

*Friday,  
27th March, 1907*

**ABSTRACT OF THE PROCEEDINGS**

**OF THE**

**Council of the Governor General of India,**

**LAWS AND REGULATIONS**

**Vol. XLVI**

**April 1907 - March 1908**

ABSTRACT OF PROCEEDING  
OF  
THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA

ASSEMBLED FOR THE PURPOSE OF MAKING

LAWS AND REGULATIONS,

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VOLUME XLVI



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*Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Indian Councils Acts, 1861 and 1892 (24 & 25 Vict., c. 67, and 55 & 56 Vict., c. 14).*

The Council met at Government House, Calcutta, on Friday, the 27th March, 1908.

PRESENT :

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

His Honour Sir Andrew Fraser, K.C.S.I., Lieutenant-Governor of Bengal.

His Excellency General Viscount Kitchener of Khartoum, G.C.B., O.M., G.C.M.G., G.C.I.E., Commander-in-Chief in India.

The Hon'ble Mr. H. Erle Richards, K.C.

The Hon'ble Mr. E. N. Baker, C.S.I.

The Hon'ble Major-General C. H. Scott, C.B., R.A.

The Hon'ble Sir Harvey Adamson, Kt., C.S.I.

The Hon'ble Mr. J. O. Miller, C.S.I.

The Hon'ble Mr. W. L. Harvey, C.I.E.

The Hon'ble Sir Rameshwara Singh, K.C.I.E., Maharaja Bahadur of Darbhanga.

The Hon'ble Munshi Madho Lal.

The Hon'ble Mr. Gangadhar Rao Madhav Chitnavis, C.I.E.

The Hon'ble Mr. H. W. W. Reynolds.

The Hon'ble Mr. H. A. Sim, C.I.E.

The Hon'ble Tikka Sahib Ripudaman Singh of Nabha.

The Hon'ble Dr. Rashbehary Ghose, C.I.E., D.L.

The Hon'ble Mr. Gopal Krishna Gokhale, C.I.E.

The Hon'ble Mr. A. A. Apcar, C.S.I.

The Hon'ble Mr. S. Ismay, C.S.I.

The Hon'ble Maung Bah Too, K.S.M.

The Hon'ble Mr. W. W. Drew.

The Hon'ble Nawab Saiyid Muhammad Sahib Bahadur.

The Hon'ble Mr. W. R. H. Merk, C.S.I.

The Hon'ble NAWAB SAIYID MUHAMMAD SAHIB BAHADUR asked :—

“Is Government aware that as a consequence of the failure of Messrs. Arbutnot & Co., in Madras, many Government servants, who could not invest money in lands, lost all their savings?”

[*Nawab Saiyid Muhammad Sahib Bahadur ; Sir [27TH MARCH, 1908.]  
Harvey Adamson ; Mr. Chitnavis ; Mr Harvey ; Mr Miller.*]

"In view of the suffering caused by the said failure, will the Government be pleased to amend the Rules for the conduct of Government servants by omitting the words 'or subordinate' in paragraph 3 of rule 9 and to cancel paragraph 4 of the said rule?"

The Hon'ble SIR HARVEY ADAMSON replied:—

"Government are aware that the failure of Messrs. Arbutnot & Co. caused heavy losses to members of all classes of the community who had dealings with that firm.

"The question whether the rules should be revised is under consideration."

The Hon'ble MR. CHITNAVIS asked:—

"Is the Government aware that Japan supports its industries by a system of bounties, and that in consequence of such support, cotton goods, especially hosiery, made in Japan have an advantage over goods made in India in the market here? Is the Government further aware that the large hosiery department of the Bomanji Patel Mills of Bombay has had to be closed on account of Japan underselling her goods in India? Will Government be pleased to take such steps in the matter as will protect Indian industries from competition of this nature and equalise trade conditions?"

The Hon'ble MR. HARVEY replied:—

"Government have no definite information regarding the first and second parts of the question, but they will make enquiries and communicate such information as may be available. Until they know the facts of the case they are unable to say whether it will be possible to take any action."

The Hon'ble MR. CHITNAVIS asked:—

"Is the Government aware that prices of plough-cattle have risen abnormally all over the country during the past few years? In view of the paramount importance of the sufficiency of cattle in an agricultural country like India, will Government be pleased to inquire into the causes of the rise, and to take adequate steps for the improvement of the stock, and thereby to remove the anxiety of the agricultural population in this respect?"

The Hon'ble MR. MILLER replied:—

"The latest statistics available do not show that the price of plough-cattle has risen over the whole of India, but it has undoubtedly risen over a

[17TH MARCH, 1908.] [Mr. Miller ; Nawab Saiyid Muhammad Sahib Bahadur.]

great part of the country and frequently to a very great extent. The Government of India fully recognise the paramount importance of cattle to the agriculture of the country and have on that account given much attention to the development of the Civil Veterinary Department, which has already been able to do much good work in the prevention of disease. They have also made special arrangements on the occasion of droughts to prevent mortality amongst cattle from failure of the fodder supply. In 1906 the Government of India placed before Local Governments, a scheme for making a complete cattle survey of India with a view to the improvement of the stock, and the proposals have in most cases been accepted in principle though their prosecution is impeded by the want of a sufficiently strong and well trained staff. The Government of India must leave it to Local Governments to carry out this enquiry. They do not consider that any separate enquiry is necessary."

The Hon'ble NAWAB SAIYID MUHAMMAD SAHIB BAHADUR said :—" My Lord, the principal feature of the Financial Statement presented to this Council is an attempt to grapple with the famine which has unfortunately appeared in the country. The disaster is not so great as in 1896 and 1899, but still it is sufficiently serious and extensive to give rise to considerable anxiety and to necessitate large suspensions of revenue. The experience of previous famines has been utilised to adopt early and effective measures to afford relief and to help the agricultural classes to resist the terrible affliction that has befallen them. The tract most seriously affected is the United Provinces, and the Government of Sir John Hewett is to be warmly congratulated on the prompt and energetic measures taken to prevent suffering and distress, and the takavi advances have been more liberal than in the previous two famines. I am glad that the Hon'ble the Finance Minister recognises the energy and determination with which the people have themselves faced the calamity. Not only so, but the patience and resignation with which they submit to suffering and distress are worthy of all admiration. Taking the most hopeful view of the situation and noting the fact that the more painful conditions associated with the prevalence of distress are absent, the position is still very grave, and it will be very creditable to the Administration if loss of life in areas where the distress is acute, is averted.

"I gratefully recognise the measures that have been taken to relieve suffering and to help the people to tide over the calamity, but I regret that the Statement makes no mention of what has been done to save agricultural cattle, which are so essential to cultivation. It may happen that the

[*Nawab Saiyid Muhammad Sahib Bahadur.*] [27TH MARCH, 1908.]

agriculturist who is helped or relieved by the State may lose his cattle and in the next sowing season may not have the wherewithal to buy fresh animals. One way of preserving cattle to a certain extent when fodder becomes scarce is to relax the rules that regulate grazing in the forest reserves as far as may be possible, consistently with silvicultural interests. I believe something in this direction has been done by the Local Governments concerned, but the departmental rules are far too rigid and enforced with little regard to agricultural interests. The Madras Government in reviewing the last report of the Forest Department deprecates the attempt to estimate the quality of the work in different districts by the percentage of convictions obtained. It is to be feared that this is the standard of efficiency everywhere. I would, therefore, suggest that just as revenue is suspended or remitted and takavi advances given to help the agricultural population, so should the forest-rules be suspended when fodder is scarce and the utmost latitude allowed for cattle-grazing.

“ My Lord, these are but palliatives. The permanent causes of poverty and economic indigence of the people remain, and challenge scrutiny. If I may adopt one of Lord Curzon's phrases, it is a baffling, without being a hoary, enigma. But I cannot believe, my Lord, that the Government is unable to solve this problem of recurring famine and perpetual indigence. The position has become acuter of late years, in consequence of the depreciated purchasing power of the rupee. I do not know whether grain compensation allowance is destined to play as demoralising a part in Indian finance at the present day as falling exchange did in the nineties of the last century. However that may be, the fact remains that the Hon'ble the Finance Minister is faced with a situation that his predecessors in 1896 and 1899 had not to face, namely, the rise in prices, which indicates a position worse than that of periodical famine, in that it is normal and ever present, and which the Imperial and all Provincial Governments recognise, casts on them a new responsibility with respect to a numerous class of public servants. As against the perfection of the machinery which the Government is in a position to set working against purely famine conditions, we have this disturbing element of normal high prices. I trust that this aspect of the matter has not been lost sight of by the Hon'ble the Finance Minister.

“ It is a point worth considering in this connection whether the Government of India can afford to remain indifferent to schemes of permanent utility and promotion of material prosperity of the people. The Government of India has not yet formulated a scheme of technical education that would provide sufficient scope for the employment of the artisan classes. The great principle, my Lord,

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upon which I take leave to lay special emphasis is this, that simultaneously with the initiation of measures of agricultural education and experiment, Government (no matter whether through Imperial, Provincial or local agency) should undertake a no less intensive than extensive scheme of technical education, My Lord, the attempts made in this direction have been local in their origin, spasmodic in their working and inadequate in their results. I venture to think that the necessities of the situation call for an entire reversal of the policy which has hitherto found favour with the Government. Progress of a sort is being made in different provinces, but its superior financial position enables or ought to enable the Government of India not only to lead and direct local activities but also co-ordinate local efforts. While certain provinces have progressed more than others in the matter of preparation and preliminary work, others have lagged behind; so much so, my Lord, that provincial advance has run on somewhat indifferent lines. Even in the case of more advanced of the provinces in the matter of industrial education, it is open to question whether their individual progress is not retarded by the Imperial *vis inertia*. Therefore, my Lord, it seems to me highly important that a scheme should be matured, which, while stimulating provincial activities, would at the same time co-ordinate industrial effort so as to promote the best interests of industrial progress.

“In view of the present financial position, I am not disposed to dwell upon the absence of any provision for the advancement of primary education, but it is not too much to hope that the Imperial Government’s circular letter to the Local Governments will result in a large and beneficent scheme of primary education being adopted in the near future.

“My Lord, closely allied with the progress of whatever schemes of primary or technical education, or indeed of famine relief, legislative improvement or constitutional change is the need of large measures for the improvement of public health. While welcoming the small grant which Government has made for sanitary improvement, I trust I shall not be deemed ungrateful if I say that 30 lakhs of rupees seems utterly inadequate for the needs of the country. I welcome it, however, as an example of Government’s good intentions. I hope also that the new departure in Imperial policy will stimulate the liberality of Provincial Governments in future if not at present. The condition attached to the Imperial assignment of 30 lakhs of rupees implies that the Imperial Government is disposed to view the execution of sanitary measures for the prevention of plague as even more important than for other purposes. There are parts of the country in which malaria and fevers are causing a greater loss of life than plague, and in which the execution of large water-supply and drainage schemes

[*Nawab Sa'iyid Muhammad Sahib Bahadur ; Maung Bah Too.*] [27TH MARCH, 1908.]

are imperatively called for. I hope the condition attached to the assignment will be liberally interpreted so as to permit the utilisation of the grant according to the special needs and circumstances of the different provinces..

“Speaking from a purely financial point of view, I am constrained to repeat my observations at the last Budget debate with reference to the subject of reduction of expenditure. As I said last year, the need for judicious economy in expenditure is becoming greater year after year. I fail to see any well-directed effort to promote retrenchment, whilst on all sides the tendency is to increase expenditure.

“Considering the heavy call on the resources of the Government and the temporary or permanent abandonment of a large portion of revenue, it is not to be wondered at that the Hon'ble the Finance Minister is not in a position to announce any remission of taxation or any expensive scheme of administrative improvement; rather is he to be sympathised with in his efforts to maintain a state of financial equilibrium.

