

*Wednesday,  
19th March, 1902*

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

**Vol. XLI**

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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

1902

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The Council met at Government House, Calcutta, on Wednesday, the 19th March, 1902.\*

PRESENT:

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

His Honour Sir John Woodburn, K.C.S.I., Lieutenant-Governor of Bengal.

His Excellency General Sir Arthur Power Palmer, G.C.I.E., K.C.B., Commander-in-Chief in India.

The Hon'ble Mr. T. Raleigh.

The Hon'ble Sir E. F.G. Law, K.C.M.G.

The Hon'ble Major-General Sir E. R. Elles, K.C.B.

The Hon'ble Mr. A. T. Arundel, C.S.I.

The Hon'ble Mr. Denzil Ibbetson, C.S.I.

The Hon'ble Sir A. Wingate, K.C.I.E.

The Hon'ble Mr. F. A. Nicholson, C.I.E.

The Hon'ble Mr. D. M. Smeaton, C.S.I.

The Hon'ble Mr. C. W. Bolton, C.S.I.

The Hon'ble Rai Sri Rám Bahadur.

The Hon'ble Mr. Gopal Krishna Gokhale.

The Hon'ble Sayyid Husain Bilgrami.

The Hon'ble Mr. R. P. Ashton.

The Hon'ble Mr. R. G. Hardy, C.S.I.

The Hon'ble Rai Bahadur B. K. Bose, C.I.E.

The Hon'ble Maharaja Rameshwara Singh Bahadur of Darbhanga.

The Hon'ble Mr. M. C. Turner.

QUESTIONS AND ANSWERS.

The Hon'ble RAI SRI RAM BAHADUR asked :—

"I.—Will the Government be pleased to state if there is any rule or standing order preventing or prohibiting Native Princes and Chiefs from purchasing

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\* NOTE.—The Meeting of Council which was fixed for the 14th March, 1902, was subsequently postponed to the 19th *idem*.

[*Rai Sri Rām Bahadur* ; *Mr. Denzil Ibbetson* ; [19TH MARCH, 1902.]  
*Mr. Gokhale* ; *Sir Edward Law*.]

or owning house or other immoveable property in Simla or other parts of British India, and when was such rule or order first issued?

"II.—If there is any such rule or standing order, was any Native Chief permitted to purchase immoveable property in Mussoorie, North-Western Provinces, and, if so, under what circumstances?"

The Hon'ble MR. DENZIL IBBETSON replied :—

"I.—It has for many years been the policy of the Government of India, although there are no published orders on the subject, to discourage the acquisition of immoveable property in British India by Ruling Chiefs. The reason is that by the acquisition of such property the Chiefs become subject to our Courts, and difficulties arise in regard to the service of legal processes, and in the matter of taxation.

"II.—Exceptions have been made to this practice ; and the Raja of Kapurthala, who already owned land in Oudh, was permitted in 1895, as a leading Talukdar, to purchase a house in Mussoorie."

The Hon'ble MR. GOKHALE asked :—

"Have the Government of India noticed the ruling of the Calcutta High Court in the case of Kazi Zeanuddin Ahmed *versus* The King-Emperor, reported in the Calcutta Weekly Notes, Volume V, at page 771, and, if so, will they be pleased, in view of the opinion expressed by Mr. Justice Amir Ali in his dissenting judgment, to consider the desirability of amending section 154 of the Indian Penal Code so as to free zemindars from liability for the criminal acts of their agents, especially when such acts are found to have been done without their knowledge?"

The Hon'ble MR. DENZIL IBBETSON replied :—

"The Government of India have now considered the ruling of the Calcutta High Court which is referred to in the question. They do not consider that any alteration of the law is required."

#### FINANCIAL STATEMENT FOR 1902-1903.

The Hon'ble SIR EDWARD LAW introduced and explained the Financial Statement for 1902-1903. He said :—

"1. It is my duty to lay before the Legislative Council statements, showing the actual financial results of the year 1900-1901: the results according to the Revised Estimates for the year 1901-1902: and the Budget Estimates for the coming financial year 1902-1903.

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"2. In their briefest form, and leaving out Capital, Debt and Remittance transactions, the figures are as follows:—

	1900-1901 (Accounts).
	£
Revenue . . . . .	75,272,291
Expenditure (charged against Revenue) . . . . .	73,602,087
Surplus . . . . .	1,670,204

	1901-1902 (Revised Estimate).
	£
Revenue . . . . .	76,546,700
Expenditure (charged against Revenue) . . . . .	71,873,800
Surplus . . . . .	4,672,900

	1902-1903 (Budget Estimate).
	£
Revenue . . . . .	74,370,400
Expenditure (charged against Revenue) . . . . .	73,532,700
Surplus . . . . .	837,700

### "Accounts, 1900-1901.

"3. The final accounts of the financial year 1900-1901 show, on the Revenue side, an improvement of £5,116,491 over the Original Estimate, and of £106,291 over the Revised Estimate.

"4. On the Expenditure side, the accounts show an increase of £3,606,587, on the Original Estimate, and of £76,487 on the Revised Estimate.

"5. The considerable differences between the figures of the Original and Revised Estimates, were fully explained in the Budget Statement last year, and it may be remembered that they were in great part attributable to an unexpected increase in mint operations. The differences on either side of the account between the Revised Estimate and the Final Accounts, are not of great importance, and the resulting difference of an addition of £29,804 to our last estimated surplus calls for no comment. It may, however, be pointed out that the most important differences between the Revised Estimate and

the final figures are due to an addition of approximately £200,000 in gross railway receipts, counterbalanced, in part only, by an addition of about £28,500 to railway charges, and a decrease in land revenue returns, amounting to approximately £193,000.

### “Revised Estimate, 1901-1902.”

#### “REVENUE.

“6. The Revised Estimate shows a surplus greater than that anticipated in the Original Estimates, by the very considerable sum of £3,982,000.

“The realisation of so large a surplus cannot but be a matter of congratulation to India, and, following the relatively large surplus which we were able to announce last year, it confirms the hope, I then ventured to express, that, if no new ill-fortune overtook us, we might, as regards finance, look forward to a period of increasing prosperity.

“7. We may examine the figures which have resulted in an increase of revenue beyond our anticipations, amounting to £4,354,800, and an increase in expenditure (including Provincial Adjustments) of £372,800.

“8. The following are the figures of increases under the more important heads of Revenue, and it is satisfactory to note that only under the relatively unimportant group of ‘Other Heads’ has there been a slight decrease:—

Head.	Increase.
	£
Land Revenue . . . . .	299,300
Opium . . . . .	311,400
Salt . . . . .	58,800
Stamps . . . . .	147,400
Excise . . . . .	119,400
Customs . . . . .	643,900
Post Office . . . . .	33,500
Telegraph . . . . .	55,700
Mint . . . . .	515,200
Railways . . . . .	1,750,500
Irrigation . . . . .	89,100
Receipts by Military Department . . . . .	•115,400
<b>TOTAL . . . . .</b>	<b>4,139,600</b>

“9. The additional £299,300, under Land Revenue, is an increase of some importance in itself, but it is only a difference of about 1·65 on the Original Estimate of the total revenue to be collected.

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"10. The increased yield of opium revenue, amounting to £311,400, can only be considered as a piece of good fortune. We have, since May, been selling throughout the year in a falling market, a situation which we anticipated, but which has fortunately not developed as rapidly as allowed for in a prudently cautious estimate.

"11. The increase under Salt, as compared with the Original Estimate, is £58,800; but, as compared, with the accounts for the preceding year, it is only £29,666.

"12. Stamps have continued to yield a slow but steady and satisfactory increase. The figures for the last four years have been :—

Accounts.			Revised Estimate.
1898-99.	1899-1900.	1900-1901.	1901-1902.
£3,198,433	£3,265,476	£3,342,948	£3,494,700

showing an increase of £147,400 above the Budget Estimate, and an average growth of about 3·1 per cent per annum, during the period reviewed.

"13. Excise which gives an increase over the Original Estimate of £119,400, also continues to show a progressive increase, though less rapid than Stamps. The last four years' figures have been —

Accounts.			Revised Estimate.
1898-99.	1899-1900.	1900-1901.	1901-1902.
£3,828,948	£3,859,942	£3,937,202	£4,086,500

"14. The very large increase in Customs Revenue, both as compared with the Original Estimate and with the returns of the preceding year, is one of the most satisfactory features of the results we are now considering.

The figures of the last four years have been :—

Accounts.			Revised Estimate.
1898-99.	1899-1900.	1900-1901.	1901-1902.
£3,201,441	£3,133,791	£3,371,597	£3,831,900

"I feel that the Finance Department may reasonably be called upon for some justification for having so seriously underestimated the returns from Customs, and

I have no desire to minimise the fact that this revenue was seriously underestimated last year, our Original Estimate having been only £3,188,000, whilst our Revised Estimate amounts to £3,831,900, an excess of £643,900, or approximately 20 per cent above the estimate. I hold that we have full justification for this apparently extraordinary underestimate.

"It will be seen from the figures tabulated above, that the total increase in the two years 1898-99 to 1900-1901 was only £170,156, or approximately 5·3 per cent., and further, that a comparison of the figures of the two years, 1898-99, 1899-1900, shows not only no increase, but a positive decrease of £67,650. In these circumstances, I consider that we should have had no justification for assuming any important augmentation of revenue during the current financial year; we might quite possibly have had to face a decrease, and in estimating, it is our duty to remain on the safe side.

