioned, the question of the cost and supply of subordinate civil judicial officers in Bengal is more properly a question belonging to the Provincial Budget, which will be discussed in the Bengal Council on Saturday next; but, as the Hon'ble Sir Griffith Evans was good enough to give me a warning that he was going to speak upon the subject to-day, I prepared a brief statement of the figures in order to be able to present them to Your Excellency's Council. The answer of the Government of India, when the debate took place in March, 1890, was that they had not come to a final decision upon the subject, as the matter was still under consideration between the Local Government and the High Court. But in July, 1891, they passed final orders on the subject, and these orders are now in force. In 1890, when the subject was first mentioned, thirty-six temporary Munsifs and three temporary Subordinate Judges had been appointed to meet the difficulty before it was finally settled what the ultimate additional force should be. It was eventually decided that 55 extra Munsifs and four extra Subordinate

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Judges should be appointed in Bengal, the total additional cost for these officers and the establishments attached to them being two and three-quarter lakhs of rupees. Besides that, the Government of India obtained from the Secretary of State sanction to the proposal that two supernumerary Subordinate Judges and six supernumerary Munsifs might be appointed from time to time whenever the Local Government, on the motion of the High Court, should request that additional staff might be created to meet any temporary difficulty.

“With regard to the results which have been achieved, I believe from what I have heard, and especially from the annual report sent in by the High Court, that this addition to the strength of the subordinate judiciary has met sufficiently the demands of the country. I notice that in 1889 these Courts disposed of 461,000 cases, and in 1891 they disposed of 485,000, so that we are pretty closely keeping on a level with the growth of institutions; and I believe it may be said that there are at present no demands in any quarter for an addition to the strength of the judicial staff, and no complaint that the persons who are concerned in litigation have not sufficient opportunities of getting their cases punctually and satisfactorily disposed of.

The question of the accommodation of these Munsifs is one in which I have taken special interest, for I satisfied myself, when I came to make enquiry into the state of things, especially in Eastern Bengal, that many officers, and especially Munsifs though not Munsifs alone, were housed in a manner which was not at all in conformity with the dignity of the Judicial Bench, and hardly sufficiently well for their own health and comfort. In 1891-92 a lakh and ninety-one thousand rupees were spent on the provision of additional accommodation for Munsifs, and in 1892-93 a lakh and a quarter of rupees have been set aside for this purpose. Although these sums may seem small in comparison with the figures involved in the expenditure of the Military Department, regarding whose moderation and self-restraint we have heard so much to-day, I can assure you that it is with great difficulty that they have been provided for from the finances of Bengal. We have only about ten lakhs which we can devote to original works, and out of this we have to provide for Revenue and Criminal Courts, as well as Civil Courts, for jails, schools, police buildings, hospitals and a few other smaller departments; and the amount spent on judicial buildings exceeds the amount spent on any other department in the province.

“I should like to take this opportunity of saying a very few words on the subject of registration. The Hon’ble Mr. Chentsal Rao has asserted—and the Hon’ble Sir Philip Hutchins has agreed—that it is a standing axiom that

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registration should not give any net revenue to the Imperial finances. I venture to think that that is an axiom which the Government of India should hesitate to accept. I grant that the fees should not be fixed too high, and that the first charge on the income should be a provision for extending registration establishments and offices wherever they are wanted. But, so long as these two postulates are satisfied, why should there not be a surplus of revenue over expenditure in this as in any other business? The dogma is one which at the present time requires serious consideration, and I will ask the Government of India to think carefully whether it should pledge itself to a principle like this at a time when, as Sir David Barbour has said, it may be absolutely necessary to impose fresh taxation to meet the financial exigencies of the country. In the year 1878 or 1879, I think, the Hon'ble Mr. Bazett Colvin was appointed by Sir John Strachey, when Finance Minister, to draw up a series of notes on all possible sources of taxation not yet developed in India. He treated a great number of those put forward as nostrums in newspapers and by other persons, and rejected most of them as impracticable; but he showed that it was possible to raise a very considerable revenue from the registration of landed property in India. I dare say Hon'ble Members are aware of the amount of revenue that taxation has produced from this source in France. The constant *morcellement* of landed property which goes on there is protected by a very careful and complete system of registration, and for this protection a high price is paid. I have not looked into the figures lately, but I believe the French finances receive as much as seven or eight millions sterling a year from the registration of landed property. And I have for many years looked upon this as really the sheet anchor of Indian finance, if it is absolutely necessary in the future to impose fresh taxation. I therefore think it important at the present juncture to put in a word of warning and to request the Government of India not to use any general words of condemnation about a source of revenue which they may find it necessary to have to resort to before very long."