“Nothing can be more emphatic proof that the former rate of duty on salt pressed heavily upon the people than the remarkable increase in consumption since the reduction of the duty. The Hon'ble the Finance Minister is of opinion that even with a great increase in consumption the former revenue from salt is not likely to be realised, but the money has been well lost and the sacrifice has been made in the true interests of the people. In the interesting statement that he makes to show that even in European countries the State derives a revenue from salt, and the system is not confined to India, the Hon'ble Member, I may say, has omitted to mention the comparative incidence of consumption per head of population in those countries and India. That would have been more instructive and would have enabled us to judge whether the people of India even now get a fair share of salt in ordinary times.

“The contraction in the opium revenue, already foreshadowed, has actually commenced in the present Statement, and the probability is that with the co-operation of the Chinese Government the opium habit among the Chinese people will gradually become extinct. The surrender of revenue on the part of the Government of India will be large, but not sudden, and there will be ample time to readjust the resources and expenditure so as to eliminate the revenue from opium. In the Hon'ble the Finance Minister's words, this money also will be well lost and will have the sanction of the highest morality.”

The Hon'ble MAUNG BAH TOO said :—“My Lord, on behalf of the people of Durma, I must acknowledge with gratitude the annual grant of three lakhs



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from Imperial to Provincial funds for sanitary measures in large towns. The contribution is most acceptable and can be used to great advantage. The need of assistance to municipal and town funds in carrying out schemes of water-supply and drainage has long been recognised. The help now afforded will enable Government to grant substantial assistance towards these objects.

“ I welcome the opportunity of making a few remarks on matters connected with the interests of the Province which I have the honour to represent. When the Budget of 1907-1908 was under discussion, my predecessor, Mr. Hall, commented on the terms of the settlement recently made by the Government of India for the distribution of the revenues and expenditure of Burma between Imperial and Provincial funds. He represented that sufficiently liberal terms had not been accorded and that sufficient provision had not been made for the expansion of that young and vigorous Province. Your Excellency has recently visited Burma and you have seen with your own eyes its needs and capabilities. The people of Burma welcomed Your Excellency with loyalty and enthusiasm; and, speaking on behalf of the people of Burma, I can say that their enthusiasm was genuine and uninspired and that they regard Your Excellency's visit as a great event in their history. I venture therefore to ask for Your Excellency's sympathy with my plea.

“ As was foreseen and represented by the local authorities, the allotment for public works in the new settlement is entirely insufficient. Prices of labour and material are very high; and, as Your Excellency has seen, the Province is exceedingly ill-equipped with roads and buildings. The backward state of communications is a standing reproach. The needs of the Province are many and it is impossible to expect the revenue to go on increasing by leaps and bounds. An unfavourable season, such as that of the current year, in parts of Upper Burma, sets back the growth of revenue and reduces the Provincial finances to a serious state. Of one great item of revenue, the export duty on rice, which, by the way is not levied on rice exports to other parts of India, the Province gets no share. All of it goes to Imperial revenues. There are no accumulated balances on which to draw. The Budget of the coming year provides only for the exact minimum closing balance; and I am informed that the Budget of the Public Works Department provides nothing for new works. The whole of the funds available will be absorbed by repairs and maintenance and works in progress. In these circumstances, I venture to ask the Hon'ble the Finance Member to consider the possibility and expediency of making a further substantial annual contribution from Imperial Funds to the Province of Burma to meet absolutely necessary expenditure.

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"I desire also to urge most strongly the claims of the Province to a substantial allotment for railways. At the present time, the only railway line in progress is that from Henzada to Kyangin, and, owing to lack of funds, its progress is slow indeed. Yet there are many projects which should be carried out at an early date. There is the all-important line to the Southern Shan States; there are lines in the Delta of the Irrawaddy; there is a line from Akyab to Chittagong with eventual connection between India and Burma. These are the most important among many proposed railways. I trust that in the distribution of available funds Burma will not be overlooked, but that a substantial allotment may be made for new lines and that at least one important work, preferably the Southern Shan States line, may be begun next open season.

"In conclusion, I beg to say that Burma yields to no Province of the Empire in loyalty to the British Crown and in appreciation of the benefits of settled Government. She has a special claim to the consideration, care and sympathy of her rulers."

The Hon'ble MR. APCAR said :—" My Lord, as regards Railways and Railway Finances, I have to congratulate the Hon'ble Member on the fact that he was able after all to provide 15 crores for Railway Capital Expenditure during 1907-1908 and on his having provided for a 15-crore programme for 1908-1909. At the same time it is to be regretted that there should have been any question as to whether this amount of money would be provided or not. The uncertainty as to what funds will be available for each Railway over a series of years must greatly increase the difficulty of the Railway Administrations in providing adequate facilities to meet the expansion of trade and must also prevent the best use being made of the money. The inability of open lines to deal with the traffic which some years ago was expanding rapidly and which is still expanding, and which I believe will continue to expand at an equal, if not greater, ratio, is largely due to the short-sighted policy of the past. That the Railway Board have now seen their way to provide for expenditure on open lines to the extent of 60½ lakhs and also a sum for rolling-stock to an extent of 57½ lakhs is satisfactory. I only hope that these sums are sufficient, but I fear they are not, for there is still a very great amount of lee way to be caught up on account of the policy which existed during previous years. With a rapidly increasing trade, works designed as sufficient for what is called the immediate future are often already almost insufficient as soon as the works are completed. I have said I believe that it is the mistaken policy in the early years of this century, when the demands of the Railway Administrations for open line works were

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criticised and cut down to meet immediate requirements, which is accountable for the difficulties which are now experienced in dealing with the present traffic. Although I rejoice to see that the 15-crore programme is to be worked to for 1908-1909, I believe that it is extremely doubtful whether a 15-crore programme is sufficient and whether we do not now require for the Railway works in India a 20-crore or even a larger programme.

“ With reference to the Revenue Accounts, although these accounts have not shown such a large surplus during 1907-1908 as was anticipated, yet there is a satisfactory surplus and the Railway property of the Government of India is a most valuable asset. During the coming year the nett receipts are estimated at a slightly larger figure than during the past or present year. It is evident that gross receipts are steadily increasing, and though there is a tendency for working expenses to increase at a faster ratio than the receipts, this is not to be wondered at, since in addition to the Capital Charges a considerable proportion of the expenditure necessary to bring the existing lines up to a standard to meet increased traffic is charged to Revenue Working Expenses. The satisfactory movement in recent years towards lowering rates and fares must also be taken into account. We have seen reduced fares introduced on the East Indian Railway and other Railways, extra concession given for week-end tickets and other holidays. We have also recently seen large reductions in rates specially in connection with long distance coal traffic. With the reduced rates and freight charges which are developing the resources of the country and a heavy revenue expenditure in improving the facilities on open lines and with the largely increased price of coal, I consider that the increase in the ratio of working expenses to receipts is not surprising and is only what may be expected.

“ I greatly regret that Sir James Mackay's Committee were unable to visit India and consult personally with the Chambers of Commerce regarding Railway Finances and other matters. I believe, however, that most Chambers of Commerce in India have reported in favour of the separation of the Railway Finances from the General Finances of India, so that the funds necessary for Railway development may be raised to a greater extent than formerly on the security of the Railway property. Sundry suggestions have been made that the Railways should all be worked by the State, but I believe such views are only held by a small section of the public and that the general opinion would be that, as Government in the past have been unable to supply funds to the extent which our Railways have undoubtedly required, the working of the Railways by Companies should be further extended and that such Companies should be

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granted facilities to raise funds for the development of their lines as required from time to time.

“ In my remarks last year on the Budget I referred to the fact that two engineering firms in Calcutta had recently put down wagon-constructing plant, and I urged that every encouragement should be given to them to extend their works, especially as a large percentage of the expenditure on rolling-stock is for labour, which sum might very well be expended in the country. I regret to learn that these works have not at present got sufficient orders and that they may have to reduce their establishment. I hope that steps will be taken to obviate this and to ensure that a steady flow of works should be given to those who by their enterprise have started wagon works in India.

“ I would desire to refer to the question of the construction of new lines. This I thoroughly agree must be subservient to the requirements of existing lines, and the Railway Board with the limited resources at their command have undoubtedly acted wisely in fixing the allotment for new lines at a very small figure. The necessity for this is to be regretted, and in the interests of India as a whole and in the interests of trade I would have been glad to see a very much larger allotment had funds permitted of it. However small the sums available for new lines, I consider that the Sara Bridge Project should have found a place in the allotment for new works. The commercial community of Calcutta consider that this is the most urgent undertaking and cannot but look with amazement on the fact that this project, which has been urged by the Chamber of Commerce and the Calcutta community for years, has not yet received sanction of Government. So much has on former occasions been said as to the necessity for this urgent work, and seeing that the Commission appointed to report on it most strongly advised more than a year ago that the work should be undertaken without delay, that it is a matter of great surprise that even with the small sums available for new construction a grant should not have been given for the Sara Bridge.

“ The necessity put forward for starting the Nagpur-Itarsi is on account of famine conditions. Still I consider that this line, which is estimated to cost 410 lakhs, might well have waited till the completion of the Sara Bridge Project.

“ As regards the allotment for a short line of 44 miles to serve Messrs. Tata's Iron and Steel Works, I believe that the construction of this work must be undertaken at once to comply with an undertaking given that a branch line to the Iron Ore deposits would be made by the Bengal-Nagpur Railway as

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soon as the Capital required by the Tata Iron and Steel Works for the construction of the works had been subscribed.

“ The establishment in India of large iron and steel works with capital raised in this country is in the best interests of India, and the enterprise should receive every reasonable encouragement.

“ Another matter that is in the nature of hope long deferred is the Calcutta Improvement Scheme. My Lord, what am I to say about this that I have not said before, both here and in other places? The state of Calcutta and the necessity for improvement have been before the Government for the last quarter of a century. Ten years ago a Medical Board was appointed for the purpose of checking the spread of the plague.

‘ In exercise of the powers then delegated to them, the Board deputed six Medical Officers to make a sanitary survey of the town and suburbs of Calcutta with reference to certain points indicated for enquiry. The reports of these officers disclosed an appalling state of things; but I do not propose to drag the Council through all this mire. I will merely read a summary which omits the detailed horrors of the reports:—

- (i) *Overcrowded and badly built houses.*—In many parts of the town and suburbs they found that both *pakka* houses and bustee huts were dangerously overcrowded, and were built in a manner which rendered proper ventilation and efficient conservancy almost impossible.
- (ii) *Defects of public latrines.*—The public latrines and urinals were in many cases faulty in construction; they were imperfectly cleaned and their number was insufficient to justify even a limited application of the penal provisions of the law in regard to nuisances.
- (iii) *Defects of private latrines.*—The private latrines were in many cases so constructed that they could not be properly cleaned, nor could the Conservancy Officers get access to them; and consequently many of them were choked with accumulations of filth.
- (iv) *State of house-drains and down-pipes.*—The house-drains and down-pipes were in many cases broken, choked, and out of repair.
- (v) *State of surface-drains.*—The surface-drains were blocked with foul matter, latrines were allowed to discharge into them, and the drains themselves were often used as latrines.
- (vi) *Neglect of road-scavenging.*—The scavenging of the roads was imperfectly carried out, the staff was inadequate for the work, and the subsoil had become dangerously polluted.

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- (vii) *State of compounds and courtyards.*—The condition of the compounds and courtyards of houses was in many cases extremely filthy.
- (viii) *Pollution of wells.*—Wells in courtyards were contaminated by the percolation of sewage impurities from the soil.
- (ix) *State of cowsheds and stables.*—Cowsheds and stables were situated in thickly populated places, their construction was faulty, they were greatly overcrowded, and their flooring was soaked with sewage which polluted the wells on the premises.
- (x) *State of hackney carriage stands.*—The number of hackney carriage stands was wholly insufficient to meet the current requirements of the town, and they were imperfectly flushed and cleansed.
- (xi) *Condition of bustees.*—Most bustees were badly drained and imperfectly ventilated, the huts were too close together, the latrine arrangements led to the pollution of the soil, the roads and lanes were too narrow, and conservancy was imperfectly carried out.