"The fact is, however, that Customs revenue for the current year, shows an increase of some £460,000 above that of last year, and it is consequently a matter of considerable interest to examine in detail the figures contributing to this result. The Tariff heads under which the more important increases have arisen are as follows:—

HEAD.	Customs Revenue in 1900-1901.	Customs Revenue in 1901-1902 (Revised Estimate).	Increase.
	£	£	£
Cotton manufactures . . . . .	623,000	709,000	86,000
Silver . . . . .	89,000	198,000	109,000
Petroleum . . . . .	328,000	375,000	47,000
Sugar (ordinary 5 per cent duty) . . . . .	199,000	210,000	11,000
Do. (countervailing duties) . . . . .	151,000	250,000	99,000
Manufactured articles . . . . .	392,000	417,000	25,000
TOTAL . . . . .	1,782,000	2,159,000	377,000

"The above statement includes only dutiable goods, the importation of which affects the revenue; but, as further evidence of the vitality of trade, I would call attention to the fact that the value of the imports of goods under the Tariff heading, Machinery and Mill-work (exempt from duty) shows for the ten months, April 1, 1901, to January 31, 1902, an increase of approximately £476,000 over the value imported during the corresponding period in the previous year. Further, it should be noted that increased importations of cotton goods were accompanied by a revival in local manufacture, indicated by an increase of £27,700 (equal to 34 per cent) in the cotton excise returns.

"Now, cotton piece goods are purchased and used by the indigenous population, and silver (paying duty) is chiefly imported for the same class. The consumption of



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petroleum by the European population is relatively infinitesimal, and sugar also is a commodity of which they consume but a very small fraction.

"The increase of duty paid under the heads scheduled, amounts to £377,000. The additions under other heads, making up the total increase of £460,000, are relatively unimportant, individually, and call for no further remark than that the increase is sufficiently general to justify the opinion that it is not the result of fortuitous circumstances.

"15. Now, we have heard a good many arguments about the poverty or prosperity of India; but I have not seen or heard any founded on the growth or falling-off of our imports. And yet, what greater test can there be of progress or decay than the consuming and purchasing power of a people. India has this year shown clearly that its consuming and purchasing power is rapidly increasing, and when we examine the classes of articles for which this increasing demand has mainly arisen, and for which this increasing purchasing power has been found, it is evident that it is not the wants, or the contents of the pockets of the European population, that have appreciably affected the result. It must be admitted by the most sceptical, that it is the requirements and the purchasing power of the indigenous population which are practically alone responsible for the satisfactory results attained.

"We have here, then, a definite fact which cannot be explained away, and which shows that the purchasing and consuming capacity of the peoples of India, the surest sign of their material prosperity, is increasing in a marvellously satisfactory manner.

"16. The increase of £33,500 in the gross Post Office revenue, as compared with the Budget Estimate, and of £14,544, as compared with the previous year, are relatively very small, and since it must, I think, be admitted that the Post Office returns are of importance as an index of economic progress, it seems necessary to look for a reason for the relatively small progress tabulated. The reason is not far to seek. We have deliberately introduced measures affording greater facilities and advantages to the public, with the certain knowledge that these measures would entail a direct, immediate loss of revenue. I may instance the reduction of rates of inland parcel postage, which came into force last July, and which we estimated would cost some 5 lakhs per annum, and if we add, as we are entitled to do, this loss to the gain of £14,544 above indicated, we find that the normal increase of postal revenues would have been at least £40,000, or nearly 3 per cent on the returns of the previous year. No insignificant growth for twelve months.

"17. When we turn to Telegraph receipts, we are on less sure ground in forming our conclusions, for these receipts are, as I pointed out last year, particularly liable to be influenced by abnormal circumstances. In the year 1900-1901, such circumstances were specially favourable to the growth of Telegraph revenue. This year, as far as I am aware, beyond £10,000 attributed to increased communication with China, there have been no such abnormal favouring conditions, and yet our Telegraph receipts have

exceeded the Original Estimate by £55,700 and nearly approach the results of the previous specially favourable year.

" 18. The considerable increase under Mint, £515,200, is fortuitous and does not affect Indian revenues, being practically counterbalanced by a corresponding increase of expenditure under the same head. It is impossible to estimate the Mint gross receipts with any approach to accuracy, as we cannot foretell what may be our own requirements for coinage, or what we may be called upon to undertake either for Indian States, or British Colonies. In no case, however, can our revenue situation be seriously affected. The profit on coinage for Indian account, is credited, on the Expenditure side to the Gold Reserve Fund. The profit on coinage of dollars, and for Foreign Governments, is limited to seigniorage, which is of small importance.

" 19. Railways have now become one of the most important heads under Indian revenues. The many, many, years of severely criticised and continual expenditure, without visible compensation in the form of direct profits, have been survived, and the railway policy of the Government of India stands justified by results which none can gainsay. Our Revised Estimate shows gross receipts exceeding our Original Estimate by approximately £1,750,500, and shows that the latter, although taken at £331,400 in excess of the Revised Estimate for 1900-1901, then before us, was an unnecessarily cautious estimate. The figures of net profits, for the last four years, are as follows :—

Accounts.			Revised Estimate.
1898-99.	1899-1900.	1900-1901.	1901-1902.
£—620,165	£+76,756	£+325,124	£+817,700

In three years our net profits have increased by upwards of £1,430,000.

" Taking into consideration that an important part of the increase of railway revenue in 1900-1901, was apparently due to the heavy transport of food-grains for famine purposes, we dared not hope for a continuance of the satisfactory progress we were then able to note; but, notwithstanding the opening of new lines during the past year, securing at the outset but meagre traffic, we are now able to show an extraordinary excess in railway profits, of £982,500 above our estimate. Our railways are no longer a drain on our resources. Besides fulfilling their duty in increasing the price which the ryot obtains for his products, securing for him cheap food, in seasons of dearth, and cheapening the travelling expenses of the trader seeking business, and of the labourer seeking employment, they have become an important source of revenue, easing the burden of the tax-payer in meeting the ever-increasing demands attendant on social and economic progress.

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"20. The difference between the Revised and Original Estimates of revenue from Irrigation works, is an increase of £89,100, but the net revenue for the now closing financial year, is estimated at £206,100 against £235,592 in the previous year. During the past year, we have, however, added to our expenses by opening the important Jhelum canal, and the Mahiwa and Dad canals, besides various Minor Works; and in any case, the results of irrigation must not be judged only by net revenue returns. The really profitable results of irrigation can only be traced in the increased production of food-stuffs, and other crops, in districts which, without irrigation, would remain barren in all but the most favourable years. And it is to be noted that, when climatic conditions are propitious and the rainfall abundant, the demand for water for irrigation diminishes and our receipts fall off. Last year the rainfall was fortunately greater than in 1900, and we have therefore no occasion to lament the decrease in the receipts from irrigation, the only principal head of our revenues which did not show a more or less important net increase.

"21. *Military Receipts*.—The increase of receipts, under this head, amounting to £115,400, is chiefly due to payments for horses recently shipped with two cavalry regiments to South Africa, and for stores supplied to His Majesty's Government.

#### "EXPENDITURE.

"22. The total of our ordinary expenditure during the closing year, is now estimated at £70,656,800, as compared with the Original Estimate of £71,683,600. The difference shows a saving of £1,026,800. The following table shows the increase or decrease under the various account heads:—

	Increase.	Decrease.
	£	£
Direct Demands on the Revenues . . . . .	...	319,800
Interest . . . . .	...	144,100
Post Office . . . . .	...	13,400
Telegraph . . . . .	44,600	...
Mint . . . . .	431,300	...
Salaries and Expenses of Civil Departments . . . . .	...	294,800
Miscellaneous Civil Charges . . . . .	42,200	...
Famine Relief and Insurance . . . . .	...	72,400
Railway Revenue Account . . . . .	768,000	...
Irrigation . . . . .	...	36,000
Other Public Works . . . . .	...	417,300
Army Services . . . . .	...	1,006,000
Special Defence Works . . . . .	...	9,100
TOTAL . . . . .	1,286,100	2,312,900

" 23. The ' Direct Demands on the Revenues,' have not only not increased, as assumed in the Budget Estimate, but are now estimated at a figure even lower than that of the previous year, owing, in the main, to opium charges having decreased. Interest charges have been diminished by the reduction of our Indian loan from two crores to one crore, and by the fact that the issue price was fairly high. ' Post Office Charges,' are £13,400 less than the Original Estimates. ' Telegraph Charges,' are £44,600 more than the first estimate, and approximately £135,000 more than in the preceding year. The increase of £431,300 under Mint has been already explained, in dealing with this heading on the Revenue side. ' Salaries and Expenses of Civil Departments,' show a satisfactory decrease of £294,800 from the Original Estimate. Direct expenditure for famine relief, during the past year, is now estimated at £556,200, as against £674,100 originally estimated, whilst the amount spent on protective irrigation works is less by £8,400, and the sum assigned to avoidance of debt is increased by £53,900.

" 24. By far the most important increase over the Original Estimate, is that in Railway Revenue charges, amounting to £768,000. But this increase is far from being a cause for dissatisfaction, since it is the natural result of increased traffic, by the returns from which it has been handsomely compensated.

" 25. The slight decrease under Irrigation Expenditure, calls for no comment. ' Other Public Works ' show a decrease of £417,300, as compared with the Original Estimates, but variations of this nature are normal, being chiefly attributable to the necessity of providing in full, for work contemplated during the financial year, whilst, inability to complete scheduled works during the limits of the year, leads to lapses of credits and consequent diminution of expenditure.