The Hon'ble SIR DAVID BARBOUR said :—" I have to thank the Members of this Council for the very moderate tone they have adopted in criticising the Financial Statement of 1893-94.

"I am only too conscious that the Statement is open to attack on many points, and I fully recognise that the moderate, I might say indulgent, tone which has been adopted in the discussion is due to the fact that the difficulties under which the Government of India now labours are fully recognised, and that the Council desire, as much as possible, to avoid adding to the embarrassment of the Government.

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"While thanking the Hon'ble Members of Council, on my own behalf, for the friendly spirit they have exhibited, I take the liberty of adding that in my opinion the moderation they have shown on the first discussion of the Financial Statement under the new Act is of good omen for the future, and I can assure them that, so far as I am concerned—and in this matter I believe I can speak for the whole Government—their criticisms and suggestions will not carry the less weight because they have been put forward in temperate language and with a due regard to the difficulties of the present position.

"The Hon'ble Mr. Fazulbhai Vishram has suggested that a portion of the cash balance of the Government of India should be invested so as to earn some interest.

"This course could no doubt be followed with advantage if we had in India a great money market such as exists in London. As matters stand in this country, I am afraid any attempt to invest a portion of the cash balance would do more harm than good. In the first place, our cash balance is not concentrated at the Presidency-towns. It is scattered all over the country, in the various district and local treasuries, and we must always have a large amount of cash actually available. This amount I would not place at less than ten crores of rupees.

"Of the balance a certain proportion is lodged in the Presidency Banks. The Banks do not pay interest on the money so lodged, but the use of these balances is one of the considerations for which they undertake to do the Government business, and in this way the Government receives the value of its money.

"Another portion is kept in the Reserve Treasuries of the Government of India, and is employed to meet sudden emergencies. In Bombay, public opinion has generally favoured the loan of this money for short periods and at a low rate of interest, but in Calcutta a different view has prevailed.

"After full consideration the Government of India have decided that it would not be to the public interest to accustom the Indian money market to rely in ordinary times on advances from the Reserve Treasuries. Such advances might not be of great relative importance in the London money market, but they would be of greater importance in India; they would be liable to be recalled at any moment, and, if such recall took place when from other causes money was dear (as it sometimes is in India), very serious consequences might be

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produced. It has been decided, and I believe rightly decided, that the public interests will be best served if the surplus cash balance is kept as a reserve to meet any special difficulties that may arise. When stringency arises in the open market the Presidency Banks can often obtain advances from the Government, and they sometimes avail themselves of such advances. If gold is scarce in London, a slight raising of the rate of discount very soon brings in gold from other countries; but the case is very different in India. It takes a great rise in the rate of discount to attract capital temporarily to India. The money market has been easy in India for some years, but periods of very great stringency have arisen in the past and will no doubt be experienced in the future. The Government balances are really the only special reserve we have got. They can be readily made available in time of need either by buying the Secretary of State's bills, or by being temporarily lent to the Presidency Banks.

"It is quite true, as the Hon'ble Mr. Fazulbhai Vishram remarks, that with the fall in exchange the rupee pay of the Civil Services decreases in gold value, and the sterling pay of the British troops goes on increasing in silver value!

"This is just one of those anomalies of which we hope to get rid by a settlement of the currency question.

"I am sorry that I cannot give any further information at present as to the terms on which the loan of 300 lakhs will be raised. The terms of the loan must be settled with reference to the state of the money market at the time it is raised, and it would not, under any circumstances, be prudent to attempt to settle them some months in advance. The currency question has so unsettled financial matters in the present year that special caution is necessary.

"The Hon'ble Sir Griffith Evans made some remarks on the general financial position. He alluded to the large deficit in the estimates, and he pointed out that, if we absorbed the Famine Grant and withdrew the amount devoted to the construction of Railways and charged against Revenue under 37, the deficit would be largely reduced.