‘On these reports the Chamber of Commerce observed in a letter signed by the late Mr. Clarke :—

“No one can rise from even a cursory perusal of these reports without having the conviction forced upon the mind that there exist in Calcutta conditions of insanitation which constitute a permanent and standing threat against the health of the inhabitants and the prosperity of the city. This would be sufficiently serious if it concerned Calcutta alone, but the Committee cannot blind themselves to the position which Calcutta occupies with respect to the rest of the province and to India generally. It is in a special sense the point to which all classes throughout the country are attracted, and from which they are dispersed over immense areas, either in the pursuit of business, or in obedience to the impulses of religion. Further, the enormous and widely distributed trade of the city makes the health of the inhabitants a matter of constant interest over almost the whole of the world. When viewed in this manner, the state of the city, as disclosed by the Report of the Medical Boards, calls for more than the attention of the Municipal Commission entrusted with the ordinary care of the City; it is a matter which concerns not only the Government of Bengal, but the Supreme Government, and it is sure, the Committee think, to attract very special attention in England, as well as in other countries.”

‘The description given by the Sanitary Officers of the condition of parts of Calcutta was borne out by the personal observation of the members of the Board, all of whom, with the exception of the native member, who was in bad health, visited the streets and houses, the conservancy of which had been most conspicuously neglected. The reports were also confirmed in the fullest detail and supplemented in innumerable similar instances by the reports and evidence of Dr. Banks, who had large experience of practical sanitation as Civil Medical Officer of Puri, and was for this reason selected by the Lieutenant-Governor for the post of the Chief Superintendent of Conservancy in Calcutta, a temporary appointment, the Chamber observed, sanctioned by the Commissioners early in October, 1896.

“These evils are no new things in Calcutta. They had for the most part been discovered, although not so fully set forth, by Mr. Beverley’s Commission in 1884. But

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they are a far greater danger to the town now than they were then. For in the meantime the relations of Calcutta to the commercial world at large have been drawn materially closer, and the sanitary condition of the City attracts and promises to continue to attract the critical attention of foreign nations to a large and increasing extent. This is due to two causes the great extension of communications which has taken place throughout the world, and which, as Bombay, the Punjab and the North-Western Provinces now know only too well, facilitates the conveyance of infectious diseases from one country to another, and the growth of the science of bacteriology, which traces disease to microscopic organisms and seeks to ascertain the conditions which govern the development of these organisms and their transmission from place to place. It follows further that as the interests threatened are in the first instance those of the foreign trade, not of Calcutta only, but of the whole of Northern India and Assam, the time has come for the representatives of the commercial community to take an active part in the administration of the City. I say in the first instance advisedly, for there is no interest in Calcutta that must not stand or fall with the commerce of the town. Commerce has made Calcutta: when commerce deserts it, house-property will dwindle in value, lawyers will lose their clients, schools their pupils, and Calcutta will become a city of the dead."

"These were Sir Herbert Risley's remarks in the Bengal Council on the 19th March 1898. My Lord, I can add nothing to them. The state of things then disclosed has remained the same for ten long years. I would ask how much longer is this to continue and how much longer are we to have the stereotyped reply of the Home Member that 'there is every prospect of the scheme for the improvement of Calcutta soon coming to a successful issue.' These were the words used by the Hon'ble the Home Member exactly twelve months ago. May I ask if the word 'soon' is understood by Government to mean something different to the ordinary acceptation of the word?"

The Hon'ble Mr. GOKHALE said:—"My Lord, I confess it was with a sense akin to relief that I read the opening paragraphs of the Statement which the Hon'ble Member has laid before the Council this year. Direct expenditure on famine relief is a fair test of the extent and intensity of a famine. And judged by this test, the calamity that has overtaken the country again this year, though undoubtedly very great, is still not so appalling as the famines of 1877 or 1897 or 1900. The famine of 1877 cost the State for purposes of direct relief a sum of  $7\frac{1}{2}$  crores of rupees; that of 1897 also cost nearly  $7\frac{1}{2}$  crores; while in 1900 the amount expended exceeded  $9\frac{1}{2}$  crores. Compared with these figures, one feels thankful that this year's famine will not require more than two crores for direct relief. Of course this is on the assumption that the next rainfall will be normal, and for the present one can only hope that it will be normal. Meanwhile it is a pleasure to acknowledge the manner in which the

[Mr. Gokhale.]

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Government is endeavouring to meet the distress everywhere. By far the largest area affected is in the United Provinces, and these Provinces are fortunate in their present ruler. I am sure Sir John Hewett's famine administration will be remembered as gratefully as that of Sir Antony MacDonell in the same Provinces in 1897, and of Sir Andrew Fraser in the Central Provinces in 1900.

"I am not sure that the Hon'ble Member is quite correct when he says that the financial position of this year is stronger than that in 1900-1901. It is true that Mr. Clinton Dawkins had budgeted in 1900-1901 for only a small surplus of £160,000, while the Hon'ble Member estimates the surplus for the coming year at £571,500. But in the first place Mr. Clinton Dawkins had closed the year 1899-1900 with a surplus of over 4 crores of rupees, after finding over three crores for famine relief in that year, whereas the Hon'ble Member, who has been called upon to find during the current year not more than 77 lakhs for famine relief, closes the year with a surplus of 35 lakhs only. Even this surplus of 35 lakhs is more apparent than real. It is a surplus in the accounts of the Government of India. But as the Provincial Governments have during the year depleted their balance by about  $1\frac{1}{2}$  crores, the net result of the year's revenue and expenditure transactions for the country as a whole is a deficit of about 115 lakhs and not a surplus of 35 lakhs. Again, though Mr. Clinton Dawkins had estimated the surplus for 1900-01 at about 24 lakhs, the actual surplus realised at the end of the year turned out to be over  $2\frac{1}{2}$  crores, or ten times the modest figure budgeted for, and this after spending over  $6\frac{1}{2}$  crores on famine relief. On the other hand, the Hon'ble Member provides only 130 lakhs for famine relief during the coming year and he budgets for a surplus of 85 lakhs, against which we have a further depletion of cash balances by Provincial Governments to the extent of 79 lakhs. This does not show that the financial position today is stronger than it was eight years ago. Of course the level of taxation has been lowered since 1900, but that does not alter the real character of the comparison.

"There is one observation of the Hon'ble Member on the subject of this year's famine to which I deem it necessary to take strong exception. The Hon'ble Member points out that the number of those who are in receipt of State relief this year is smaller than on the last two occasions, and he regards it as a reasonable conclusion that this is partly due 'to the greater resisting powers of the people.' Now, my Lord, I think the facts which the Hon'ble Member himself mentions in his statement—*vis.*, that the failure of crops has been less extensive and less complete this time than in 1897 or 1900, and that takavi advances have been made far more liberally and far more promptly than before—are in them-



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selves quite sufficient to explain the difference in the number of applicants for State relief. Considering the extent of the area affected, the depth of the distress caused, and other circumstances of this year's famine, I venture to think that one and a half millions is not at all a small number to be in receipt of State relief at this time of the year. I can assure the Hon'ble Member that no one will be better pleased than myself if the Government of India will order a regular and careful enquiry into the condition of a few typical villages so as to ascertain whether 'the resisting powers of the people' are increasing or diminishing. The Famine Union in London has been demanding such an enquiry for a number of years, and not a few distinguished names in England have associated themselves with this demand. But the Government of India, for reasons best known to itself, shrinks from such an investigation. That being so, I think the Hon'ble Member is not entitled to deduce such a conclusion from such slender premises in so important a matter. The Famine Commission of 1898 tried in the course of their enquiries to collect some evidence on this subject. And their conclusion, which I think still holds good, is worth quoting. After referring to certain classes, whose condition, in the opinion of the Commission, had probably improved, they observe :—

'Beyond these classes, there always has existed, and there still does exist, a low section of the community living a hand to mouth existence, with a low standard of comfort and abnormally sensitive to the effects of inferior harvests and calamities of season. This section is very large and includes the great class of day labourers and the least skilled of the artisans. So far as we have been able to form a general opinion upon a difficult question from the evidence we have heard and the statistics placed before us, the wages of these people have not risen in the last twenty years in due proportion to the rise in prices of their necessaries of life. The experience of the recent famine fails to suggest that this section of the community has shown any larger command of resources or any increased power of resistance. Far from contracting, it seems to be gradually widening, particularly in the more congested districts. Its sensitiveness or liability to succumb, instead of diminishing, is possibly becoming more accentuated, as larger and more powerful forces supervene and make their effects felt where formerly the result was determined by purely local conditions.'

"As regards small cultivators, who, after this class, suffer most from famine, I do not believe they have as yet had time to recover from the terrible effects of recent famines. It should be remembered that the losses of the peasantry during the last two famines in crops and cattle have been estimated at 300 crores of rupees. In Bombay, during the last 12 years, only two years have been free from any expenditure on direct famine relief. The Central Provinces have fared almost as badly. In the United Provinces the present famine comes

after only a year's respite to the people, as the year before last was also a year of famine. In Bengal, too, the seasons latterly have not been very favourable. Then over the greater part of the area affected by recent famines, the ravages of plague have been added, and these ravages have meant not only a frightful loss of life, with vast mental anxiety and suffering, but also heavy losses of resources to the poorer classes, whose daily life, wherever the plague rages, is disorganised from four to six months every year. It is true that certain sections of the community—those engaged in textile industries for instance—have recently had a brief spell of prosperity, and the newly awakened enthusiasm for industrial development in the country has also had a beneficial effect. But this, I fear, has not made any difference to the bulk of those who go down the precipice at the first touch of famine—barring probably weavers, mill-hands and other workers in factories, and certain classes of small artisans.

“ My Lord, the high prices which have been ruling in the country for some time past, independently of the present famine, and which have caused acute and widespread suffering, have naturally attracted general attention, and I was glad to hear the Hon'ble Mr. Miller state the other day in reply to a question by my friend Mr. Chitnavis that the Government was considering the advisability of referring the whole question to a Committee for inquiry. I earnestly trust that a strong Committee will be appointed, and that as early as may be practicable; for, apart from the distress which high prices must cause to those whose incomes do not rise with the rise in prices, the situation suggests certain disquieting considerations, which require a close and careful examination. It seems to me, my Lord, that the phenomenally heavy coinage of new rupees during the last few years by the Government has something to do with this general rise in prices. Really speaking, the artificial appreciation of the rupee by the currency legislation of the Government should have brought about, after things had time to adjust themselves on the new basis, a general fall in prices in this country. In the first few years after the closing of the mints to the free coinage of silver, this tendency was counteracted by a succession of famines and scarcities, and probably in a smaller measure by hoarded rupees having come into circulation. Latterly the general rise, which has taken place in the gold prices of commodities all over the world, has no doubt helped to raise prices in India. But this can account for only a part of the rise that has taken place in this country, and we must look for other causes to explain fully the extraordinary phenomenon we have been witnessing for some time past. I think some light is thrown on the problem by an examination of our coinage statistics. The following figures give the annual

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average of rupees coined, *minus* old rupees recoined by the Government of India, for each decade from 1834 to 1893, when the mints were closed to the free coinage of silver, and for the years following the passing of the Act of 1899, when coinage operations on a large scale were again resumed. The period from 1894 to 1899 is omitted because during the first three years of that period no new rupees were coined at all, and during the next three a very small number—only about two crores in all—was coined.

“ Period (annual average for).	Crores.
1835—44 . . . . .	2·2
1845—54 . . . . .	2·4
1855—64 . . . . .	3·2
1865—74 . . . . .	4·8
1875—84 . . . . .	6
1885—93 . . . . .	8·3
1900—04 . . . . .	8·3
1905—07 . . . . .	20·7

“ I have not been able to obtain the figures of rupees recoined during the last period, *i.e.*, from 1905 to 1907. I do not think, however, that these figures have been large and the deduction to be made on their account from the average will not, I believe, be substantial.