" 26. Finally, Army Service charges show in the Revised, as compared with the Original Estimate, the very important reduction of £1,006,000. This is due in part to the continued absence of troops in South Africa and China. Had we been able within the term of the closing financial year to obtain delivery of all the ordnance stores and material required from Europe, our expenditure on this head would have been larger. "

#### " Estimates, 1902-1903.

" 27. I pass to the consideration of the Estimates for the coming financial year. It will be observed that the result shows an estimated surplus of £837,700.

" 28. The Estimates have been cautiously framed, but we all know that Indian revenues are subject to vicissitudes, connected with climatic conditions over which we have no control. It is, then, our bounden duty to frame our Estimates with extreme caution; and, if circumstances affecting our revenues prove more favourable than we have a right to assume beforehand, we must be content to be criticised on the ground that we

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have failed to show due appreciation of the general material prosperity and progress of the country.

"29. We may now turn to the detailed examination of the various items in the Budget.

## REVENUE.

"30. *Land Revenue*.—For reasons to which I shall have occasion specially to refer, we have taken the returns from Land Revenue at £679,800 less than in our Revised Estimate for the closing financial year.

"31. *Opium*.—In view of steadily falling prices and the possible consequences of political unrest in China, it does not appear advisable, in a cautious estimate, to reckon on realising a higher average price for Bengal opium, than Rs 1,100 per chest, in the coming year. This estimate involves an anticipated decrease of revenue, amounting to £675,100, as compared with the Revised Estimate for the closing year.

"32. The following statement shows a generally steady fall in prices during the past year:—

*Average sale price of Opium per chest during the financial year, 1901-1902.*

	R	a.	p.		R	a.	p.
April . . .	1,333	15	8	October . . .	1,280	3	2
May . . .	1,374	0	6	November . . .	1,268	11	3
June . . .	1,364	1	0	December . . .	1,282	8	9
July . . .	1,348	12	0	January . . .	1,235	5	7
August . . .	1,327	6	0	February . . .	1,225	0	6
September . . .	1,303	7	9	March . . .	1,220	1	0

"33. *Salt*.—The consumption of salt, though checked in some districts by distress resulting from famine, is encouraged by the gradual improvement of facilities for distribution and the diminution of transport charges, as new districts are tapped by railways. Under fairly normal conditions, we may generally reckon upon a steady small annual improvement from this most important source of revenue, but we take a cautious estimate for next year's returns at £5,973,300.

"34. *Stamps*.—The revenue under this head shows a fairly steady annual growth, but there have been occasional set-backs and it would, perhaps, be imprudent to estimate for a larger return than £3,478,100, for the coming year.

"35. *Excise*.—The returns from Excise grow under similar conditions, and we may with fair safety assume a return of £4,120,300 for the coming year.

"36. *Customs*.—We can hardly expect the extraordinary increase under this head, already noted and commented upon, to be consistently maintained, and it would seem

prudent to allow for the possibility of even some falling-off in Customs receipts next year. It must be remembered that we have no means of ascertaining with certainty whether the market is overstocked, or otherwise, with such articles as piece goods and petroleum. We accordingly take, as compared with 1901-1902, the reduced figure of £3,600,000.

" 37. *Other Principal Heads* of revenue have a generally increasing tendency which permits us to estimate for a return of £6,309,600.

" 38. *Post Office*.—The estimated increase in gross receipts, £5,400, is inconsiderable. It would have been larger had we not taken into account an anticipated loss of £16,700 of revenue, arising from a proposal, just sanctioned, to reduce the commission on money orders for sums not exceeding five rupees. This is a measure initiated by the Postal Department, in the interest of the poorer class of remitters, and I trust that it may prove a real benefit to those for whose advantage it is intended.

" 39. *Telegraph*.—Gross telegraph receipts are estimated at £58,500 less than in the previous year, and the net result, after deduction of charges, is a loss of £113,800, but the cost of the reduced tariff for foreign messages is alone responsible for a diminution in receipts estimated at upwards of £54,000.

" 40. *Mint*.—I have already explained that the figures under Mint are of no importance as regards final budgetary results. The same may be said of "*Receipts by Civil Departments*" which exhibit no important variation. "*Miscellaneous*" receipts do vary, but not to a very important extent, as regards proportion to the whole Budget, and the variations arise as a rule from purely fortuitous circumstances.

" 41. *Railways*.—For the coming year, we estimate our gross receipts from railways at £19,949,400. This is less than our revised estimate of returns during the expiring year, by £228,700. It may seem to be an overcautious estimate, but we must remember that, although there was a general satisfactory improvement, the great inflation of traffic, and of consequent revenue, was concentrated on two lines, the North Western and the Great Indian Peninsula. The increase of revenue from the former was £500,000, and from the latter nearly £400,000. We cannot hope that such abnormal improvements, accounting for approximately one-half of the total, will be continuously maintained; we have accordingly taken the North Western receipts at £300,000 and the Great Indian Peninsula at approximately £120,000, less than during the closing year. This estimated diminution is partly compensated by an estimated increase on other lines, which will be assisted by the opening to traffic of 457 miles of new railways during 1901-1902. I may mention that, included in this increase of mileage, are 165 miles of new railways in Burma. We now estimate our net railway receipts for 1902-1903 at £294,500, as compared with £817,700 in the Revised Estimate for 1901-1902.

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"The following statement shows the railway mileage open for traffic on 31st March of each of the years named :—

	1898.	1899.	1900.	1901.	1902.
Broad Gauge . . .	12,209	13,070	13,669	13,994	14,089
Metre " . . .	8,031	9,000	9,495	10,389	10,725
Narrow " . . .	315	419	507	689	715
<b>TOTAL . . .</b>	<b>21,155</b>	<b>22,489</b>	<b>23,761</b>	<b>25,072</b>	<b>25,529</b>

"The average increase during the last ten years has been about 200 miles per annum.

"42. *Irrigation*.—Gross receipts from Irrigation are estimated at £121,100 more than during the year 1901-1902. The anticipated increase is chiefly due to the development of irrigation from the Chenab canal, but the canals in the United Provinces of Agra and Oudh are also yielding larger revenues.

"In so far as the increase of irrigation revenues is due to the extension of irrigation works and the bringing of new lands under cultivation, it is a matter for congratulation, but the returns, as regards some canals, are dependent on the seasons. When rains are abundant, the demand for water for irrigation is less—when the monsoon fails it is greater, and consequently our revenues from this source are liable to fluctuations which we can neither foretell nor control.

"43. *Other Public Works and Receipts by Military Department*.—The receipts under these two heads do not call for any special remark, the variations, as compared with the Revised Estimate for 1901-1902, being relatively trifling. There is an estimated decrease of £5,700 under the former head, and of £16,000 under the latter.

#### "EXPENDITURE.

"44. *Direct Demands on the Revenue*.—The increase under this head is considerable, amounting, as compared with the Revised Estimate, to £546,000. Expenses in connection with the establishment of the new frontier province are responsible for a proportion of this increase, survey and settlement charges will be high, opium payments will be larger, and needs for administrative reforms have been recognized and accepted, at the cost of increased charges.

"45. *Interest*.—Is reduced by the annual transfer from Ordinary Debt, to Railway and Irrigation Debt. *Post Office* charges increase slightly with the development of the postal service and larger receipts. *Telegraph* charges show a similar small increase. As already explained, the variations under *Mint* are of little or no importance as regards the general result of the Budget, but I may mention that we have undertaken

the recoinage of the two issues of 1840 rupees, and we have provided for expenditure on this account.

" 46. *Salaries and Expenses of Civil Departments.*—The total increase under this head amounts to £954,800. The more important increases are under Courts of Justice, £118,300; Police, £146,500; Education, £358,500; Medical, £156,800; Political, £222,000; one of the items included under the last named head being expenditure for the Delhi Coronation Durbar. A more liberal expenditure on Justice, Police, Sanitation, and Education has become necessary and will, I am sure, be generally welcomed.

" 47. The figures for *Miscellaneous Civil Charges* show but unimportant differences as compared with those of the Revised Estimate for 1901-1902. The total of the *Famine Relief and Insurance* grant is maintained at £1,000,000.

" 48. *Railway Revenue Account.*—Charges must naturally increase with growing traffic and extension of railway mileage, but, since we anticipate in the coming year some falling-off from the abnormally increased movement of 1901-1902, we estimate for a decrease of £28,000 in working expenses. This saving is, however, more than counter-balanced by an increase in interest charges on new capital expenditure, with the final result of a net increase under 'Railways' of £294,100.

" 49. *Irrigation.*—The increase of £252,900, as compared with the Revised Estimate for 1901-1902, is partly due to heavier working expenses, and particularly, to a special grant of 25 lakhs (£166,700) for minor, village irrigation works. It is, in great part, compensated by an estimated increase in revenue, the result of extension of the system of irrigation, already referred to.

" 50. *Other Public Works.*—Show an increase of £848,400, as compared with the Revised Estimate, and include provision for many works the necessity for which will be universally recognized. It is, I believe, generally admitted, that as a result of financial stress, now happily passed, at least for the present, it has been necessary to curtail, in a most undesirable manner, expenditure on hospitals, schools, police stations, and communications, such as minor roads and bridges. I shall have occasion to return to this question.

" 51. *Army Services.*—Show an increase of £1,535,400, as compared with the closing financial year; but, as I have already explained, the expenditure in 1901-1902, partly on account of the prolonged absence of troops in China and South Africa, was considerably below our estimate. Had we been able, during the financial year 1901-1902, to obtain delivery of all stores and material, required from Europe, certain payments for articles still under supply, would have been eliminated from our present Budget Estimate of Military Expenditure.