"He also pointed out, and very fairly, that the rate of exchange taken in the estimates was considerably above the market rate of the day, and that the estimates contained no provision for compensation to officers on account of the fall in the gold value of the rupee. Taking everything into consideration, he came, as I understand him, to the conclusion that the Financial Statement did

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convey a correct picture of the present situation. That is a conclusion which I cannot be expected to controvert, and I need only explain that the sum of Rs. 75,100, which is to be expended on the construction of railways, and which he thought might be taken in reduction of the deficit, is Provincial and not Imperial expenditure, and that to strike it out of the estimates would not affect the deficit on the Imperial account.

“My hon'ble friend also made some remarks as regards the Home charges. Now, these charges may be looked at from two points of view. We may consider the total disbursements in England on account of India, or we may confine ourselves to that portion of the Home disbursements which goes to meet the cost of the India Office.

“I may mention in the first place that I have always been, and am now, strongly opposed to any increase in the disbursements in England on account of the Government of India. I think there are great objections to any such increase both from a political and from an economic point of view. But it is not so easy to keep down these charges as might at first sight appear. Everybody is prepared to agree that they should be kept down, but such agreement is what I may call an agreement in the abstract. When we come to concrete cases I do not find the same unanimity. For example, nothing is more beneficial to India than the construction of railways, and, sooner or later, great authorities urge that more rapid progress should be made in their construction. It is found that more money cannot be raised in India, and about this time the persuasive voice of the promoter is heard in the land, and simultaneously, and by what appears to be a sort of pre-ordained harmony, Chambers of Commerce both in India and in England take up the question. It is said that if the Government of India will only give a guarantee, quite a trifling guarantee and one which will really impose no burden on the finances and which is merely put forward to remove the doubts of Lombard Street, money will flow into India for the construction of railways and untold benefits will be conferred on the population. It is very difficult to resist a cry of this sort, raised in a very telling manner by a host of ingenious promoters, and supported by eminent authorities. At the same time, if we give way to it, the Home charges must be increased.

“Having said so much on the general question of the inexpediency of increasing the Home charges, I wish to add a few words which may help to remove some misapprehensions regarding them.

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"It will be seen from paragraph 93 of the Financial Statement that the net Home outgoings for the coming year are estimated at £22,052,500. This is no doubt a gigantic sum of money, but £1,249,200 of the amount merely represents the paying off of certain railway debentures, and for this purpose a loan of £1,300,000 will be raised: In other words, the transaction is simply a conversion of debt from one form into another form. A further sum of £2,609,200 represents the repayments to Railway Companies of money received from these Companies in former years. If we act as, what I may call Bankers for these Railway Companies, we must expect to have to repay to them the money which on a previous date we received from them. Sometimes we receive more in a year than we pay away, and sometimes we pay away more than we receive.

"In 1893-94, we expect to pay away £2,609,200, and we only receive £1,420,040.

"There is also a disbursement of £1,383,200 on account of remittances. This represents money which the Government of India receive in India and pay away in England. Some of this money is received from Railway Companies and is sent Home for the purchase of stores; some of it represents money received from Government servants in India and paid out to their families in England; some of it is money received from Natives States or Local Governments for the purchase of stores, and so on. In short, these remittances are not *quæ* remittances, a charge against the revenues of India.

"There is also a sum of £1,160,600 on account of capital expenditure. This is money paid for the purchase of stores, and a direct commercial equivalent is received for the expenditure. I know no means whereby locomotive engines or steel rails can be procured for nothing, or without paying for them.

"There remains the net expenditure of £15,650,300 to be accounted for. Now, of this sum, no less than £5,747,200 is on account of the Railway Revenue Account, and it is money well laid out, and it brings in an ample return, including direct and indirect advantages.

"There is also a payment of £2,419,400 on account of interest on, and management of, debt. The rate of interest payable is $3\frac{1}{2}$ or 3 per cent., and I know of no market other than that of London where money could have been raised so cheaply.

"There is also a payment of £1,404,900 for the purchase of stores for use in India. As I said before, I do not know any way of getting stores except by

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paying for them. The balance includes payments for Postal and Telegraph communication with England, payments to the Admiralty for services rendered and payments of political pensions to persons of Indian descent.

"I will not pursue the subject further. I am anxious to see the Home charges kept as low as possible, but I have said enough to show that they are not that gigantic unjust and crushing burden on India which they are sometimes alleged, and I dare say believed, to be.