“ Prior to 1893, the melting back of rupees into silver by those who needed silver prevailed on a large scale in the country, and it has been estimated that about 3 crores of rupees must have been so melted annually. Since the currency legislation of 1893, this melting has had to cease, owing to the great difference between the token value and the intrinsic value of the rupee. The stock of rupees in existence in India before 1898 was estimated by Mr. Harrison, the expert, at 130 crores. During the last ten years, the Government has made a net addition to this stock of over 100 crores. It seems to me that such a sudden inflation of the country's currency is bound to result in a general rise of prices. It may be said that in view of the great expansion of trade during the last few years and of the increased industrial activity of the country, such augmentation of the currency was necessary. A reference to trade returns, however, does not support this view. During the 20 years preceding the closing of the mints, our exports of merchandise advanced from 54 crores to 106 crores, *i.e.*, doubled themselves, and yet the average annual coinage only advanced, as shown above, from 6 crores to 8·3 crores during that time. Again, from 1894 to 1904 the exports rose from 106 crores to 157 crores, but the annual average coinage for the five years ending 1904 was just the same as that for the eight years ending

1893, *vis.*, 8·3 crores. It is therefore difficult to see why the average should have suddenly gone up from 8·3 crores to 20·7 crores during the last three years. What is probably happening is this. The rupees issued by the Government in response to the demands of trade go into the interior and spread themselves among those from whom purchases are made. But owing to various circumstances they do not flow back quickly to centres of trade or to banks, and thus new rupees have to be obtained for transactions for which old rupees might have sufficed. Meanwhile, the melting back of rupees into silver having ceased, every issue becomes a net addition to the volume of the currency. If this analysis of the situation is correct, it suggests a grave problem, for it means that prices will tend to rise still further. One effect of these high prices, due to a heavy augmentation of the currency, will be to discourage exports and to encourage imports. Another effect will be that whatever gold there is in general circulation in the country—I understand that it is about 12 millions—will be drained from the country. A third effect will be that the cost of production will rise owing to a rise in the cost of living and this will place indigenous industries at a disadvantage in their competition with foreign products. Whether the foundations of the currency system will be involved in the general disturbance that will thus be caused, it is difficult to say. But it is not improbable that an economic crisis, causing great suffering to large numbers of people, may arise, necessitating urgent remedial action at the hands of the State.

“The Hon'ble Member gives an interesting table in his statement to compare the incidence of the salt-duty in this country with what it is in some European countries. Now in this matter of the salt-tax, the people of this country will always remember with feelings of gratitude the Hon'ble Member's tenure of office as Finance Minister, for he has given us two successive reductions of the salt-tax, which is more than any of his predecessors ever did. But, though his hand has given us the relief, his head, if he will permit me to say so, seems still to be under the influence of orthodox official ideas; and in the table compiled by him I detect a lingering feeling of regret that the Government should have sacrificed so much revenue to lower a duty which after all did not press heavily on the people! Now, in the first place, it is necessary to remember that our complaint about the burdensome nature of the salt-tax was with reference to the old level of the duty and not its present level. Secondly, before the Hon'ble Member's comparison can pass muster, it is necessary that he should give us separately the rates of the excise-duty and the import-duty on salt in those countries which he mentions; for when a country has a strongly protectionist fiscal system, heavy import-duties may exist side by side with light

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excise-duties. And, thirdly, to gauge correctly the comparative pressure of a tax in different countries, we must take into account not merely the amount of the tax paid per head in each country, but also the ratio of that amount to the average income per head. So judged, the salt-tax will be found even today to press more heavily on the people of India than any other people, except those of Italy, as the following table will show. In this table I have taken the figures of average income per head for the five European countries mentioned by the Hon'ble Member from Mulhall's Dictionary of Statistics. For India I have taken Lord Curzon's figure, though it is clearly an over-estimate:

Country.	Annual income per head.	Salt-duty per head in terms of a day's income.
	£	£
France . . .	25.7	$\frac{1}{3}$ day's income.
Germany . . .	18.7	1 day's "
Italy . . .	12	4 days' "
Austria . . .	16.3	$1\frac{1}{2}$ days' "
Netherlands . . .	26	$\frac{1}{2}$ day's "
India . . .	2	2 days' "

" Since the Hon'ble Member is in a mood to appreciate comparisons between India and European countries, I venture to present to him another table, and I respectfully trust that he will find it not only interesting, but also instructive! It is a table giving the State expenditure on education in the five countries selected by the Hon'ble Member for comparison and in India:

Country.	State expenditure on education per head.
	s. d.
France . . . . .	5 4
Germany . . . . .	4 0
Italy . . . . .	1 8
Austria . . . . .	2 4
Netherlands . . . . .	4 3
India . . . . .	0 $1\frac{1}{2}$

" My Lord, I am glad that the accounts of the Local Boards have at last been separated from those of the Government in the Financial Statement. )

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wish the Hon'ble Member had at the same time carried further his reform of last year of dealing with Railway and Irrigation figures. He admits the anomaly of treating the two sets of figures differently. He admits also that it would be desirable to deduct the amount of interest from these figures from both revenue and expenditure sides. But he fights shy of a large minus entry which would result from the adoption of this course, though there are minus entries in several other places in the Financial Statement. Well, I can only hope that some future Financial Member will take a different view of the matter. Strictly speaking, it is not only Railways and Irrigation, but also Post, Telegraphs and Mint, that is, all our commercial and *quasi*-commercial services, that must be taken net, if an erroneous idea of our real revenue and expenditure is to be avoided. Also Assignments, Compensations, Refunds and Drawbacks must be deducted from the revenue of the major heads, and advances to cultivators and cost of manufacture in connection with opium must be deducted from the so-called Opium revenue. And on the expenditure side the Interest on Ordinary Debt must be taken net. I venture to think that if our accounts are presented in this manner, they will convey a far more correct idea of our real revenue and expenditure than is done at present. Thus re-arranged, the figures of the budget for the coming year will appear as follows :—

<i>Revenue</i> (in millions sterling).	
Major Heads . . . . .	45'98
Commercial and <i>quasi</i> -commercial services . . . . .	3'29
Departmental Receipts (Civil, Miscellaneous, Public Works other than Railways and Irrigation, and Military) . . . . .	2'92
TOTAL	<u>52'19</u>
<i>Expenditure</i> (in millions sterling).	
Charges for collection of revenue . . . . .	6'04
Interest . . . . .	'72
Salaries and expenses of Civil Departments . . . . .	14'04
Miscellaneous Civil charges . . . . .	4'62
Famine R�elief and Insurance . . . . .	1'53
Other Public Works . . . . .	4'45
Military charges . . . . .	20'75
	<u>52'15</u>
Deduct portion of Provincial expenditure defrayed from Provincial balances . . . . .	- '53
TOTAL	<u>51'62</u>
Surplus . . . . .	<u>'57</u>

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"Of course I recognise the difficulty of making radical alterations in old and long established forms, but I would earnestly urge the Hon'ble Member to see if he cannot add another table to the Financial Statement on the lines suggested above. It will certainly serve a useful purpose, for it will enable everyone, who turns to it, to see that our real revenue is only 52 millions sterling and not 73 millions!

"My Lord, I welcome with sincere satisfaction the grant of 30 lakhs of rupees which the Hon'ble Member places at the disposal of the Local Governments during the coming year for assisting municipal bodies in undertaking works of sanitary improvement. The Hon'ble Member promises to make the grant an annual one, and considering the great importance of the principle which underlies it, I am sure the country will warmly appreciate the fact that a beginning in this direction has been made, in a year when the difficulties caused by famine might easily have dissuaded the Hon'ble Member from undertaking a new expenditure. Thirty lakhs a year is no doubt a small sum, compared with the vastness of the object to which it is to be applied, but now that the principle has been recognised and a beginning made, I am not without hope that the amount may be increased when the present famine conditions pass away and normal times return. Even as it stands, the grant marks a substantial improvement on the existing situation, as may be seen from the following figures which I have been able to obtain through the courtesy of the Hon'ble Sir Harvey Adamson. These figures show the amounts contributed by the several Provincial Governments out of Provincial revenues as grants-in-aid to Municipalities towards capital outlay on drainage and water works during the last five years, *i.e.*, from 1902-1903 to 1906-907:—

Province.	Total amount in rupees in five years.
Madras . . . . .	6,47,000 (exclusive of 3 lakhs given to the city of Madras).
Bombay . . . . .	<i>Nil.</i>
Bengal . . . . .	1,05,400
United Provinces . . . . .	5,68,235
Punjab . . . . .	2,35,000
Burma . . . . .	1,58,000
Eastern Bengal and Assam . . . . .	14,000
Central Provinces . . . . .	41,000
North-West Frontier Province . . . . .	<i>Nil.</i>
<b>Total for all the Provinces in five years . . . . .</b>	<b><u>17,68,635</u></b>

"This gives us an annual average of  $3\frac{1}{3}$  lakhs a year for the whole country, and contrasted with it the Hon'ble Member's 30 lakhs a year is

almost a liberal provision ! It may be noted that during these same five years, while the Government contributed a mere pittance of  $17\frac{1}{2}$  lakhs towards the sanitation of our towns, which are being decimated by annual visitations of the plague, His Excellency the Commander-in-Chief was able to obtain for military charges a sum of about 27 crores above the level of the military expenditure of 1901-1902; and nearly 60 crores were spent as capital outlay on Railways, of which one-third, or over 19 crores, was found out of current revenues. My Lord, this treatment of sanitation, as though the Government had no responsibility in regard to it, has hitherto been one of the most melancholy features of the present scheme of financial decentralisation, under which sanitation has been made over to local bodies as their concern, though they have admittedly no resources for undertaking large projects of improvement. The analogy of England is often quoted to justify this arrangement, though on the same analogy our railway construction should have been left to private enterprise; but it is not. My Lord, our mortality statistics are ghastly reading. The officially recorded death-rate has steadily increased during the last 20 years from 28 per thousand to over 36 per thousand. It was about 28 during the first quinquennium, 1886—1890; from that it advanced to nearly 30 during the second quinquennium, 1891—1895; from there to 32·5 in the third quinquennium, 1896—1900; and from that to 33·5 in the fourth, 1901—1905. For the year 1905—the last year for which figures are available—it was 36·14, being even higher than for the year 1897, when the country was devastated by one of the greatest famines of the last century. It is significant that during this same period of 20 years, England has succeeded in bringing down her death-rate from 20 to 15·5 per thousand. Again, taking only our urban areas, we find that the rise in the death-rate from 1896—the year immediately preceding the appearance of plague in the country—to 1905 has been from 36·5 to 41·7. Last year His Majesty the King-Emperor was pleased to send a gracious message to the people of this country sympathising with them in their sufferings from plague. Your Excellency too made a most feeling reference to the ravages of plague in the course of your last budget speech. My Lord, may we not hope that the Government will in future show a greater recognition of the claims of sanitation on the resources of the State than it has done in the past, as no real improvement in public health is to be expected, unless vigorous efforts are made throughout the country to push on sanitation. Three years ago I urged in this Council that at least one million sterling a year should be provided by the Government to assist municipal bodies in the construction of drainage and water works. I earnestly trust that the amount will be forthcoming before long. It is really a modest demand, considering the interests involved and considering also the requirements of the situation.