[19TH MARCH, 1902.]

[Sir Edward Law.]

## "Summary of Budget Results.

"52. We may now consider the results of the Budget which I have presented, and I will endeavour to sum up the situation, as regards Capital Accounts and requirements during the coming year.

"53. Our estimate of Revenue and Expenditure chargeable against Revenue, closes with a surplus of £837,700. This surplus we carry forward to the second part of our Statement, dealing with Capital and Debt Transactions, and including Deposits, Remittances, and Advances.

"Our total estimate for Capital Expenditure (not chargeable to Revenue) on Railways and Irrigation, amounts to £8,151,600, of which sum, £4,893,300 is for State Railways, £2,591,600 for the account of Railway Companies, and £666,700 for Irrigation Major Works. In addition to the above, we have to find £1,458,800 for discharging Debt,—exclusive of the replacement of £4,000,000 India Bills affecting both sides of the account,—and we have also to provide for payments on account of Deposit, Remittance and other Transactions amounting to £1,094,700 including a payment, in India, of £337,400 in excess of the receipts in England on account of the Secretary of State's Bills. Thus the gross total of our Capital requirements amounts to £10,705,100.

"To meet this requirement, we have, in addition to the surplus of £837,700, a sum of £3,813,300, to be raised by Railway Companies. We further propose to increase our Permanent Debt by £2,500,000, of which 1½ crores, or £1,000,000, will be borrowed in India, and we shall also procure £543,100, by addition to the Unfunded Debt.

"These sums amount in the aggregate to £7,694,100, and the balance required to meet the total Capital Expenditure of £10,705,100, will be found by a reduction of our closing balances in India and England, by £3,011,000.

"The final result will be a closing balance on March 31, 1903, of £10,832,381, in India, and £4,050,726, in England.

"54. The present intention of the Secretary of State is to draw Bills amounting to £16,500,000 next year. This figure is omitted from both sides of the account above summarised.

"55. The anticipated surplus of £837,700 is relatively a large one, and it is fairly certain that, if we should be as fortunate in 1902-1903, as we have been in the closing year, it will be increased. It may then perhaps be asked why we have not on the present occasion proposed some reduction of taxation?

" My answer is that, apart from the vicissitudes attendant on climatic conditions which so gravely affect our fortunes, and which we must always bear in mind, we must also remember that, in some important branches, our revenue is by no means assured, whilst it is quite certain that unless we choose to risk checking most desirable moral and material progress, our expenditure must increase.

" 56. There are three main heads of revenue, Land, Opium, and Customs, which between them furnish rather more than one-third of our total resources, and, in my opinion, none of these three can with any certainty be reckoned on to increase in proportion to necessarily increasing general expenditure. We have, under consideration, very important schemes for the reform of the Police, for the improvement and extension of Education, in all its branches, including industrial and agricultural, and for Sanitary measures, and we must have money in hand to permit of these reforms being carried out. Now, notwithstanding that fresh districts are continually being brought under cultivation, by the extension of irrigation, and that, in prosperous districts, land assessments gradually advance, the land revenue as a whole, is, by the conditions under which it is levied, closely restricted, and any increase must be very slow and gradual. Opium, as I have already pointed out, is a peculiarly precarious source of revenue, and the consequences of political disturbances in China, cannot yet be foretold. They will certainly not be to our advantage. Again, our Customs Revenue is—in a direction which we may welcome,—threatened by the development of native industries supplying our wants and diminishing our importations, and, in this connection, I may specially point to the rapid increase in the production of Indian petroleum, which may gradually displace the imported article, and to the much-to-be-desired development of the sugar and cotton industries in India, which will have the same result, and further to the possible revision of the countervailing duties on sugar, as the result of the agreement arrived at by the Brussels Conference.

" 57. In view of these considerations it seems to me that we cannot at present afford to be too confident in our anticipations regarding a continuance of handsome surpluses. It is not only prudent, but necessary, to hold our hands, and to refrain from counting with too much certainty on the continuance of that financial prosperity which is a new feature in the situation. I hope, and think, that the new asset which we have realized in our railway profits, and the progress of revenues under such heads as Stamps, Excise, and Post Office will make up for any want of elasticity, or falling-off, under Land, Opium, and Customs, but twelve months hence, with the experience of another year to guide us, we shall be in a much safer position than we are to-day, to estimate the probability of a continued increase in our revenues.

[19TH MARCH, 1952.]

[Sir Edward Law.]

**"Remission of arrears of Land Revenue and Special Grants in Aid.**

"58. We have, after the most careful consideration, made what we consider to be the best use of the considerable sums at the disposal of Government. Our object has been to make sure that the bounty, which fortunate financial circumstances have enabled us to distribute, should, directly, reach the pockets of those classes most in need of assistance, or, be devoted to objects from which they must directly benefit. The earnest attention both of the Government of India, and of the Local Governments and Administrations, whom we consulted, has been given to the question of attaining the end we have in view. Fortune has given us a unique opportunity, and we have spared no pains to make the best of it.

"59. Though convinced of the leniency of the land assessment, under fairly normal conditions, we are regretfully aware that the ryot has not yet been educated up to the point of realising the full necessity of husbanding his resources in prosperous seasons, so as to be able to meet the stress of hard times. We hope, by the introduction of a system of mutual credit (an important question to which I will return) to find a gradual remedy for this evil, but meanwhile we have to deal with the situation as it exists, and we believe that no more direct benefit could be conferred on impoverished ryots, than will be directly realised from such a very substantial measure of relief from present and future burdens, as the final remission of all arrears of land assessment, in the more sorely tried districts.

"We have decided to finally remit Rs 1,98,23,000 (£1,321,500) of arrears of land assessment, in distressed districts, thereby giving the ryot time to recuperate, and courage, from the knowledge that he will not be pressed in his distress.

"The final loss to our revenues is not likely to prove as large as would at first sight appear, since, it is probable that, in the end, a portion of the arrears would prove irrecoverable, but the immediate cost to our revenues, in the coming year, will be £738,300.

"60. We have also considered the question of giving some special assistance to the agricultural community, by providing an additional grant for irrigation works. We are deeply impressed with the importance of irrigation, and as far as our resources permit, and as opportunity is found for useful expenditure on irrigation works, we are anxious to encourage their extension. It is, however, impossible to undertake, simultaneously, many considerable schemes of irrigation, and large works often take many years to plan and to complete, and their execution cannot be hurried. We have come, then, to the conclusion that the most direct and immediate benefit from an additional grant for irrigation, would be secured by its distribution in small sums, for minor works,

such as village wells, tanks, and channels, and we have accordingly sanctioned a special grant of 25 lakhs, to Local Governments, to be employed on such objects.

" This is in addition to the usual grant of one crore of rupees for larger irrigation undertakings, and to £93,000 assigned from the Famine Relief Fund for unproductive protective irrigation works. The total estimate for capital expenditure on irrigation, during the coming year, thus amounts to £927,200, a sum considerably in excess of that which has been allotted, for this purpose, in recent years.

" 61. We next resolved to endeavour, by a special money grant, to meet some of the more urgent needs for expenditure on such objects as Education, minor Public Works and Sanitation. We are painfully aware that expenditure in this direction, has, owing to financial difficulties, been sadly curtailed of late years; we are satisfied that a well-distributed grant under the heads named, will prove of direct benefit to those whom we seek to aid, and we have therefore placed at the disposal of Local Governments, 40 lakhs for expenditure on Education, 32 lakhs for Public Works, and 18 lakhs for expenditure on Medical requirements and Provincial administrative purposes.

" 62. Finally, we have decided on the abolition of the Pandhri tax in the Central Provinces, at a cost of about ₹70,000 and on the reduction of the Patwari rate in Ajmere from 10 to 6½ per cent on the Land Revenue. The Pandhri tax, since the introduction of the Income-tax, has virtually become an Income-tax on incomes below ₹500. It presses with much severity on a limited class of persons with small means, and is generally considered a hardship.

" 63. The total cost of the above measures reaches the very large sum of £1,511,200, but, we believe that the money has been distributed, where there was the greatest need for assistance, and that the results of its expenditure will be directly realised, and widely appreciated.

#### " Exchange and the Gold Reserve Fund.

" 64. The question of exchange has so constantly and necessarily occupied the thoughts of the Government of India and the general public, during so long a period, that if this year I were to omit reference to the subject, it is possible that the omission might be misunderstood. I am glad to say, however, that under present circumstances, there is no occasion for us to specially dwell on the question of exchange, and I may with satisfaction, once more repeat the statement that the object of Government, the maintenance of a stable exchange, has been realised during the past year, on the lines of policy previously laid down.

" The average rate for Council Drafts throughout the twelve months now drawing to a close is expected to be 15'991*d*. The maximum rate reached in the month of

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February 1902 was 16·054*d*. The minimum rate in the month of July 1901 was 15·905*d*. The maximum variation was, therefore, '93681 per cent.

"As regards the sale of Council Drafts, our estimated requirements for 1901-1902, were for a total remittance of £16,500,000, but we have found it possible to effect a remittance of no less than £18,539,000 without affecting the course of exchange further than is shown by the figures above quoted.