"I come now to the remarks which the Hon'ble Sir Griffith Evans made regarding the cost of the India Office.

"I may explain that the establishment of the India Office is not under the control of the Government of India, but under that of the Secretary of State for India in Council. The estimates and accounts of the India Office are laid before Parliament every year, and it should, I think, be presumed that due regard is paid to economy unless the contrary can be proved. My hon'ble friend's criticisms were put in an amusing form, but I think that in the absence of any real knowledge of the facts it would be wrong to take them for more than they are worth, lest in so doing we should do injustice to a large body of public servants who have no means of defending themselves in this place, and regarding the exact nature and extent of whose duties our information is necessarily very defective.

"As regards the Persian and Chinese Missions I may point out that these Missions perform certain services on the account of the Indian Government. We have important relations with China in regard to opium and other matters; the China Mission does a certain amount of work for us in connection with these matters, and the payment is supposed to be for that work. I am happy to say that in the case of these Missions there has been quite recently some reduction of the total charge.

"The Hon'ble Mr. Chentsal Rao has called attention to the surplus of about 15 lakhs of rupees, which is realised from the Registration Department, and, as that is a Department which is not maintained for the sake of the revenue which it produces, he has urged, with, as it seems to me, some reason, that the surplus should be devoted to the increase of the facilities for registration.

"I may explain that the Registration Department is managed by the Local Governments concerned, and any increase of expenditure which they

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might consider necessary in order to facilitate registration would not ordinarily be objected to by the Finance Department. It can hardly be expected that at the present conjuncture I should urge them to increase expenditure on any object, however desirable in itself, but I am sure they will be prepared to take into consideration the suggestion which has now been made, and for my part I shall be prepared to leave the matter in their hands and to accept the decision at which they may arrive. I may mention, however, that the surplus of the Registration Department is not so large as the Hon'ble Mr. Chentsal Rao supposes, because the figures he has used do not include the charge for buildings and for pensions, or for some other items of no great importance. The Hon'ble Sir Charles Elliott has alluded to the possibility of our some day raising a large amount of revenue from a tax on registration. Far be it from me to set aside summarily any suggestion for increasing the revenues, but I may say that, so far as my information goes, I am not sanguine that we could raise as much money from this source as the French Government appears to raise in France.

"The Hon'ble Mr. Chentsal Rao has also called attention to the Famine Grant. The amount of this Grant was determined in the following manner. It was calculated that the loss, from falling off in revenue and actual expenditure on relief, due to scarcity and famine, would amount to 15 crores of rupees in every period of ten years, and it was held that a provision of $1\frac{1}{2}$ crores yearly would be sufficient as an insurance against such loss.

"I am disposed to agree with the Hon'ble Member that the provision made was unnecessarily high, if we look only to the possible loss from drought, scarcity and famine.

"On the other hand, this Famine Fund is really our only Reserve readily available to meet any of those vicissitudes to which the Indian finances are unfortunately liable, and I think this point should be borne in mind if it should be decided hereafter to take into consideration the question of reducing the amount of the Grant.

"In point of fact the Famine Grant, looked at simply as a reserve for the purpose of meeting the financial effects of famine, does not at present amount to so much as $1\frac{1}{2}$ crores of rupees.

"In the coming year Rx. 340,200 from this Grant is set aside to meet the loss on the Indian Midland and Bengal-Nagpur Railways; Rx. 65,000 is

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devoted to the construction of Protective Canals ; Rx. 1,054,300 is devoted to the construction of Protective Railways, and only Rx. 40,500 is devoted to actual relief of famine.

"The whole Grant is devoted to purposes connected with famine, but only a very trifling proportion of it is set aside for the direct relief of persons who may be in distress owing to scarcity or famine.

"I should be very glad indeed to see the export duty on rice repealed, but in the present state of the finances I could not recommend that any portion of the Famine Grant should be devoted to this purpose. We are passing through a grave crisis and should husband our resources to the utmost.

"The Hon'ble Mr. Chenstal Rao has alluded to the variation in the amount of charges under certain heads in different Provinces. It can hardly be expected that I should enter in detail into an explanation of all these variations.

"Speaking generally, the explanation is that in dealing with India as a whole we are dealing with a Continent, and not with a single country.