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“In this connection it is a matter of deep regret to me that I cannot persuade the Hon'ble Member to see the reasonableness of my suggestion as regards the utilisation of our surpluses—at least of a portion of them—for promoting sanitation. I do not propose to repeat today my arguments in favour of such a course, as I have urged them again and again in this Council with perhaps wearying iteration. But there is one misapprehension of the Hon'ble Member about which it is necessary to say a word. He thinks that as a surplus is in the nature of a windfall and entirely uncertain, to make allotments out of it towards sanitary projects would involve wastage, as works may have to be stopped after being undertaken, if one surplus is not followed by another surplus; and he says that this would be unsound finance. I do not, however, see why there need be any stoppage of works or any wastage. My proposal would work as follows:—suppose there is a surplus of 2 millions one year and suppose it is decided to devote it to sanitary improvements. The different Provincial Governments will receive allotments out of it, which they will temporarily hold as part of the Provincial balances. They will have before them a programme of sanitary projects and they will offer assistance out of the allotment to such of them as appear to them to be the most urgent. It should be laid down that no assistance should be offered unless the whole of the money required to meet the liability is there in the balances or can be provided partly out of the allotment and partly out of Provincial revenues. When a second surplus is realised and fresh allotments are received, other projects can be taken up for assistance in the same way. If there is no surplus to allot, no harm is done. These surplus allotments may be in addition to the regular annual grant. I do not see what is there that is unsound in such a course. On the other hand, I cannot help regarding the present practice of devoting surpluses to railway construction—which means investing them as capital—as unjust to the tax-payers and wholly indefensible. What will the Hon'ble Member think of a man who, while his children are sickening and dying, neglects to improve the sanitation of his house and uses whatever money he can spare out of his income for purposes of investment? And yet this is precisely what the Government of India has been doing all these years. Our railways, on which already 400 crores of rupees have been expended, rest on a commercial basis. They are remunerative as a commercial undertaking and they should be constructed only out of borrowings. Surpluses are so much more revenue taken from the people than was necessary for the requirements of the Government. As it is not possible to return a surplus directly to the people, it should be spent in meeting non-recurring expenditure most urgently needed for their welfare. Such expenditure today in this country is expenditure on sanitary improvements. The Hon'ble Member proposes to

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devote to Railway construction a sum of  $1\frac{3}{4}$  millions sterling out of cash balances during the coming year. This raises the question whether there should not be a definite limit to cash balances. If in fat years larger cash balances than are really required are to be built up out of current revenues and in lean years they are to be drawn upon for Railway construction, it really means finding money for capital outlay on Railways out of the proceeds of taxation, whether the years be fat or lean. The question was carefully considered by the Government of Lord Northbrook, and the conclusion arrived at was that  $13\frac{1}{2}$  crores should suffice as cash balances. Since then Burma has been added and the normal level of expenditure has also risen considerably. Still cash balances, ranging between 25 and 30 crores, appear to be unnecessarily large and may, I think, be brought down to a lower level.

“My Lord, I think the country has a right to complain that the conclusion of the Anglo-Russian Convention, which has been acclaimed by its authors as a great triumph of diplomacy, has made no difference whatever to the people of India, so far as the weight of military charges is concerned. It is true that certain lapsed grants have not been restored to the military budget this year, but that is owing to the difficulties occasioned by the famine, and moreover they only mean a slight postponement of certain items of expenditure. Two years ago, when I urged a reduction of military expenditure in this Council in view of Russia's collapse in the Russo-Japanese War and the conclusion of the Anglo-Japanese Alliance, Your Lordship observed:—

‘Recent events may at first sight appear to justify much of what the Hon'ble Mr. Gokhale has said. Russia's reverses in the Far East and our alliance with Japan undoubtedly at the present moment minimise the dangers of our Indian frontier; but I am afraid I cannot follow the Hon'ble Mr. Gokhale in his conclusion that these dangers have disappeared for ever. He has told us that the tide of European aggression in China has been rolled back for good, that the power of Russia has been broken and that her prestige in Asia has gone. I am afraid these are mere assumptions which I can hardly accept. I am afraid I feel much more impelled to consider what effect Russian reverses may have on the pride of a high-spirited military race and I wonder in how long or in how short a time she may feel confident of recovering her lost prestige.’

“Well, this time it is an agreement with Russia herself that has been concluded and now at any rate there is no justification for regarding Russian aggression on the North-West Frontier as anything else than a mere remote possibility. But now I fear another ground is being taken, namely, that in view of the unrest prevailing in the country and the tendencies of thought and utterance among a section of the people, it is not desirable to touch the military ex-

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penditure of India. My Lord, all I can say is that such a view of the situation is most unjust to the vast bulk of the tax-paying community in the country. No doubt it is the case all over the world that when military charges have been once allowed to grow, it is extremely hard to get them reduced again. In India, in addition to this general difficulty, there are special difficulties connected with the exceptional nature of the situation. But the general satisfaction that will result from a reduction of our overgrown military expenditure is an important consideration. On the other hand, the retention of the present level of charges, in spite of the Anglo-Russian Agreement, will probably tend to strengthen those very tendencies which are alleged to stand in the way of a diminution of the country's burdens.

“ There is one more point that I would like to urge about our financial administration before I close. I think it is necessary that a larger portion of our revenues than at present should be devoted to objects on which the moral and material well-being of the mass of our people ultimately depends. The expenditure on the Army, the Police and similar services may be necessary, but it is a necessary evil, and, consistently with the maintenance of a proper standard of efficiency, it must be kept down as far as possible. On the other hand, no State, especially in these days, can expend too much on an object like education. And, here, my Lord, I regret to say that the Government is not doing its duty by the people of India. Everywhere else throughout the world the State now accepts it as a sacred obligation resting on it to provide for the free and compulsory education of its children. The Gaekwar of Baroda has recently adopted measures to make this provision for his subjects. What every civilized Government provides for its people, what the Gaekwar is providing in his State, the Government of India must surely provide for the people of British territories. There is no escape from so obvious a duty, and every day's delay is a wrong to the people. We sometimes hear it said that it will be impossible to find money for so vast an undertaking. My Lord, it is not true. The money is there for whatever developments may take place immediately, and it can be found without difficulty as we go along if the burden is distributed over a number of years and the task taken in hand in a resolute spirit. The Hon'ble Mr. Baker makes an interesting observation in one of the paragraphs dealing with Famine, which throws a flood of light on this point. He says that the loss to the Exchequer of the Government of India—apart from the losses of the Provincial Governments—from this year's famine has been estimated at 3 crores during the year about to close and at  $3\frac{1}{4}$  crores in the coming year. As there has been a small surplus in the accounts

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of the Government of India this year and as the Hon'ble Member has budgeted for another surplus for the coming year, his estimate should carry conviction to the most sceptical mind. My Lord, I repeat the money is there or can be found without difficulty. Only the will has to be there and then we shall not be found merely discussing the difficulties of the problem. Then there is the question of technical and industrial education. Half a million sterling for initial equipment and about five lakhs a year for maintenance charges should give the country an Institute of Technology, almost fit to be included among the great institutions of the world. And the expenditure will return tenfold to the State not only in the advance of technical and industrial education in the country, but also in the appreciation and enthusiasm of the people. I have already spoken of the needs of sanitation. Lastly there is the vast problem of agricultural indebtedness. Here, except perhaps for initial experiments, the money for any scheme of relief that may be adopted—if one ever is adopted—will have to be out of loan funds, and there is ample margin for borrowing for such a purpose, as our Ordinary Debt now stands at only about 37 millions sterling.

“My Lord, we are passing through very anxious times. How we shall emerge from this crisis, when it is over, is a question that is occupying all earnest minds in the country today, almost to the exclusion of any other question. There is much in our present situation that is naturally galling to proud and sensitive spirits, and young men, fresh from their books, are coming forward on every side to ask why things need be as they are. As yet they have not permitted themselves to imagine that their interests do not lie on the side of order. But sooner or later, mere order is bound to appear irksome to those who zealously cultivate the belief that there is no chance of better days for their country as long as existing arrangements continue. They will no doubt discover before long the limitations of their position. They may even come to recognise that life is not always like writing on a clean slate, and that in the peculiar circumstances of India they must range themselves, in spite of the humiliations of the situation, in their own best interests, on the side of order, for without its unquestioned continuance no real progress for their country is possible. My Lord, many things have happened during the last three years which have had the effect of swelling the ranks of these men. Even the feeling of love and reverence, with which, as a great teacher, the philosopher-statesman at the India Office was regarded by successive generations of educated classes and which was really an asset of value to British rule when he took charge, has helped to add to the difficulties of the situation. That feeling has given way to a sense of irritation and disappointment, because

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Mr. Morley has on occasions used language which has wounded and has sanctioned measures which have bewildered and amazed. And though those among us, who have not made sufficient allowances for Mr. Morley's difficulties, will in the end regret the harsh things they have said of him, he certainly for the time has lost the power of arresting the rapid decline of my countrymen's faith in England's mission in this country. My Lord, the Government will no doubt put down—indeed it must put down—all disorder with a firm hand. But what the situation really requires is not the policeman's baton or the soldier's bayonet, but the statesman's insight, wisdom and courage. The people must be enabled to feel that *their* interests are, if not the only consideration, at any rate the main consideration that weighs with the Government, and this can only be brought about by a radical change in the spirit of the administration. Whatever reforms are taken in hand, let them be dealt with frankly and generously. And, my Lord, let not the words 'too late' be written on every one of them. For while the Government stands considering—hesitating, advancing, receding—debating within itself 'to grant or not to grant, that is the question'—opportunities rush past it which can never be recalled. And the moving finger writes and having writ, moves on !”

The Hon'ble TIKKA SAHIB RIPUDAMAN SINGH OF NADHA said :—“ My Lord, the dominant feature of the Financial Statement which was presented to the Council last week, is the famine, and in view of the present situation no one can have expected that the Hon'ble Mr. Baker would again this year announce those large surpluses which it has been his good fortune to report in each of the last three years. The revised estimates for the closing year show a falling off of surplus to 35 lakhs against 116 lakhs, being a net decrease of 81 lakhs, or less than one-third of that which was budgeted last year. Yet the result gives striking evidence of the prosperity of the country and the wise handling of its resources. My Hon'ble Colleague the Finance Member rather takes an optimistic view of the present situation when he estimates a surplus of 36 lakhs for the next year, in the hope that the monsoon will then be normal in character. However, let us hope that his expectations will be fulfilled. The gratifying feature of the present budget is the grant of 12, 30, and 150 lakhs for Police reform, improvement of the public health, and Irrigation works, respectively.

“ The failure of rain has again resulted in widespread famine. The United Provinces of Agra and Oudh are more severely affected than other provinces. An effort should be made to prevent famine as far as possible. In a country like India, which has been bountifully supplied with an inexhaustible store of river water, the ruinous effects of failure of rains upon the agricultural condition of the

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country may be averted by utilising and economising the waters of the great rivers for irrigation purposes. The Government, who well realise this truth, are already turning to advantage the waters of some rivers in different parts of the country, which feel for this reason less acutely the advent of famine caused by drought. But there remains still much more to be done in the direction of the development of irrigation. The more this question receives the attention of the Government, the better for the ruled as well as for the rulers. We are all aware that our irrigation works are more lucrative and profitable than our railways; our well managed and wisely conducted canals returning interest at the rate of 9 per cent. on the capital outlay, while railways pay us interest only at the rate of 5 per cent. The Hon'ble the Finance Member in paragraph 77 of the Budget Statement remarks that 'the steady growth of the relative burden of working expenses in the last few years is a somewhat disquieting feature. A time comes in the history of most railways when the receipts from new traffic hardly cover the cost of carrying it; and it is a matter of common remark that this stage has been reached in not a few railways in the United Kingdom. Hitherto, however, it has not been supposed that we were within measurable distance of it in India. Various reasons have been suggested to account for it, such as the increased cost of coal and the higher salaries which are now generally commanded by railway establishments.' Therefore, at least in view of these facts, instead of spending a greater portion of the surpluses on railways, it should now be applied to a large extent to the construction of irrigation works, which besides being more profitable from a business standpoint, have a stronger claim on our surpluses, inasmuch as they would contribute to the development of the resources of the country, minimising the misery and distress in the event of failure of rains, and ameliorating the financial condition of the agriculturists, in favour of whom Your Excellency generously gave expression in your speech at the last year's budget debate in the following words:— 'He (the tiller of the soil) is the man we must strive to help. He is to a great extent the backbone of the population of India. On his welfare depends much of the happiness and the contentment of the people.' I know that railways play a prominent part in alleviating the severity of famine by affording easy and cheap means of locomotion in addition to the expansion of trade. But I may be allowed to say that much has been already achieved in the extension of railways, and now we have already a sufficient network of them in the country.