"We have, I am aware, been criticized for the relatively high rate at which Council Drafts have lately been sold. But, although there is much to be said for regulating the rate so as to avoid the importation of gold, taking the place of other, temporarily less profitable, remittances, I think that as long as importations of gold do not attain proportions directly prejudicial to the interests with which Government are charged and as long as the rate demanded for Council Drafts does not exceed that which would result from the calculation of interest at the current rates charged by the Presidency Banks, Government will act correctly in seeking to obtain a somewhat higher rate in the busy season, when our drafts are in considerable demand, than can be obtained in the slack season, when there is some difficulty in finding buyers at desirable rates. It must be remembered that, although absolute fixity of exchange is an impossibility, it is a legitimate object to obtain as nearly as possible an average rate of 16*d*. for the rupee on the aggregate of the year's transactions.

"65. In this connection, I would call attention to the practical utility of the Gold Reserve Fund, and the maintenance of a stock of gold. In the month of July 1901, we had considerable difficulty in selling our drafts, the demand being, as usual, very limited at that season. It is perfectly natural, and in accordance with business principles, that bankers and others who can afford to make remittances ahead, for the purpose of accumulating capital in India, to be used with profit during the busy months, should, as far as their immediate interests are concerned, desire to see a temporary fall in exchange at that season. It is equally the duty of Government to prevent, if possible, adverse fluctuations of the rate reaching exaggerated proportions. When we found in the month of July last, that in view of the conditions prevailing at that date, we could not sell our drafts at what we considered a suitable rate, we drew on our stock of gold and remitted £500,000 to England to meet, temporarily, the requirements of the Secretary of State. The result of this remittance realised our anticipations, by sufficiently steadying exchange during the critical period, and obviating the necessity of taking any further steps in the same direction. We can now record with satisfaction that the comparatively low rates for drafts, which we were forced to accept last summer and autumn, have been compensated by the higher rates obtained in the winter, the result having been to establish for the year the satisfactory average rate 15·991*d*. above quoted.

"66. Last year, I announced the establishment of the Gold Reserve Fund, and I stated that all profits of coinage accruing since the beginning of the then closing financial year, would be paid into that fund as soon as our resources should permit of such payments being made. We then calculated on the reimbursement of large advances to Native States and, of takavi loans made by Government, in connection with famine necessities, as a source, which, in course of time, would furnish the necessary funds wherewith to make the promised payment. I am glad to say, however, that we have been able to anticipate this payment, and that before the close of last December, the full amount due had been paid into the Gold Reserve Fund. The fund now amounts to £3,455,282, which sum according to our announced intention, to invest in gold securities, has been invested in British Consols.

#### "Coinage and Currency.

"67. During the past year our coinage operations as regards the coining of rupees have, as compared with the previous year, been limited, the amount coined to the end of February being only Rs.4,32,32,590 for Government, and Rs.52,75,010 for Native States, giving a total coinage of Rs.4,85,07,600. It is not possible to say when we may again have to coin rupees, though it seems probable that the coming year will not close without our being obliged to recommence operations.

"68. I must admit that this time last year, I was somewhat nervous in view of the very large additions we had made to our silver currency, and my anxieties were increased by a fairly general consensus of opinion among those most experienced and best qualified to pronounce on the question, that we should certainly see a considerable proportion of the assumed excessive coinage returning to the Presidency towns and creating an embarrassment which would have to be faced. As you are aware, no such difficulty has arisen. There have been no signs of a superabundance of currency in circulation, but, on the contrary, it would appear that in our previous operations we did not go beyond the requirements of the time, and that we may before very long be called upon to furnish fresh supplies of the universal circulating medium of the country.

"I will only add that, as long as we restrict ourselves to supplying evident requirements, and religiously hold coinage profits in the Gold Reserve Fund, I see no reason for any anxiety as regards the amounts which such requirements may reach. And with the development of trade and industries, the requirements for currency cannot but increase.

#### "Circulation of Currency Notes.

"69. As regards the circulation of Currency notes there is no new feature of importance to record as the result of the past year.

"70. I submit two statements:—

I.—Showing the gross circulation of paper currency for all India.

II.—The circulation, excluding amounts held by the Government Reserve Treasuries and by the Presidency Banks at their head offices.

(In lakhs of rupees.)	1898-99.	1899-1900.	1900-1901.	1901-1902 (11 months only).
STATEMENT I.	R	R	R	R
Average . . . . .	25,63	27,96	28,88	29,89
Maximum . . . . .	28,20	29,27	30,78	31,86
Minimum . . . . .	23,25	26,26	27,90	27,68
STATEMENT II.				
Average . . . . .	20,79	23,09	23,86	23,06
Maximum . . . . .	22,49	24,41	25,02	23,98
Minimum . . . . .	19,43	21,94	22,85	22,29

"It will be observed that the average circulation in Statement II, which merits the more important consideration, was a trifle below that of the preceding year.

"71. We have had under our consideration, and have been earnestly studying the question to which I referred last year, of finding some means of popularising the use of notes, and ensuring freer encashment than has hitherto been always possible.

"This question is beset with difficulties, and the divergencies of opinion recorded by the large number of Government officers, Banks, and Chambers of Commerce consulted, are truly extraordinary. These opinions were, however, all carefully studied, and when their results were summarised, the question was again considered by an informal conference, at which the most experienced Government officers were assisted in their deliberations by the valuable advice of two business experts.

"I mention these details to show that, although the year has passed without our introducing any new measure, the question has been diligently followed up, and I hope that it will not be long before a final decision may be taken.

### "The Presidency Banks.

"72. As a result of discussion commenced during the term of office of my predecessor, and since carefully pursued, the Government of India have come, somewhat reluctantly, to the conclusion that the present, at all events, is not a suitable time for the establishment of a Central Bank. The documents relating to the discussion of this question were published for general information. In these documents the ideas and opinions which guided our decision were fully set forth, and it is unnecessary for me to recapitulate them. I remain of opinion that the position of the Government of India, under present arrangements, as the Chief Banker of the country, is not one to be viewed with favour, and could any satisfactory scheme be devised by which Government might be relieved of its responsibilities in this matter, I should welcome the change.

"Having for the time, at least, disposed of the question of the foundation of a Central Bank, we have now to turn our attention to that of the conditions of the relations between Government and the Presidency Banks. We have carefully considered the statements made by the Banks regarding the disabilities under which they now work, and we hope that it may be found possible to accept some modifications in existing arrangements, in the direction of removing the more serious difficulties which the Banks have represented. As the result of correspondence between Government and the Banks, I think that the question has now been sufficiently advanced to render desirable a verbal interchange of views between the officials of the Government of India and the representatives of the Banks, and I hope that, as a result of such verbal discussion, we may arrive at reasonable and satisfactory decisions.

"73. Last year I submitted a statement showing the Government balances with the Presidency Banks during the busy months of the year. It was objected that the figures, then given, were those of the last day of each month, and it was urged that the statement of the average balances during each month would furnish a much truer view of the situation. I accepted this criticism, and now submit a statement in which the figures represent the respective averages for the months tabulated.

### "Government Balances with the Presidency Banks.

[In thousands of Rupees.]

Month.	1898.	1899.	1900.	1901.	1902.
January . . .	2,78,41	2,73,84	2,48,75	2,64,54	2,85,89
February . . .	2,74,04	2,72,31	2,56,23	2,86,73	2,97,16
March . . .	3,19,63	3,38,07	2,79,18	3,15,79	
December . . .	2,68,65	2,38,75	2,48,90	2,82,02	



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I think that these figures confirm my previous statement that the Government of India are not unmindful of the advantage to the business community of placing comparatively large balances at their disposal during the busy season.

" 74. I may add that I am most fully sensible of the importance to trade of avoiding violent fluctuations in the money market and excessive rates of interest. From one point of view, and that an important one to the mercantile community, the lower the rate of interest the better. But, we must remember that, if under present conditions, the rate of interest in this country should fall to the level of rates in Western Europe, there would be a direct check on the profitable employment of European capital in India.

" There appears to be a general consensus of opinion among competent authorities whom I have consulted, that the ordinary trade of India is not appreciably checked by the temporary advance of the rate of interest, to 8 per cent during the busy season of the year. The Presidency Banks' rate, to-day, is 8 per cent. That rate has not been exceeded since the month of June 1898, and I trust, and anticipate, that 8 per cent will come to be considered as a maximum, only likely to be exceeded in times of severe financial stress, arising from abnormal circumstances which defy control.

#### "Army Services.

" 75. As I explained last year, the lessons of the South African War cannot be neglected, and having taken them to heart, it is our duty to endeavour with such speed as our resources may permit to make good recognised deficiencies in our military position, especially in the matter of armament, material, improvement in supply and transport organisation, and accessory departments. A good deal was done in this direction in the year 1900-1901, more has been accomplished during the year now drawing to a close, but, I am sorry to say that we have not yet reached a position such that we can confine our attention and expenditure to the maintenance of a machine complete in all its parts.

" The task we have undertaken is a most serious one, and although we are fortunate in the cordial co-operation of my Honourable Military Colleague in keeping expenditure within the narrowest limits compatible with efficiency, it is impossible to avoid a heavy outlay. It must be remembered that India is defraying from revenue the cost of undertaking both re-armament and the reform of military organisation in important departments. I believe that this is an undertaking which has not been attempted by other countries, without the assistance of loans in some form, or other. Even in England, extraordinary military requirements for fortifications and barracks, have been met by loans, for short terms of years, repayable, by instalments, out of revenue. If, profiting by a period of political tranquillity, we can accomplish this task, without the raising of a

loan and the imposition of a permanent burden on future generations, I think that we shall be able to congratulate ourselves on having done that which even the richest nations of Europe have not considered it advisable to attempt.