"The circumstances of the different Provinces vary very widely.

"For example, the percentage on receipts of the cost of collection of Assessed Taxes varies from Province to Province, because some Provinces possess revenue officials who assess and collect the Income-tax in addition to performing their other duties, and whose salaries are not charged as a portion of the cost of collecting these taxes.

"In such Provinces as Bengal, on the other hand, where, from the nature of the Land Revenue system, local establishments are small in number, a special agency has to be employed for the purpose, and the whole cost of such agency is charged against the tax.

"The Excise systems, too, vary very much from Province to Province, and so do the habits of the people in respect of the consumption of excisable articles. It is impossible to draw any conclusions from the mere fact that the cost of collection is higher in one Province than in another. With regard to the difference in the cost of the Police in Bengal and Bombay, I may remark that wages are higher in Bombay than in Bengal. The cost of the Bombay Police also includes about six lakhs on account of Special Police in Native States, the cost being recovered from these States. It also includes nearly five lakhs

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on account of alienation of Land Revenue in favour of the village officers connected with the Police. Bombay is the only Province in which such alienations are passed through the accounts.

“The Hon’ble Mr. Chentsal Rao also calls attention to the increase in superannuation allowances. There is, from the nature of the case, a steady growth of expenditure under this head, which is no more to be wondered at than is the growth of population and of general revenue.

“It must be recollected that there has been in past years a great increase in the number of officers employed under the Government of India, and the inevitable result is the growth of superannuation charges.

“There has also been in the current year some temporary increase of charge owing to superannuation allowances being paid monthly instead of quarterly in England. The decision to pay certain pensions in England at the favourable exchange of 1s. 9d. added something to the expenditure. The normal increase of expenditure under this head is about Rs. 4½ lakhs yearly.

“The Hon’ble Mr. Chentsal Rao has referred to the advances on account of Land Improvement, and expresses a hope that the amount set aside for this purpose may be increased.

“The amount that can be devoted to such purposes is necessarily limited, but I believe more money is being advanced now than was formerly the case, and I hope it may be possible to increase it still further in future years. The total provision placed at the disposal of Local Governments for advances to agriculturists in the coming year is rather more than 33 lakhs of rupees. This is nearly three times the amount actually advanced in 1888-89. In 1891-92 and in the current year very large amounts were advanced, but these high advances were made in consideration of the drought and scarcity that prevailed in Madras, Bombay and Ajmere.

“A reference to paragraph 33 of the Financial Statement for next year will show how great are the claims of all kinds on the Government of India at the present moment, and I have been agreeably surprised that we have been able to meet them as fully as we have done.”

His Excellency THE PRESIDENT said :—“I wish, in the first place, to acknowledge, as my Hon’ble Finance Colleague has done, the considerate and practical character of the observations elicited by the presentation of the Financial Statement.

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"It will, I dare say, have struck Hon'ble Members that the situation with which the Government of India finds itself confronted is not a bad illustration of what is sometimes spoken of as the irony of events. It is certainly not a little mortifying to us that upon this, the first, occasion, when the discussion of the Financial Statement has taken place as a matter of right under the provisions of the Act of last year, we should be driven to lay before the Council so discouraging an account of our finances, and to add the admission that, for the present, it is beyond our power to describe the means by which we can hope to extricate ourselves from the difficulties and embarrassments which surround us. How much pleasanter it would have been if the Hon'ble Financial Member had been able to tell you of overflowing coffers, or, if they were, for the moment, less full than we could have wished, to explain to you the measures by which he looked forward to refilling them in a suitable manner. I can assure my hon'ble colleagues that, if the suspense and uncertainty through which we are passing are trying to the public, they are not less trying to us.