"I am not well acquainted with the results of the activities of the Forest Department, but I think it is obvious that some more tree-planting could be

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effected in India. If enquiries were made, I believe there could be found waste tracts and hill slopes in various parts of the country which might be made to bear rain-attracting trees. Since the introduction of railways into India and also on account of the gradually increasing population of the country, and the wants and restless activities of large communities, there has necessarily been great destruction not only of isolated trees in village tracts, but of whole forests, and I am not aware that re-forestation has kept pace with destruction. Should the Government feel itself unequal to the task of increasing the activities of the Forest Department, much could be done by encouraging agriculturists to plant trees as boundaries or when opening new wells, or on spaces which are not deemed suitable for other forms of cultivation. The advantages of such a course could be easily explained to them and no serious objection would be made. The attention of Native States, such as those in Rajputana, which are the constant theatres of devastating drought, might also be called to this matter, and I feel sure they would gladly respond. Several parts of Rajputana are now unfortunately in an arid condition though they were in former ages irrigated by the copious waters of the *Saraswati* from the Himalaya Mountains. That the rainfall and the temperature of a country are favourably affected by trees is a matter so commonplace and so universally admitted, that I need not dwell on it here.

“ Another important measure would be to encourage emigration of the population of overcrowded provinces to more thinly populated areas, where vast tracts of waste land might be reclaimed by constructing irrigation canals. The Government have tried this experiment in the Punjab ; and the existence of the flourishing district of Lyallpur affords tangible evidence of the boon conferred on the people of that province. But this boon must be extended to other provinces also, especially to the United Provinces, and Rajputana, which suffer grievously in famine times. The peasantry of these provinces should be afforded facilities and induced to emigrate.

“ The people of India who mostly depend for their livelihood on the industry of agriculture may likewise be supplied with other means of sustenance, so that the high percentage which now exists of the agricultural population may be decreased by the employment of those from among them who may be badly circumstanced, or who may happen to have gloomy prospects of making their living by means of this industry. Other resources of India than the agricultural are not small. Its mineral wealth is still in embryo. Its seas could be made a source of affluence to the Indian populace by the development of fisheries. If the country were equipped with an ample number of profitable manufactures, they would ameliorate the condition of the indigent labouring classes. It is therefore

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most desirable that Government should give encouragement to the opening of manufactures and the development of industries. Technical training may be given along with scholastic education, which in present circumstances is turning out so many unemployed and discontented people. An idle man is prone to mischief. Supply him with work, and the mischief will be gone.

"I cannot help thinking, in spite of all that the Hon'ble Mr. Miller said the other day in reply to a question put by the Hon'ble Mr. Chitnavis, that it seems a pity that grain should be allowed to be exported out of India when the children of the soil can hardly buy enough thereof to keep body and soul together. Your Excellency, in your speech at the Famine Fund meeting, said the other day :—

'It is quite true that the present famine cannot be compared to the last two great famines, either in respect to its extent or severity, but it has *one* distinguishing feature in which it markedly differs from its predecessors, and to which I should wish to draw the attention of the meeting. *That feature is the very high range of the prices of food-grains.* They are much higher than the great famine of 1900, and distinctly higher than in 1897, and though the labouring and artisan classes have to some extent been saved from distress by the gradual increased demand for labour in the last few years, and though cultivators in the fortunate position of having a surplus to sell, have benefited by the rise in prices, there is on the other hand an actually larger number than in former years of respectable poor people, whom custom and tradition forbid to apply for Government relief, to whom these prohibitive prices mean the most terrible distress and suffering.'

"It would certainly be conducive to the general well-being if in times of scarcity some restrictions were placed on the free exportation of grain. The Hon'ble Mr. Miller's apprehensions on this score seem to me to be not quite well-founded.

"Your Lordship last year dwelt with kindly feelings on the ravages of the plague in India. While in other parts of India the plague is generally confined to large cities, in my province it does not leave even the villages free. The reason is that a Punjabi village is a conglomeration of dirty huts opening on lanes in which all sorts of rubbish are freely thrown. Sun and air find no access to these huts ; and as long as Punjab villages remain in their present state there is little hope of eradicating the plague from them. It would be an interesting experiment if some model villages were built formed of detached hamlets open to sun and air, and people were allowed to acquire them on the payment of small sums by annual instalments. The old villages could then be demolished and their sites made village commons. If some such thing were done, it would



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in time conduce to the general well-being of the village community. Though inoculation and evacuation of houses may all be good in themselves, yet I am afraid we cannot get rid of this dire scourge until we improve the standard of living of the people.

“It is a matter of sincere pleasure that the Government has at last realised the importance of attending to the public health. Hitherto very little has been done in this direction. The decision of the Government to allot a sum of 30 lakhs per annum for expenditure on sanitary improvements with special reference to the prevention of plague is to be heartily welcomed. Out of this sum my province, the Punjab, gets four lakhs, for which I am most grateful. Although this grant is all too small considering the requirements of the country, yet it is a welcome move in the right direction. The Hon'ble the Finance Member himself admits this fact when he says it is to be regretted that it has not been found possible to make this grant larger. The Hon'ble the Finance Member in paragraph 65 of the Budget Statement says :—

‘Apart from expenditure of this nature, which will not, we trust, be of a permanent character, there is room for almost unlimited outlay of the most beneficial description, in reforming the sanitary arrangements of the larger towns.’

“Our surpluses should in future therefore be advantageously applied to such useful purposes.

“A few words about our police may perhaps not be considered out of place. Our police, especially in its lower ranks, is not what it ought to be. Perhaps I am speaking the plain truth when I say that in this country innocent people are more afraid of the police than even of the criminal classes, because the latter know that the members of the force will hardly be able to reach them. Instead of being a source of comfort to those who stand in need of their assistance, they are a sort of terror to the respectable people, and this is due to the fact that they are generally recruited from the lowest grades of the Indian people. As regards their incapacity for work, two recent instances would suffice. The culprits who made such a cowardly and mean attack in December last on the life of Mr. Allen (who has since then happily recovered from his injuries) and those who burnt a certain Sikh Gurdwara in the Punjab not many months ago, are still at large, and no trace of them is to be found. Every effort should be made to improve our police force, because it is they who mostly come in touch with the people. The recommendations of the Police Commission should be given full effect to, especially with reference to recruitment and training. No person should be recruited unless he is of good mora

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character and social position, and the recruits should be specially taught how to deal with the general public. Above all, what is most essential is, that very strict watch should be kept on them, and their faults should never be overlooked, but, on the contrary, promptly and strictly punished. This is a matter in which the hearty co-operation of senior police-officers is required, as otherwise there will be no hope of any real reform. I hope that the proposed expenditure on police will be applied so that it will filter down to the lowest grades and make the Police Department a desirable one to enter, and that it shall no longer be deemed, as it so often is now, a *ganda mahakama* or shabby department.

“I may be permitted to make a few passing remarks about the Gurdwara arson case to which I have just alluded. In that case all the accused were discharged by the trying Magistrate, but there are one or two points in his judgment dated the 5th December 1907, which deserve attention. He says :—

‘I may state here that my reason for not trying the case myself was, that I had watched the police proceedings from the beginning and had consequently formed opinions as to the *bona fides* of the prosecution witnesses. I transferred the case to my own Court however on the 2nd November 1907 for reasons *which need not be specified.* \* \* \* \* \*  
The investigation has proved to me conclusively that the outrage was *not* the result of local religious antipathies *but* merely an attempt on the part of some of the Muhammadans of Udharwal to induce the Hindus to come back to the village and look after their property.’

“I have taken these extracts of the judgment from the *Khalsa Advocate* dated the 11th January 1908, a weekly published in Amritsar. Now as regards the first point, the Magistrate ought to have given his reason for transferring the case to his own Court, which he says ‘need not be specified.’ But the question arises why? He admits himself that before hearing the case, nay even before recording evidence, he had formed his own opinions regarding it, and in these circumstances what else could have been expected from him than what subsequently happened? On the second point I need not say much, because the absurdity of the Magistrate’s argument is self-evident. What an extraordinary theory that the outrage was not the result of religious antipathies—a theory which it was the duty of the Magistrate to verify by the facts of the case. A supposition could not and should not have found a place in a judicial record. The Government encourages the people at the time of plague to evacuate their houses, but in Udharwal, when the poor Hindus went forth, our Muhammadan brethren amused themselves, as the Magistrate practically tells us, by burning their Dharmshala, in order to induce the Hindus to come back to their houses and look after their property! I sincerely

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trust that the Government will not allow this matter to rest here, and that we shall hear before long of the arrest and exemplary punishment of the real culprits in that case.

“My Lord, I cannot let this opportunity pass without drawing your serious attention to the condition of the Indians in the Transvaal and other British colonies. Every one knows to what humiliation they were lately subjected in the Transvaal, where they were treated as common criminals. The indignities imposed upon them there were taken to heart by every Indian. No doubt the indomitable will of a few Indians in the Transvaal, never to submit to humiliating ordinances, achieved a great moral victory, but that was only transitory. During the late Boer War Indian troops were sent from here to assist the British, and now when peace has been restored, the poor Indians are not treated like human beings, but as lower animals. It is freely said in speeches and writings that India is the most brilliant jewel in the British Crown, and yet Indians are treated in this manner in other parts of the world which are under British protection. The Proclamation of the late Queen Victoria to the Princes, Chiefs and People of India says :—‘We hold ourselves bound to the natives of our Indian territories by the same obligations of duty which bind us to all our other subjects; and those obligations, by the blessing of Almighty God, we shall faithfully and conscientiously fulfil.’ Not many months ago, the Right Hon’ble Mr. Morley said in Parliament :—‘The Indian Asiatic is a man with vivid susceptibilities, with great traditions and a civilization of his own; and we are bound to give him the same respect and sympathy with which we expect to be treated ourselves.’ Only the other day I saw a letter from General Gordon to a friend of mine in which he said :—‘Government.—There is but one way, and it is eternal truth—get into their skins, try to realise their feelings, that is the true secret of Government.’ That is a great political law as well as an ethical law, and I hope that in all that we do it will not be forgotten.

“The treatment to which my countrymen are subjected should not be tolerated. I think it is one of the foremost duties of the British Government to protect the rights of Indians in the British colonies. The concessions lately made to the Indians in the Transvaal are not quite satisfactory. Under the new arrangements the registration system, which is degrading, is still maintained. It is perhaps the irony of fate that India is now so looked down. The colonists who act in the manner complained of, do not seem to remember the fact that when their forefathers were no better than savages, India was in the full glory of her ancient civilization. If free governing colonies can do as

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they like, we must also be allowed to stand up for our rights, in whatever portion of the globe they are assailed; and I think our Indian army will be found adequate to protect them here as elsewhere.

“To associate more and more the children of the soil with the higher administration of the country, both civil and military, is the pressing problem of the day. Many young men of the Indian aristocracy cannot proceed to foreign countries for education on account of caste prejudices and other difficulties; and others who are willing to go are prevented from doing so by their parents, who are unfortunately so much attached to them, that they would not let them go on foreign travel, however much it might be conducive to their advantage. So I beg to suggest that facilities should be afforded to young noblemen to qualify themselves in this country for Indian service in its various forms, because they are naturally more fitted to serve in higher and responsible offices than the offspring of the lower classes. Examination qualifications cannot be considered as the *only* test of fitness for authority. It is also nobility of character and birth and a sympathetic attitude towards the people, which make a popular and beneficent ruler, and only he who possesses such qualities can command the respect and confidence of the public at large. Let us hope that these aspirations will not be frustrated, but will be fulfilled and realised before long.