"76. I should add, on this question, that, a certain section of our present abnormal military expenditure, namely, that for the establishment of factories in India, such as the Cordite Factory in the Nilgherries, the Gun Carriage Factory at Jubbulpore and the Small Arms Factory at Ishapore, will not only have valuable results from the military point of view, but will be of direct benefit to the people of India in lessening the cost of war material, in providing well-paid employment for labourers and artisans, and in assisting the education of the people in mechanical trades.

"The following statement shows the apportionment of special grants made for more important military requirements:—

	£
Armament and Ordnance Stores . . . . .	671,200
New Factories at Jubbulpore . . . . .	61,000
Factories at Wellington and Ishapore . . . . .	109,000
Transport Service (including purchase of animals) . . . . .	105,000

"77. In concluding my observations on military expenditure, I must refer to the somewhat unexpected demand which has now been made upon our resources for additional pay to European troops. We cannot, at present, state definitely what may be the final amount of the annual call upon our resources, necessitated by this demand. But, for the coming year, it has been estimated at £226,000; and by this sum our Military Budget is unavoidably increased.

"78. I submit below the figures showing the net military expenditure, actual and estimated, for the five years 1898-99 to 1902-1903:—

Year.		<i>Net Military Expenditure of last five years.</i>		£
1898-99 . . . . .	Accounts . . . . .			15,385,042
1899-1900 . . . . .	Ditto . . . . .			14,165,743
1900-1901 . . . . .	Ditto . . . . .			14,265,535
1901-1902 . . . . .	Revised Estimate . . . . .			15,224,100
1902-1903 . . . . .	Budget Estimate . . . . .			16,775,500

"A considerable proportion of the large increase in the estimates of the coming year, over the Revised Estimate for 1901-1902, is due to the fact that, for the coming year, we cannot reckon on the continuance of important savings arising from the absence of troops in China and South Africa.

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## "Public Works.

" 79. *Railways*.—The following figures show the comparative capital expenditure on Railways for five years :—

• 1898-99	• • • • •	£
		5,894,746
1899-1900	• • • • •	5,978,520
1900-1901	• • • • •	5,317,768
1901-1902 (Revised)	• • • • •	6,257,000
1902-1903—		
Capital expenditure on open lines	• • • • •	3,672,100
Ditto lines under construction	• • • • •	2,431,700
Ditto new lines recently commenced	• • • • •	831,600
Ditto new lines to be commenced next cold weather	• • • • •	397,900
		<u>7,333,300</u>

" As regards Railways, we have continued the policy of giving the first place to expenditure required to render existing railways efficient; the second to the completion of lines now under construction; and we have assigned the third and last place to expenditure on new projects.

" 80. The question of capital expenditure for the construction of new lines of railway, is becoming a serious one, owing to the fact that, however much we may be impressed with the necessity for opening new lines of communication, resources available for capital expenditure on railways are clearly limited. We may, from time to time, be able to contribute towards capital requirements, from extraordinary revenue surpluses, but this is not a source on which we could, or should, generally reckon. Funds for capital expenditure must as a rule be found by borrowing. We can borrow in two markets, the Indian and the English. Now, the amount of capital available, in India, for investment in Government Securities, is, to-day, very limited, and it is very doubtful whether, under present conditions, we could with safety raise loans amounting to even three crores of rupees (£2,000,000) in two or three successive years. In London, the market is equally limited from another cause. There, under normal circumstances, money seeking investment is sufficiently plentiful, but, the number of investors to whom Indian stocks are familiar is, unfortunately, extremely limited, and the moment that our necessities for funds oblige us to endeavour to attract what I may call outside investors, we are forced to lower our price of issue in a manner that not only entails direct loss, through higher charges for interest, but, also, affects the good-will of our limited clientèle of habitual investors, who, seeing the price of their stock falling, become discouraged and less ready to subscribe to future issues.

"At the same time, our requirements for capital expenditure on railways must necessarily, year by year, grow larger, if we are to continue a reasonable development of our railway system, by new construction. We cannot but congratulate ourselves on the extraordinary increase of traffic on existing railways, but this rapid development entails a corresponding increase of capital expenditure on these lines. To cope with the expansion of traffic, more rolling stock, larger stations and goods sheds, additional sidings, and signalling apparatus, and sometimes duplication of the permanent way, are imperatively required, and this cannot be provided without large capital expenditure. We have undertaken to provide for all such reasonably established requirements, and we are threatened with some day finding the whole of our capital resources absorbed in fulfilling this undertaking, and little or nothing left for new construction.

"The situation, as regards the future, is a serious one. It can only be met by extending the field which supplies our capital requirements, and many difficulties must be overcome to attain this end. The question is necessarily occupying the attention of Government, and although I do not think that any heroic remedies can be found, I trust that a practical and satisfactory solution may be discovered.

#### "Provincial Settlements.

"81. It is well known that Provincial finance is regulated by a system of periodical 'Settlements.' These Settlements are the result of discussions between the Government of India and Local Governments, whereby the normal annual expenditure, at the date of settlement, is established for each Province, and the Government of India assigns to the Provincial Governments, such proportions of Imperial Revenue as are collected in the respective Provinces, and as are estimated as sufficient to provide for accepted requirements. The assignments of revenue include both a fixed sum and a proportion of growing revenues, the latter being calculated with a view to allowing for a natural growth in expenditure being met by expanding revenue.

"82. Following the ordinary rule, the Settlements with the various Provincial Governments, which have hitherto been made for five years, stand due for revision from the 1st April 1902. It has, however, been recognised that, as the result of plague and famine, existing conditions are in large areas so abnormal, and Provincial finance, in some Provinces, has been so thrown out of equilibrium, that it would be difficult, if not impossible, at this season, to arrive at any sufficiently accurate estimate of resources and requirements, to permit of an equitable settlement being worked out upon a sure basis. It has therefore been decided to postpone the revision of Provincial Settlements for at least one year, except in the case of Burma.

"Burma has hitherto fortunately escaped from the calamities which have overtaken some other parts of India, and the progress of that rapidly developing Province has been for some time past, one of steadily increasing prosperity. In these circumstances, we

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undertook the revision of the settlement of Burma, and under the new conditions which will come into force from April 1902, we have been able to resume, for the benefit of Imperial revenues, an annual sum of £280,000. This we have been able to do without in any way compromising the future of the Province, whose revenues have been increasing so rapidly that, at the close of the current financial year, the provincial balance will stand at approximately R1,40,79,000 (£938,600) or some 129 lakhs (£860,000) in excess of the prescribed minimum balance. I should add that the Government of Burma will be at liberty during the term of the new Settlement, which has been fixed at the usual five years, to dispose of this excess balance on public works and other useful purposes.

"83. In view of the approaching general revision, we have been for some time past, carefully studying the whole question of the conditions of Provincial Settlements. I have given very great attention to the details of this question, and I find it most complicated and difficult. Nearly every Province in India is convinced that the share of revenues assigned for its needs is totally inadequate, and, moreover, many Provinces consider that they are sacrificed for the benefit of more fortunate rivals. Some are very loud in their complaints, others accept quietly what they nevertheless consider to be an unjust fate. All I can now say is that, whilst recognising that backward or abnormally distressed Provinces have especial claims for assistance which can only be given at the cost of more prosperous neighbours, the Government of India are sincerely anxious to remove all just cause of complaint, and, as far as resources may permit, to provide sufficiently for a reasonable and healthy growth of Provincial requirements.

"It is not likely that we shall be able to give universal satisfaction, but I would ask that our proposals, when matured, may be considered without prejudice, and that the claims of Imperial requirements and of necessitous neighbours be fairly admitted.

#### "Countervailing Duties.

"84. The countervailing duties on bounty-fed sugar have now been levied during a period of nearly three years. They have brought in a very handsome addition to Indian revenues, but it cannot be said that they have had any apparent, important, influence in checking importations of foreign sugar.

"The fact is that the direct bounties granted by some Foreign Governments on the export of sugar, form but a portion, and not always the larger portion, of the profits derived by sugar manufacturers from the export of their produce. In addition to the fixed direct bounty per ton paid by Foreign Governments on the exported article, arrangements have in many cases been made, and not always without the assistance of State influence, whereby Railway Companies undertake the carriage of sugar to the seaports, at rates totally out of proportion to those charged on any other class of merchandise, and Government subsidised steamers equally transport the sugar to countries across the seas, at rates of freight quite unobtainable for ordinary goods, in ordinary circumstances. And not only do foreign sugars benefit by such special concessions

as these, but, also, with the express purpose of cultivating external trade, refiners have combined to maintain the price of sugar consumed in the country of production, at such abnormally high rates, as to permit of the exported surplus being sold at considerable loss, while still maintaining a high average rate of profit on the sale of the total output.

"The question of sugar bounties, both direct and indirect, has been fully discussed at an International Conference which has just terminated its proceedings in Brussels. The result of the Conference has been an agreement which, it is said, will have an important influence in checking bounty-fostered trade, but we must examine the details of the proposals which have been adopted, before we can form any certain opinion as to their effect on Indian interests. It may be that the decisions arrived at, will, at an early date, lead us to review our present procedure in the matter of countervailing duties.

"85. I append for general information a statement of the imports of sugar similar to that given last year.