"I believe, however, that the Budget which my hon'ble friend laid upon the table last week will serve a very useful purpose. It is, I cannot help thinking, the most striking object lesson in Indian finance which has yet been given to the world. My hon'ble friend reports to us that in two years the fall in exchange has added to our liabilities a sum exceeding four crores of rupees, a strain which he has said with truth our finances are at present unable to bear. We find ourselves compelled to restrict as closely as possible our expenditure upon those useful works on which this country depends so much for the development of its vast resources, and we are within a measurable distance of new taxation, the amount and incidence of which it is impossible to foretell, but which, if we are driven to impose it, will certainly be of an onerous kind. We are threatened with all these misfortunes, not because we have plunged the country into war, not because we have recklessly undertaken new expenditure, but because our medium of exchange is one the value of which is liable to violent and unforeseen fluctuations which we are entirely unable to control. It struck me, when the Hon'ble Member was delivering his speech last Thursday, that nothing could have given more point to what he said as to this part of his case than his announcement that, in the interval of time between the compilation of the Estimates and their submission to this Council, the further fall which had taken place was sufficient, if maintained throughout the year, to add Rs. 700,000 to our expenditure. There has, I am glad to say, since been some recovery, but the fact is none the less worthy of attention.

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“My hon’ble friend is, I am afraid, but too well justified in regarding our position with grave apprehension. Not that, under ordinary circumstances, a deficit in an Indian Budget is necessarily a cause for very serious alarm. A country which has contracted large sterling liabilities, and which has to meet them from revenue collected in silver, cannot expect to adjust the income and expenditure of each year that passes with close precision. If these fluctuations were of an ordinary kind, if there were a reasonable prospect that an oscillation in one direction would be followed by an oscillation in another, we might well be content to find that, one year with another, our average income balanced our average expenditure during the term of years. Judged by this criterion, our financial history during the last four years is satisfactory enough. The Hon’ble Financial Member would be able to show that, taking the first four years of his own term of office as Finance Minister, he has had a net surplus of Rs. 5,683,000, an amount which would cover any deficit with which we can conceivably be confronted in his fifth year. Unfortunately for us, however, it is impossible to limit the question in this manner. We have to consider, not so much the years which are past and gone as those which lie immediately ahead of us, and, if we look forward to these, there can be no doubt that we have cause for serious alarm. In spite of the slight re-action which is apparently taking place, there is absolutely nothing to show that the rapid fall in the gold value of the rupee has yet come to an end, and we should remember that, with each further fall, our difficulties increase at a progressive rate. To make my meaning clear I may explain that, whereas a fall of one farthing in the gold value of the rupee, when exchange is at 1s. 6d., involves a loss to the Government of India of 29½ lakhs, a similar fall, when exchange is at 1s. 4d., means a loss of 37½ lakhs, while, if the same fall takes place at 1s. 2d., the loss rises to no less a sum than 48½ lakhs. No re-adjustments of taxation can keep pace with such a downward progress as this.

“It is this prospect, and this alone, that makes the outlook so alarming. In other respects I believe the financial position of this country to be perfectly sound, and, as Sir Griffith Evans has pointed out, there are not wanting hopeful elements upon which it is possible to dwell with satisfaction. Our total indebtedness is not great, and the larger part of it has been incurred upon useful works for which the State obtains a fair return, or which may, at all events, be regarded as valuable assets. We have been extremely careful to avoid reckless borrowing, and we have indeed, as the Hon’ble General Brackenbury has truly said, met out of ordinary revenue many liabilities which in other countries would have been provided for out of borrowed capital. Our

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land-revenue has, as the Hon'ble Financial Member has shown, risen steadily in spite of somewhat adverse circumstances, and it will continue to rise. Our income from railways is progressive, and the gradual development of our commercial lines will, I feel no doubt, add still further to our resources.

"The large expenditure which has taken place during recent years upon special defences should, in the course of the next two years, come to an end, and our Military Budget will be thereupon relieved of a sum of some 40 or 50 lakhs per annum.

"These accessions of wealth would, in all probability, counterbalance the gradual fall in our revenue from opium—a revenue which is threatened both by Chinese competition and by political influences—but for the continued fall in the gold value of the rupee. It is, however, melancholy to reflect that, although we now take Rx. 25,000,000 of land-revenue from the people of India, instead of the Rx. 21,000,000 which we received twenty years ago, the larger sum, if tens of rupees be in each case converted into sovereigns at the price of the day, represents only £15½ millions, instead of the £19½ millions for which the smaller sum was interchangeable in the seventies.

"The same falling off has taken place in the gold value of our receipts from other kinds of taxation; the tax-payer's contribution, measured in rupees, increases steadily, but, measured by the standard made use of by the countries with which two-thirds of our business is transacted, the standard in which one-third of our own liabilities has to be met, it has shrunk below the level at which it stood in the seventies; and, if the United States of America were to discontinue their purchases of silver, and a further fall in the gold value of the rupee were to follow, none of the resources which I have indicated would enable us to meet the catastrophe in which we should for the moment be involved.