“A sum of twenty-seven lakhs of rupees has been set aside for expenditure on education during the ensuing year. It is to be hoped that this will be suitably applied. Primary education is an admitted necessity for the country. I have read with much pleasure Your Excellency's speech in reply to the address of the orthodox Hindu community, in which you stated that you saw no objection to the institution of denominational hostels. I am strongly of opinion that the religions of India ought to be maintained, and this can only be done by a system of denominational education. I am of opinion that even the Chiefs' College at Lahore is unfit for the education of Sikhs of position. In this connection I would beg to point to the deplorable ignorance of the religious systems of the country generally possessed by English officials in India.

“The Educational Report of the Punjab of last year is of more than usual interest. We cannot sufficiently thank the Hon'ble Sir Charles Rivaz for the interest he took in the spread of education in the Punjab; and it was due to his enlightened policy that money was liberally spent on education in all grades, and that private enterprise was also treated with generosity. During the period of his term of office the expenditure on public instruction rose from 32 to 52 lakhs of rupees.

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Nine hundred new Primary schools for boys and two hundred schools for girls were opened. Forty thousand more boys and seven thousand more girls are now the recipients of elementary education than was the case in 1902.

“As far as I can see, these Primary schools are opened mostly for the benefit of the agricultural population, but I am afraid that the agricultural classes are not fully benefited by them. With a little more expense and forethought it might be possible to adapt these schools to the requirements of the villagers. As a first step the scope of the work of these schools should be defined; and they should be raised to such a position as to enable them to teach something useful to the agriculturists. In the first place, an attempt should be made to instruct the pupils in reading, writing and arithmetic in their own language, not as it is done now in Urdu, which is a foreign language. The result is that after three or four years' study they hardly understand the meaning of the words they read or repeat. Education to be of any real advantage must be given first in the easiest language to learn; and could there be any language easier to learn than one's mother-tongue? So primary education in the Punjab ought to be given through the Punjabi only, and in the characters peculiar to that language. When the Government has recognised a knowledge of Punjabi as a desideratum for the British military and civil officers, it is very strange indeed that the Educational Department should have forced on the poor Punjabis the necessity to forget their own vernacular for the camp language of the Mughal Emperors which is not a general household language in India. Then, again, books should be specially compiled containing useful information in simple and colloquial language about agriculture, sanitation, manure, and cattle. The schoolmaster should be a man who knows something about cattle diseases and practical farming, so that he may be able to attract the attention of the villagers and win their respect by his knowledge of the very subjects which they pride themselves on knowing better than any one else. It would be far better to have fewer schools doing really useful and practical work than to open many lower primary places of instruction which serve no useful purpose.

“The subject of education of Government wards also calls for a few remarks. The present arrangement is not quite satisfactory, and I think that the Government's policy of 'religious neutrality' is responsible to a great extent for it. No doubt this is a very delicate and complicated question, but solve it we must, because on it largely depends the success or failure of the education of Government wards. An education which lacks moral and religious training cannot be considered as complete or of any real advantage. The wards are now taught only what might be useful to them to get employment, a course

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of instruction which is only useful for an office-seeker. They should be first taught the principles of their religion and after that a liberal English education should be given them. The Government should pay special attention to this subject, because in the case of its wards Government fills the place of their natural guardians. I could give instances in which the education of Government wards has totally failed in the past, but I do not wish to do so for obvious reasons.

“My Lord, I must draw your special attention to some of the social evils of this country, which require very careful consideration on the part of the Government. We do not wish the Government to interfere needlessly in the social affairs of the people, but it would be desirable that clear and simple social rules should be framed for the guidance of the people. Education is spreading and opening the minds of Indian women also. What they in their state of ignorance regarded as natural and inevitable, now appears to them unendurable; and many an educated and sensitive girl has to pass years of misery either in widowhood or in the retirement of *Zenanas*, from which she can see no way of escape. The old customs and laws of the country can hardly meet the demands of the new conditions; and it behoves the Government to assist as much as possible in the dissemination of wholesome ideas on the subject.

“I am constrained to bring to the notice of the Council one or two cruel customs of the country:—

“I. A man can go on marrying and deserting as many wives as he likes. The women so deserted cannot marry again, and are often compelled to lead immoral lives. Is it too much to ask that when a woman has been absolutely deserted by her husband, say for five years, she may be allowed to marry again? It would remove a great burden of pain and suffering if long desertions were recognised by law as sufficient to annul marriages.

“II. Frequently parents take money in exchange for their daughters. In other words, they sell their daughters to the highest bidder. The older the man, the higher the price he has to pay for his wife. Is it not a sort of slavery still prevalent in India? The most heartrending sight is one which we not infrequently see, of a young girl of 10 or 12, nay sometimes even of 6 or 8 years, being married to a man 70 or 80 years old. I have given these figures most cautiously, but perhaps still more glaring instances could easily be found. I beg and pray that some sort of preventive law be passed without any further delay to put an end, once for all, to all such practices for the good of the country and its people.

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“The question of intoxicating drugs is one on which I feel bound to say a few words again this year. This question is now before the British Parliament, and I have every reason to hope that our Government will not lag behind, when the time for action arrives. In the Punjab, plague has led to an increased habit of drink, and to save the fine Punjab peasantry from the degradation and ruin which follow the habit of drinking, some stringent rules against the free sale of country liquor should be issued.

“Intoxicating drugs are surely a great plague of the world. They are first seductive and afterwards destructive in their effects. Among intoxicants, wine is the worst of all. This evil is spreading all over like wildfire, and retarding our social and moral progress. Some philanthropists are endeavouring to save mankind from falling a prey to this evil, and the Temperance Associations are doing good work, but the greater part still lies with the Government. Until a preventive measure is passed, I am afraid this evil cannot be extirpated from the country. The use of wine in the Army should be strongly discouraged. In order to make soldiers brave and fit for the honest and effectual discharge of their duties, they should be strongly prohibited from indulging in this bad habit. Total abstinence would make the soldiers strong, healthy and courageous.

“Another intoxicant which is still more harmful is tobacco. The history of the Sikhs, who are religiously forbidden the use of tobacco, furnishes a very valuable object lesson in this matter, showing the moral and physical advantages which they possess over their Hindu and Muhammadan brethren. The Sikhs have greater muscular vigour and activity than the other natives of the country. Doctors are also of opinion that tobacco is very injurious, especially to youths under 20 years of age, as it causes great injury to the brain and weakens the digestive system. We see every day young boys, nay even girls, of 6 or 7 years of age, smoking, some of whom perhaps can hardly buy bread to eat. It would be quite a proper thing if the Government, in view of the bad effects produced by the use of tobacco on the rising generation of the country and especially on young students, would make it punishable to sell it to youths under 20 years of age, and also make it punishable for such youths to addict themselves to the vice. In America and some European countries, this matter has received special consideration.

“While congratulating His Excellency the Commander-in-Chief on the workmanlike action of the Zakka Khel expedition, which speaks volumes for the efficiency of our reorganised army, I cannot help expressing the feeling that the Zakka Khels seem not to have been sufficiently punished for their misdeeds

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From whatever point of view we look, the settlement does not appear to be quite satisfactory. Our forces could hardly have returned from the expedition, when transfrontier ruffians looted some shop-keepers and bazar people in Peshawar; and this clearly shows that the expedition had not a sufficiently deterrent effect. In the terms of settlement there is nothing to be found about those unfortunate victims who were murdered and robbed by the raiders. The cash which they took away has not been recovered and returned to the owners, nor has the cost of the expedition been recovered from the offending tribes or their allowances stopped. Nor have their leaders been arrested and detained as hostages. We are told that the leading offenders in the recent raids will be duly punished by the tribesmen themselves with the assistance of the Zakka Khels. We all know what the promises of these frontier people mean. The idea of expecting the Zakka Khels to punish their own kith and kin for shooting down a few infidels, a matter which they consider the surest way of gaining Paradise!!! Of course we are not aware of the details of the Government's policy which brought this expedition to a close so suddenly, but I am afraid that a splendid opportunity has been lost to give them a proper lesson. Such occasions afford more fitting opportunities for the training of our troops, than the lifeless annual manœuvres. Now we are told that there are signs of renewed restlessness among the Mahsuds in Waziristan. If the warlike races of India are encouraged to settle down on our frontiers, perhaps in a few years' time we shall hear no more of these frontier raids.

"I do hope that the formation of a large reserve force will receive that attention from Your Excellency which it deserves. While in other parts of the Empire under the British protection measures are contemplated to make it compulsory for every man to have a rifle, it would not be too much to ask for a reserve of one lakh of men, for the protection of the Indian Empire here, as well as the rights of its citizens in other countries.

"My Lord, I should be failing in my duty if I did not draw your attention to the relations between Indians and Europeans which are at the present not at all satisfactory. A great deal depends sometimes on the commission or omission of little things. Men of birth and position, men who are received by His Excellency the Viceroy, are often kept waiting under trees or in the verandahs of officials. The calls of Indian gentlemen are not returned; and yet if, to preserve his self-respect, an Indian ceases to call on English officials, he at once becomes a target of suspicion, and is never given a chance of explanation. Indian gentlemen who have to travel by rail are often subjected to rudeness and great difficulties, nay even sometimes bodily expelled from railway carriages.



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“ It has been said that this idea of equality of treatment is the fruit of English education, but if I may be permitted, I can safely say that to an Indian his *izzat* has been from time immemorial dearer than life itself. There is no doubt that title-seekers and placemen even now indulge in insincere flatteries. But it can be safely said that the true well-wishers of the Government are those who speak the truth plainly.

“ Then, again, European officers do not often show due courtesy and politeness either in writing or in conversation to Indian gentlemen. Their ignorance of Indian manners, customs, religions, language and etiquette, which they do not trouble to study, and consider not worth their while to learn, is a growing evil, and goes a long way to make their relations with the people of the country strained. Some Europeans cannot even distinguish an Indian lady's name from a gentleman's. There are also other reasons for the strained relations which now unfortunately exist between the Europeans and Indians. Not many years ago the people had a strong faith in British justice, but some recent events are now talked about everywhere, and people draw their own inferences from them. I shall speak only about recent events in my province. I refer to two cases, which are known as the ‘Rawalpindi rape case’ and the ‘Lahore shooting case.’ In the former a European Station officer and his Muhammadan assistant, who were charged with dishonouring a solitary Hindu woman, were acquitted by a European jury. In the second case a European master kicks his native servant and follows him out of the house with a loaded revolver which goes off, the servant is hit in the back and dies after a few hours. A European jury find the shooting to be accidental, and the accused gets only six months' imprisonment. There is a popular feeling that the acquittal in the first case was not according to the evidence, and that the sentence on the accused in the second case was too lenient. Suppose the victims in both these cases had been Europeans and the assailants natives, what would have been the result? Yet, my Lord, there is no reason to despair, and I am speaking rather *feelingly* when I assure you, that the Indian heart is not at all *cold*. Treat Indians kindly and sympathetically, encourage them and cheer them with friendly words, and you will find them ready to lay down even their lives for you.

“ I have dwelt on this aspect of the question at some length, and my plea for doing so is, that I consider it of supreme importance for the well-being both of the Government and the country. I cannot do better than conclude my remarks on this subject, by giving a quotation from the speech of His Royal Highness the Prince of Wales. On his return to England after his Indian tour, in the course of a speech at the Guildhall, he said :—‘ I cannot help thinking from all I have

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heard and seen, that the task of governing India will be made the easier, if we on our part infuse into it a wider element of *sympathy*. I will venture to predict that to such sympathy there will be an ever-abundant and genuine *response*.'