*"Imports of Sea-borne Sugar from other Countries, into British India."*

COUNTRY.	1898-99.		1899-1900.		1900-1901.		1901-1902 (Ten months).	
	Cwt.	£	Cwt.	£	Cwt.	£	Cwt.	£
<i>Refined.</i>								
United Kingdom . .	35,365	49,486	65,424	76,393	119,272	90,047	148,360	112,253
Austria-Hungary . .	1,063,737	723,226	777,821	569,188	1,321,310	1,032,493	1,595,558	1,111,848
Germany . . . .	413,971	289,209	60,526	40,703	401,980	304,826	499,705	365,899
Mauritius . . . .	1,793,607	1,237,104	1,417,115	1,020,325	2,035,156	1,543,275	1,485,511	1,057,435
Egypt . . . . .	1,261	864	6,977	5,649	34,772	26,943	79,623	54,687
Ceylon . . . . .	2,117	1,575	16,813	12,747	8,270	6,519	736	550
China-Hongkong . .	185,682	139,900	316,975	241,676	437,439	382,576	158,104	123,467
Java . . . . .	162,500	113,493	190,553	123,606	225,247	150,118	164,333	101,167
Straits Settlements . .	75,656	59,158	79,999	59,743	144,166	102,050	61,577	45,294
Other Countries . .	30,814	21,443	3,789	3,630	14,024	11,403	8,012	6,339
TOTAL . . . . .	3,764,910	2,635,488	3,935,992	2,155,660	4,841,636	3,651,850	4,201,549	2,978,939
<i>Unrefined.</i>								
Mauritius . . . .	310,504	41,636	356,231	47,898	404,370	55,364	401,373	54,085
Ceylon . . . . .	310	144	289	84	112	20	460	176
Java . . . . .	...	...	67,635	47,085	...	...	10,072	5,603
Straits Settlements . .	1,551	725	667	340	4,087	1,807	68,404	34,862
Other Countries . .	24	6	48	19	108	48	103	36
TOTAL . . . . .	312,589	42,511	424,870	95,426	408,677	57,239	480,412	94,762

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**"Famine Results.**

"86. The monsoon, last season, was in general fairly favourable, but in some large tracts, particularly in Rajputana and Gujerat, the rains were sadly insufficient for agricultural needs, and although fortunately, fodder has been fairly plentiful, the serious failure in food-crops has been a severe trial to the already impoverished population. As a result of this renewed calamity, there have naturally been further imperative calls for assistance from the Government of India. A considerable portion of the distressed area lies within territories under the rule of Indian Princes, and we have felt it to be a duty to give assistance alike to the sufferers under native rule, and to those directly under British Administration. To Native States, during the past year, we have made advances amounting to £597,400, besides accepting demands from Local Governments amounting to £556,200, of which the Bombay Presidency received £533,800. The total outlay amounted to £1,153,600. Further, as regards next year's budget, we have estimated for charges on account of direct famine relief, amounting to £423,200, which, with £93,900 assigned to the construction of protective irrigation works, £474,200 reserved for avoidance of debt, and the estimated net loss of £8,700 on the Bengal-Nagpur Railway, makes up the total charge of £1,000,000 for Famine Relief and Insurance.

"The Financial Secretary has included in his appended statement, a valuable table showing the disposal of the provision made for Famine Relief and Insurance, for twenty-five years from the date when the Account was instituted. I extract from this table the following interesting figures summarising the results since 1878-79:—

Total Revenue provided.	Expenditure on Famine Relief.	Expenditure on protective works including net charges for Indian Midland and Bengal-Nagpur Railways.	Amount applied in reduction of debt.	Total Expenditure.	Estimated balance at credit, March 31, 1903.
£25,000,000	£12,658,038	£9,399,739	£1,510,612	£23,568,389	£1,431,611

**"Mutual Credit and Agricultural Banks.**

"87. I have already referred to the question of mutual credit in India. It is most desirable to encourage habits of thrift among the peasantry, and the successful establishment of mutual credit institutions would, besides stimulating such habits, secure to all members of such institutions, resources wherewith to meet the necessities of hard times, which could never be accumulated, individually, even by the most thrifty. Such mutual credit institutions, when established in country districts, for the special benefit of agriculturists, will probably be known as Agricultural Banks.

"Government attach very great importance to the question of developing a system of credit for the benefit of the ryots and the poorer classes of the community, and, under the Viceroy's orders, a Committee assembled in Simla, last June, to consider the subject and to formulate proposals. I had the fortune to serve on that Committee, which included among its members, officials of wide experience, from nearly every important province of India, besides a specially qualified banking expert, and I can bear witness to the patience and thoroughness with which the question of mutual credit was considered and discussed in all its bearings, connected with India.

"The conclusions of the Committee were pronounced in no uncertain voice, and are generally highly favourable to the idea of establishing mutual credit institutions. They were formulated in a report which has been made public. The question is, however, of such importance, and is so dependent upon varying customs and conditions in different parts of the country, that it was considered advisable to refer the report for the opinion of all Local Governments, before taking action thereon. This reference involves considerable delay in taking definite action, but I have every hope that, at an early date, we may be favoured with the opinions of the authorities consulted, and we shall then be in a position to decide on the most suitable lines of procedure, and to take energetic steps for carrying out a well-considered programme.

#### "Economic Progress.

"88. I dealt with this question somewhat fully last year. It is impossible to record many striking facts, in each succeeding year, but the question is one of such vital importance, and one in which the Government of India is so keenly interested, that I cannot entirely pass it over on this occasion.

"89. Last year, I called attention to the extraordinary recuperative power of India, as a whole. The year now drawing to a close has, I think, more than confirmed the views which I then expressed, and which, in some quarters, were held to be too optimistic. We cannot say that the climatic conditions of the closing year were in any way specially favourable to agriculture, the mainstay of our position, but, even without specially favourable conditions for agriculture, the country, as a whole, has advanced on the path of economic progress.

"90. There can be no desire to make light of the fact that, spread over certain large areas, there is, to-day, a considerable population suffering from severe calamities, and the measures which I have noted as taken by Government to alleviate their distress, are sufficient proof of the lively sense of responsibility which we feel in the matter. But these large areas, and this considerable suffering population, are but a relatively small factor in the general economy of this extensive Empire, with its hundreds of millions of



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inhabitants, and when the general situation is considered, with a due sense of proportion, there is nothing to surprise us in the fact that the balance of movement continues to be in the direction of economic progress.

"91. I have already quoted the remarkable figures of our Customs Revenue, showing the increasing purchasing power of the mass of the community. Our latest figures show also steady improvements in the revenue from Stamps, Excise, Post Office and other Departments, whilst the great increase in Railway traffic, and the brisk trade, dependent, in great measure, on exports of produce, appear conclusive, as regards the generally satisfactory yield of the soil, in all those districts which have escaped the influence of abnormally unfavourable climatic conditions.

"92. As I stated twelve months ago, the prosperity of the agricultural population, must, from the financial, as well as from other points of view, be the deepest concern of the Government of India. There are no heroic measures which Government can usefully take for the direct assistance of agriculture and the agricultural community. We have, however, done what is possible, without stint of our resources, to improve communications for the transport of produce, to open new lands to cultivation by irrigation, to improve others by irrigation, and to alleviate the burden of land assessments where, through exceptional circumstances, it has been thought that it might temporarily press too severely; we are endeavouring to work out a system of credit for the ryot; and we are looking forward to securing gradual improvement in agricultural methods by the introduction of more scientific processes.

"An important step in this latter direction, has been taken in the appointment of a special agricultural expert as Director of Agriculture in India. But we cannot hope that a conservative peasantry will immediately accept the lessons, which, with due regard to agricultural conditions in India, we are anxious to impress upon them. We may, however, fairly anticipate that the result of the various measures above indicated, will be a gradual improvement in the material prosperity of the classes directly dependent on the land.

"93. It is with great regret that we observe that the two important industries of indigo and tea are still suffering from a serious crisis. Efforts are being made to cheapen and improve the cultivation of indigo, and, personally, I have great hopes that these efforts will be crowned with success. There is certainly in most quarters much opportunity for improvement, and the fact cannot be gainsaid that, even to-day, the better qualities of indigo obtain a ready sale at fair prices, and that some of the more favourably situated and best managed factories have earned good profits.

"94. The probability of a general revival of the indigo industry is a matter of opinion and speculation. I am, personally, strongly of opinion that such a revival is

possible, though it cannot be secured without very considerable effort. It would perhaps be out of place, in a Financial Statement, to discuss questions of detail dependent on agricultural and chemical processes, but I so fully realise the importance of sustaining the indigo interest, that I have lost no opportunity of examining the question in all its details, and my conviction is that energy and the adoption of scientific methods, should win the day for the indigo planters.

"95. As regards tea, the internal trade and the trade with Persia, in connection with which the tea interest has displayed laudable energy, are developing satisfactorily. The quantity of tea exported during the closing year, compares not unsatisfactorily with exports in past years. Good qualities of tea still command fair prices, and in favourable circumstances, some well-managed tea estates still yield good profits.

"I am, however, aware that in some competent quarters, it is feared that, the result of extension of cultivation during the last few years, will yet aggravate the evil of over-production, and that the forcing of increased supplies, on the market, will tend to still further lower prices and prejudice the position of even those estates which are successful to-day.

"I give below the figures showing the exports of Indian tea during the last two years:—

	Lbs.
1900-1901 . . . . .	190,305,490
1901-1902 (ten months) . . . . .	167,636,555

"96. The jute industry is, I am glad to say, flourishing, the cotton and rice crops have been good, and have found ready sale, and our cotton manufacturing industry has taken a turn for the better, evidenced by increasing output, disposed of, I believe, at fairly remunerative prices.

"97. I have already, in connection with Customs returns, referred to the large increase in importations of machinery and mill-work, and this increase is clearly due to a satisfactory development of manufacturing industries.