"It would not surprise me to find that we are asked, under these circumstances, why we do not take the public into our confidence and tell them, at least hypothetically, in what manner we believe that we might extricate ourselves from a position of so much anxiety. I must, however, express my entire concurrence in the view of the Hon'ble Financial Member when he told the Council that it would be idle for us to disclose the nature of the remedies to which we may be driven to resort until we have been made aware of the decision of the Home authorities in regard to the currency question. It is conceivable that the effect of that decision may be

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to give early, if not immediate, relief to our finances. Upon the other hand, if that relief is not obtained, the situation will probably not remain as it is. If it is not improved, it will, bad as it now is, probably change for the worse—perhaps a good deal for the worse—and no conjectures which we can make will help us to gauge beforehand the dimensions of the difficulty which might then confront us. That we should, in this event, have to raise large sums by taxation does not admit of a doubt. How large they will be we have no means of judging, and we cannot, therefore, say how they might best be raised. Hon'ble Members, and the public generally, are perfectly well aware of the sources to which the Government of India is able to look for an increase of revenue, but it would be not only useless but mischievous to discuss projects for new taxation at a moment when we are in ignorance of the amount of revenue which we should require in order to restore financial equilibrium.

"I have only one observation to add upon this subject, which is that, should we find it necessary during the present summer to resort to new taxation in order to meet the deficit, we do not think it would be consistent with our duty to legislate for the purpose at Simla, and we should, therefore, in the event which I have contemplated, not hesitate, if necessary, to call the Council together again at Calcutta for a special session. Whether this course will, or will not, be necessary is absolutely out of our power to determine at the present time.

"With reference to the question of our military expenditure, I need add very little to what has been so well and clearly said by the Hon'ble Military Member. That expenditure has, no doubt, increased during recent years.

"I am, however, far from believing that the increase which has taken place necessarily convicts the military authorities of extravagance. The Hon'ble Military Member was able to shew that, here also, the fall in exchange has laid upon us a continually increasing burden. Since 1887-88 the military estimates have been increased by no less a sum than Rs. 360,000 owing to this cause.

"Again, there has, undoubtedly, been a considerable expenditure due to the fact that more regard is paid to the comfort and well-being of our troops than formerly. I have no doubt that this money has been well spent—'well and wisely spent,' as Sir Griffith Evans has said—upon the improvement of the army. We know that great difficulty is found in obtaining suitable recruits owing to the competition of other professions, and, unless we pay, feed, clothe and house our men properly, we shall find it impossible to attract to the ranks the proper class of soldier, either Native or British.

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“ Besides this, additional expense is constantly imposed upon us owing to alterations in the equipment and armament of the troops. If a new rifle is invented, or a new kind of ammunition adopted for the rest of the army, we cannot refuse to adopt it for the army of India. This is not, I think, entirely due to the influence of the ‘enthusiastic soldiers,’ to whom Sir Griffith Evans referred. I think there are many enthusiastic civilians who would loudly complain of us if we were to refuse to furnish our soldiers with the most improved arms and equipment.

“ Nor must it be forgotten that, of late years, our military liabilities have very greatly increased, partly owing to the near approach of Russia on our western frontiers, partly because, by the annexation of Upper Burma, a great addition has been made both to the British Empire and to that fringe of unsettled country which adjoins our frontier, and within which we are obliged to maintain some kind of order, not from a desire to interfere gratuitously with those independent tribes of whom Sir Griffith Evans spoke, but for the protection of our settled districts. My hon’ble friend seemed to be under the impression that, in such cases, we were inclined to take advantage of the high state of preparedness of our army in order to launch our troops upon these fruitless operations. All I can say is that I can testify to the reluctance of the military authorities to allow their regular troops and their transport animals to be used in small bodies in these remote places, and I am under the impression that in the recent operations on the Kachin frontier, which I think my hon’ble friend must have had in his mind, the columns employed consisted mainly of military police.

“ It is no doubt, *prima facie*, very serious that the 1893-94 estimates should show an increase over the Budget of 1892-93. But the increases of expenditure which have been forced upon us by circumstances which we are absolutely powerless to control amount to a larger sum than that by which the Military Budget for 1892-93 has been exceeded. The increase in the estimates amounts, excluding expeditions, to 54½ lakhs; the increase in the obligatory expenditure, to which I have referred, exceeds that sum. Of the increase, no less than 24 lakhs are due to the fall in exchange, while 7½ lakhs are due to the rise of prices, and 8 lakhs to fluctuations which may be described as automatic, and which we are quite unable to regulate.

“ It is, therefore, beyond our power to prevent the expenditure of 1893-94 from exceeding that of 1892-93, except by insisting upon very large retrench-

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ments, which it would be impossible to carry out suddenly, and which, if they could be carried out, would seriously impair the efficiency of our army.

"Again, it should be remembered that, out of the total of Rx. 15,700,000 shewn in the military estimates for 1893-94, about Rx. 12,000,000 are for the pay, food and pensions of the army. Large economies in military expenditure can, I believe, only be effected by cutting down the numbers of the army, or by diminishing its pay, or by depleting our reserves of stores. A diminution of the pay of the army is out of the question. We shall be fortunate if we are not compelled to increase it before we are much older. I should be sorry to be a party to the depletion of our reserves of stores, and I trust that such a course will never find favour. It seems to follow that, if India is unable to bear the present military expenditure, we shall have to consider whether the strength of the army is greater than is absolutely necessary for the safety of the country. I for one am not prepared to admit this.

"I therefore greatly doubt whether we shall find it possible to make large reductions in our military expenditure, although we must do all in our power to resist further attempts to increase it. Two years hence our special defences will, as I said just now, it is to be hoped, be completed, and our military expenditure thereby reduced by some 50 lakhs per annum. We shall spare no pains to economize in other directions, but I wish to avoid holding out expectations which we may be unable to fulfil. I can, however, assure the Council that the Government of India desires, as earnestly as Sir Griffith Evans does, to avoid a recurrence of exceptional expenditure on expeditions, or on any other military objects, the necessity of which is in any degree open to question.

"There is one other matter as to which I must add a few words. It is that to which reference has been made by the Hon'ble Mr. Stevens and the Hon'ble Dr. Lethbridge. I am not at all surprised that they should have mentioned it, or that they should have reminded the Council of the grievous hardship to which European officers in the services of the Government of India have lately been subjected owing to the rapid fall of exchange which has taken place during the last two years. Nor have I any complaint to make of the Hon'ble Mr. Stevens' account of what passed when, at the end of January, I had the honour of receiving at Government House a deputation from the Services. I then stated that the Secretary of State had left us in no doubt as to the sympathy with which Her Majesty's Government regarded their case. I said that we could not expect the sufferers to tolerate, for an

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indefinite period, the distress which they had borne with so much self-command for some time past, and I expressed my hope that the time was approaching when we should be able to meet, in a just and reasonable manner, the claims which the deputation had urged upon me. When I uttered these words I certainly expected that, by the time the Budget Statement would be made, the suspense to which I referred would have been terminated, and I looked forward to including in our financial arrangements for the coming year suitable provision, either of a temporary or permanent character, to meet the case of the Services. I feel no doubt that those expectations were shared by our officers, and that it was generally, and I must say not unreasonably, anticipated that the Budget Statement would contain some specific engagement as to their case. If no provision has been made by my hon'ble friend, I trust that the omission will not be regarded as an indication that we desire to shirk the question, or to postpone its consideration for a day longer than we can help. As a matter of fact, the Government of India has, since the deputation was received, submitted to the Secretary of State specific proposals with this object, and suggested to him that provision for meeting those proposals should be made in the Budget.

"I have been authorised by His Lordship to make public in his own words the reasons for which he has found it impossible to sanction the necessary provision being made in the Budget. He telegraphed to us on the 7th of March as follows :—

'I greatly regret losses fallen on European officers, and am prepared to give consideration to any measures suggested by you for remedying grievances which you represent, but it is impossible to determine what measures should be taken, apart from the questions now before me with respect to the currency, decision upon which cannot be much longer delayed, but which cannot be expected before the Budget.'

"That is how the case of the Services stands, and I think it will be evident to Hon'ble Members that it is beyond our power, for the present, to do more than has been already done."

The Council adjourned *sine die*.

CALCUTTA; }
The 4th April, 1893.

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