"98. The Coal business is flourishing, and the exports of coal, on the rapid development of which I commented last year, have again increased, as is shown by the figures now tabulated:—

	Quantity.	
	1900.	1901.
Coal shipped from Calcutta . . . . .	1,750,981	2,008,322
„ supplied to bunkers . . . . .	615,504	659,851
Tons . . . . .	<u>2,366,485</u>	<u>2,668,173</u>

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"99. As regards shipments of coal, the competition of coal shipped from Europe, must be borne in mind; when freights are low, as at present, this competition makes itself strongly felt. The volume of our shipments, is, therefore, to a certain extent, dependent on the very uncertain factor of freight rates from Europe. It may be hoped, however, that improvements in arrangements connected with the land transport and handling of coal, in India, will tend to lower f. o. b. prices in Calcutta, and leave a larger margin for profits on shipments.

"100. Finally, I would call attention to the increase of deposits both in the Presidency Banks and other banking establishments, and in the Postal Savings Bank Department. The figures are as follows:—

*Private deposits in the Presidency and Joint Stock Banks and in the Postal Savings Bank.*

Banks.	1898.	1899.	1900.	1901.	1902.	REMARKS.
	R	R	R	R	R	
Presidency Banks	10,74,04,337	11,20,52,495	12,75,63,249	14,72,36,481	14,75,54,729	(a) Latest figures available, taken from the balances in the first and second weeks of March 1902.
Joint Stock Banks	6,81,06,196	7,34,24,388	7,95,95,466	8,85,19,469	...	(b) No later figures than those shown are available.
Postal Savings Bank	9,28,72,978	9,42,80,041	9,64,64,466	10,04,32,569	10,69,90,569	(c) Revised estimate of the probable balance on 31st March, 1902.
<b>TOTAL</b>	<b>26,83,85,511</b>	<b>27,97,56,924</b>	<b>30,36,23,181</b>	<b>33,61,88,519</b>		

NOTE.—The figures for the Postal Savings Bank are the balances on the 31st March of each year, whilst the figures for the Presidency and Joint Stock Banks are the balances on the 31st December.

"The increase in private deposits, noted above, is a distinctly satisfactory feature in the situation.

#### "Conclusion.

"101. In conclusion, I would observe that, although we recognize, and have indicated, some cloudy spots in a generally satisfactory situation, there is much reason for confidence in the future. I would, however, strongly deprecate exaggerated optimism. The vicissitudes of fortune in a country mainly dependent on agriculture, must be borne in mind, and we must not count too certainly on the continuance of the prosperity now enjoyed by the great majority of the peoples of India. We must not allow our satisfaction over generally good results to deaden our sense of sympathy for suffering groups and classes. Equally, we must not permit a proper sense of sympathy with an afflicted minority, to distort our judgment, and prevent the recognition of much that is highly satisfactory in the material condition of the great majority of our Indian fellow-citizens."

[Sir Edward Law; Mr. Ibbetson.] [15TH MARCH, 1902.]

## CENTRAL PROVINCES PANDHARI TAX (ABOLITION) BILL.

The Hon'ble SIR EDWARD LAW moved for leave to introduce a Bill to abolish the pándharí tax heretofore levied in certain parts of the Central Provinces.

The motion was put and agreed to.

The Hon'ble SIR EDWARD LAW introduced the Bill.

The Hon'ble SIR EDWARD LAW moved that the Bill, together with the Statement of Objects and Reasons relating thereto, be published in English in the Gazette of India and in the Central Provinces Gazette.

The motion was put and agreed to.

## UNITED PROVINCES (DESIGNATION) BILL.

The Hon'ble MR. IBBETSON moved for leave to introduce a Bill to recognise and give effect to a change in the constitution and designation of the territories formerly known as the North-Western Provinces and Oudh. He said:—  
“MY LORD, in doing so, I wish to add a few words of explanation, in order to prevent any possible misunderstanding as to the object and effect of the Bill.

“It has long been recognised that the old title of the North-Western Provinces has ceased to be appropriate; and, since the creation of the North-West Frontier Province, it has become positively inconvenient. Your Lordship has therefore had under consideration a change of name, in communication with His Majesty's Secretary of State for India and with the Lieutenant-Governor.

“In making any such change, it was exceedingly desirable to perpetuate the separate entity of the province of Oudh, which has played such a prominent part in the history of India, and which possesses such a marked individuality—an individuality which is recognised in the Indian Statute-book, and in which the inhabitants of the province take a natural and a proper pride.

“For the North-Western Provinces, a new name lay ready made to Your Lordship's hand. In 1883 a law (3 & 4 Will. 4, c. 85, s. 38) was enacted by the Imperial legislature, which separated from Bengal what was substantially the North-Western Provinces as now constituted, and created it a new province under the style of the Presidency of Agra. That law has never been repealed, though its provisions shortly afterwards were, and still remain, suspended by subsequent statutes.

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"At the same time it decided to formally raise the province of Oudh from the status of a Chief Commissionership to that of a Lieutenant-Governorship. I use the word 'formally' advisedly. As long ago as 1886, the two provinces were constituted a single province under a single Lieutenant-Governor for the purposes of local legislation. And for all administrative purposes, the Chief Commissioner of Oudh is of necessity treated in practice, not as a Chief Commissioner, but as a Lieutenant-Governor. It would clearly be inconvenient to have to describe him in all official documents as 'the Lieutenant-Governor of the province of Agra and the Chief Commissioner of Oudh'; the designation of 'the United Provinces' has already obtained some currency in familiar parlance: and Your Lordship therefore has decided to combine the two provinces into a single Lieutenant-Governorship, to be henceforth known as the 'United Provinces of Agra and Oudh'.

"All this is a purely executive matter; the change will be effected by a Proclamation issued by His Excellency the Viceroy and Governor General of India in Council, with the sanction of His Majesty the King-Emperor; no legislative ratification or sanction is required; and this Council, as such, has no concern with it. I have thought it well, however, to set forth the precise nature of the change thus fully, in order that the reasons for the legislation which I am now proposing may be clearly apprehended.

"The Bill which I am about, with the permission of the Council, to introduce, is purely declaratory and explanatory. It declares (in order to prevent technical objections which might be raised hereafter) that the United Provinces of Agra and Oudh are the same thing as the North-Western Provinces and Oudh, that the Lieutenant-Governor of the former is the same person as the Lieutenant-Governor and Chief Commissioner of the latter, and that all enactments and statutory orders are to be construed accordingly. Neither the Proclamation nor the Bill will in any way affect the operation of any special law relating to Oudh, or the separate jurisdiction of the Judicial Commissioner of that province."

The motion was put and agreed to.

The Hon'ble MR. IBBETSON introduced the Bill.

The Hon'ble MR. IBBETSON moved that the Bill, together with the Statement of Objects and Reasons relating thereto, be published in English in the Gazette of India, and in the North-Western Provinces and Oudh Government Gazette in English and in such other languages as the Local Government

thinks fit. He said :—" My Lord, I do not think that it is necessary to refer it to a Select Committee ; and I propose, next Wednesday, to ask the Council to take it into consideration and to pass it into law."

The motion was put and agreed to.

#### INDIAN EMIGRATION BILL.

The Hon'ble MR. IBBETSON moved for leave to introduce a Bill further to amend the Indian Emigration Act, 1883. He said :—" My Lord, during the past few years several cases have occurred in which natives of India have been taken to England, the Continent of Europe, or the Colonies, in connection with public entertainments or for other similar purposes, and there abandoned in a state of such destitution that it has been found necessary to repatriate them at the public expense. The elaborate provisions and restrictions to which the emigration of coolie-labour to countries beyond the sea is subjected by the Emigration Act are clearly unsuitable to such people. At the same time, it is no less clearly desirable to prevent the repetition of occurrences such as I have described ; and the main object of this Bill is to afford the necessary protection to the persons concerned, in a simple but effectual manner. It is impossible to lay down any hard and fast rules for cases of which no two are alike ; and the Bill provides that the Local Government must be satisfied in each case that proper protection is secured.

" It has always been somewhat doubtful whether the provisions of the Emigration Act, which are confined to those who ' labour for hire ' do or do not apply to artisans and handicraftsmen. Somewhat similar cases to those already described have shown that these people also are in need of protection when taken abroad ; and it has for some years past been held that the word ' labour ' includes all kinds of manual labour, whether skilled or unskilled. It is obvious, however, that the simpler and more elastic provisions which it is now proposed to add to the law are more suitable to the class of skilled workmen than are the general provisions of the Act ; and artisans have therefore been included among the classes to which the provisions of the new chapter will apply. At the same time, a small alteration of section 6 of the Act is proposed, so as to make it clear that its general provisions apply to unskilled labour only."

The motion was put and agreed to.

The Hon'ble MR. IBBETSON introduced the Bill.

The Hon'ble MR. IBBETSON moved that the Bill, together with the Statement of Objects and Reasons relating thereto, be published in English in the

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Gazette of India, and in the local official Gazettes in English and in such other languages as the Local Governments think fit.

The motion was put and agreed to.

His Excellency THE PRESIDENT said:—"The Council stands adjourned to this day week, the 26th instant. On that occasion we shall take the Budget discussion, and perhaps some Hon'ble Members may see fit to adopt the practice, which has been followed with so much success during the past two years, and which has resulted in such an economy of our time, of laying on the table such portions of their speeches as may be of a technical character, or as may not call for immediate notice in the Budget Debate itself."

H. W. C. CARNDUFF,

CALCUTTA:  
The 21st March, 1902.

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*Offg. Secretary to the Government of India,  
Legislative Department.*