"The Right Hon'ble Mr. Morley said last year in the course of his Indian budget speech in Parliament as follows:—

'I have examined a great number of responsible communications from officers of the Indian Government. What do they all come to? In their view it is a mistake even now, in the hour of stress and anxiety, not to look at the situation rather largely. *They all admit that there is a fall in the influence of European officers over the population, and an estrangement or refrigeration between the officers and the people; that there is less sympathy between the Government and the people; and that for the last few years the doctrine of administrative efficiency has been pressed too far.*

'Our administration—so true and complete and experienced observers assure me—would be a great deal more popular if it were a trifle less efficient, a trifle more elastic. This leads up to a practical point. The district officer is over-worked, and is forced into mere official relations. Our danger is the creation in the circle of Indian Government of a pure bureaucracy—probably honourable, industrious and faithful, but very likely rather mechanical, rather lifeless, perhaps even rather soulless. An urgent demand for perfected and efficient administration leads to over-centralisation. *I shall spare no pains to improve relations with the Native Governments. I recognise their potential value as a safety valve. I shall use my best endeavours to make these States independent in matters of administrative establishment. All the evidence seems to show that the Indians are particularly responsive to a sympathetic pressure. Do not let us in mere anger estrange them, but let us try and draw to our side those whom these agitators influence. I believe the mass of the populations of India are on our side. I do not say for a moment that they like us, but they know that their whole interests are bound in the law and order which we preserve, and which would be broken and shattered in pieces if we disappeared.*

"My Lord, we have received this announcement and assurance with great pleasure and much satisfaction. These words of the Secretary of State have again confirmed the late Queen Victoria's proclamation in which we read:—

'*We hereby announce to the native Princes of India that all treaties and engagements made with them, by or under the authority of the Honourable East India Company, are by us accepted, and will be scrupulously maintained; and we look for the like observance on their part. We desire no extension of our present territorial possessions, and while we will permit no aggression upon our dominions or our rights to be attempted with impunity, we shall sanction no encroachment on those of others. We shall respect the rights, dignity and honour of native Princes as our own, and we desire that they, as well as our own subjects, should enjoy that prosperity and that social advancement which can only be secured by internal peace and good government.*

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“The relations between the Government and the States are capable of a great deal of improvement. Nothing would win their hearts more than sympathetic treatment, respecting fully their treaty rights, and giving them *full* independence in matters of internal administration. I would like to suggest one thing more in this connection, namely, that the Indian Princes and Chiefs should be tried whenever any occasion arises, only by their peers. It will save a great deal of misunderstanding and heart-burning. In England noblemen may be tried by their peers, and there is no reason why the same principle should not be extended to India. We had precedents for this practice in the past, but unfortunately it has been departed from for the last few years.

“We are very grateful, my Lord, for the new reform schemes which are now under the contemplation of the Government, and in this connection I would like to offer a few observations. It is very gratifying that the Government have at last realised the fact that the Indian aristocracy are the true and natural leaders of the people, and therefore proposals are now made to bring them more and more into touch with the administration of the country.

“First, as regards the Imperial Advisory Council, I generally agree with the proposals of the Government of India, but I just wish to make a few remarks regarding it. It is stated that (1) the Governor General will consult the members of the Imperial Advisory Council, either individually or collectively; (2) that they will occasionally be called together either in whole or in part for the purpose of collective deliberation; (3) that they will possess no formal powers of initiative; and (4) that the Imperial and Provincial Advisory Councils will receive no legislative recognition. Now as regards the first and second points, I beg to say that though His Excellency may have of course full right to consult the members individually, I think it would be much better to call the meetings of the Imperial Advisory Council regularly like the meetings of the Imperial Legislative Council, and that His Excellency the Viceroy should graciously preside over them, just as it is proposed in the case of Provincial Advisory Councils that the head of the Local Government himself will preside over their deliberations. This will involve extra trouble, but the object is worth the trouble and inconvenience. I fully agree with the statement that ‘the Government of India attach the highest importance to collective deliberation, since the opinions thus obtained are different from and frequently more valuable than those elicited by individual consultation.’ And at least for this reason, it seems necessary that meetings of the Imperial and Provincial Advisory Councils should be called regularly.

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“As regards the third point I beg to suggest that both the Imperial and the Provincial Advisory Councils should have the power of informally submitting their proposals and opinions to the Supreme and the Local Governments, respectively, as the case may be, on questions of important public interest which may from time to time arise, *i.e.*, even on those matters about which they have not been formally consulted.

“As regards the fourth point, these Councils should in my opinion receive some sort of legislative recognition, and should be trusted with some sort of formal work and responsibility; for, unless this is done, I am afraid, though they might remain as ornaments to the Supreme and the Local Governments, they would be of little or no real use to the public and the Government, and after some time the whole scheme might fall through, and the object for which the Councils are now constituted would not be attained. Besides it would be highly politic I think to give publicity to the fact that the Government is consulting the people's representatives on the Advisory Councils, and this object, I am afraid, will be defeated if the said Councils do not often formally meet for discussion of, and deliberation on, important public affairs, if their proceedings are always confidential and informal, and if they have no powers of initiative. Proper weight should always be given to the opinions of these Advisory Councils on the questions referred to them, or which they might submit on their own account, because it would look rather ridiculous if their opinions were treated with contempt.

“Coming to the proposals regarding the Imperial Legislative Council, in my humble opinion it would be most unfortunate and undesirable to introduce any *racial* feeling in this matter or to give any sort of prominence to any particular community. This would cause great heart-burning among other communities. Under paragraph 12 of the Government of India's letter I strongly object to the proposal that in the Viceroy's Council two members should be elected by the members of a certain community, and that out of four non-officials to be nominated by the Viceroy, two seats at least should be filled by members of the same class. Thus four seats will be the exclusive monopoly of a certain community, while no such provision is made for other communities like Hindus, Parsis, Jains and Sikhs. The reason given by the Government for this proposal is that the Muhammadans form a minority and that their interests must be safeguarded. Now as far as minority is concerned the Parsis and Sikhs form even a smaller minority numerically than the Muhammadans, and yet no provision is made for their representation. No other community in India can be found more educated, more enlightened and more advanced than the Parsis. The Sikhs, though still backward in the matter of education, have always proved

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themselves firm supporters of Government, are not men of words but of deeds, have fought the battles of their King, as well under the burning rays of the sun as on snow-clad mountains, and are always ready to lay down their lives for their beloved Emperor. When no provision is made for other communities, it does not seem at all fair to favour a particular community by giving it special privileges. The same reasons apply to paragraph 17 of the Government of India's letter as to the proposal that a certain number of seats should be exclusively reserved for and filled by members of a particular community in the Provincial Legislative Councils.

“The Government of India in paragraph 19 itself admits that as in two of the seven provinces with Legislative Councils the followers of Islam constitute a majority, therefore a certain number of Muhammadans may also be returned to the Imperial Council under sub-head (b) of head D. I apprehend that perhaps they have overlooked the fact that in the same way under sub-head (c) of head D a certain number of Muhammadans are bound to be returned to the Imperial Council. Therefore, if the proposals as they now stand are finally sanctioned, there will be a great preponderance of Muhammadans in the Imperial Council, and perhaps at times this number might be as much as three-fourths of the whole non-official Indian members. Under the present arrangement only two seats will be available, under head E of the circular letter, for nomination by His Excellency the Viceroy for all other communities, a number which is all too small for such a vast country as India. Therefore I submit that under head D, sub-head (d), and under head E, all six seats should be reserved for nomination by the Viceroy, without any distinction as provided for in the letter. The Government of India in the concluding portion of paragraph 17 itself admits that Indian gentlemen of position sometimes refuse to offer themselves as candidates to an electorate, and at least for this reason, as I have suggested above, the six seats should be reserved for nomination by His Excellency the Viceroy.

“My Lord, it is very pleasing to note that some far-reaching changes are proposed to be introduced in the form of discussion on the budget in the Legislative Councils. In future more time will be allowed to the discussion than is at present allotted, and this will afford an opportunity for a more systematic and exhaustive criticism. At present a member is naturally compelled to condense in the limit of a single speech all the remarks which he has to make on numerous subjects in an annual review of the administration of India; and this gives to the budget debate a discursive and unfruitful character. Therefore let us hope that the changes which are now sought to be introduced by the Government will

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make the debates less unreal, and will bring them into closer relations with the financial policy and administrative decisions of the Government."

The Hon'ble MR. SIM said:—"My Lord, on previous occasions I have had to thank the Finance Member for measures that have benefited Madras: I have now the pleasure of thanking him again. Last year he promised Madras a revision of its *Provincial Settlement* on his latest and most liberal lines. This promise he has fulfilled and, instead therefore of a fixed assignment, which, however liberal at the outset, must sooner or later have proved insufficient for our growing needs, we shall now have an income based entirely on growing revenues. The change is a very necessary one in a *quasi*-permanent settlement, and I am specially commissioned to express the thanks of the Madras Government for it.

"I am also to express their satisfaction with the arrangement which the Financial Department has recently sanctioned (in its letter No. 358A, dated 18th January, 1908). Under this, the *lump deductions*, which that Department makes in Provincial Budget Estimates, may now be taken as corrections rather than as reductions, and Local Governments are left free to redistribute them during the year as the actual expenditure of the year may require. So liberal a departure from traditional usage has been much appreciated, and we may perhaps hope that the same principle, of freedom within bounds, may be extended so as to empower Local Governments to make *additional allotments* during the course of the year from their Provincial balances, within a similarly specified aggregate total.

"The Financial Statement (paragraph 128) mentions savings due to the delay in sanctioning what we, in Madras, know as *Mr. Meyer's Scheme* for the re-distribution of districts and divisional charges. My Lord, such savings are to be regretted, and I would ask for early orders on this scheme. I am aware that it is, at this moment, back again with the Government of Madras, for further consideration on certain points; but it will be soon returned, and I would ask that very early sanction may then be accorded to it. We have waited long for it, and it is much needed—more so now than ever, now that decentralisation is in the air, for it seems hardly wise to grant increased powers to men, unless time and opportunity to use those powers properly are also granted to them.

"The return of famine emphasises the need for *Protective irrigation*, and I would note with satisfaction the recent progress in that direction, which the Hon'ble Member records. It is true, as was quite fairly pointed out last year, that such works are costly; but famine, which, as the Hon'ble Member tells

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us (in paragraph 6), may in a single season, in money alone, cost the State 10 crores of rupees, is evidently costlier.

“In the presence of such a calamity all minor requests for money are silenced: we can but congratulate Your Excellency's Government on the success, financial and administrative, with which it has been met, and on the fact that in spite of it the Hon'ble Mr. Baker has been able by his grant for *Sanitation* to still continue the series of improvements which have marked his years of office. His change in the presentation of Local, Marine and Interest charges similarly continues his simplification of the *Public Accounts*, which, as correct Accounting implies correct Budgetting, will be welcomed as more than merely clerical alteration.”

The Hon'ble MR. REYNOLDS said:—“My Lord, when I spoke this time last year we, in the United Provinces, were suffering from one of the worst outbreaks of plague that we had as yet experienced. The deaths, which in January had been over 20,000, rose rapidly till in the month of April over a lakh of people died in the Provinces from this disease alone.

“The total mortality in the year 1907 was 328,862, a figure which has only once before (in 1905) been exceeded.

“It was resolved that before the seasonal increase set in, energetic and systematic efforts should be made to endeavour as far as possible to reduce the havoc wrought by the disease.

“A special staff has been employed for providing the people with the opportunity of obtaining inoculation, and in each of the eight principal cities of the Province a medical officer and one from the Indian Army have been appointed to supervise measures for promoting cleanliness and to supervise the operations against plague. For these purposes the grant of 5 lakhs now made by the Imperial Government for expenditure on sanitary improvements, with special reference to the prevention of plague, will prove a most material aid, and I have to express our gratitude for the assistance. Steps were also taken to help the very poor in case they had to evacuate their houses, and to give them compensation if they could not afford to remain idle while under the temporary fever produced by inoculation, and the Inspector General of Police further took steps to guard the houses and property of those who might have to leave their dwellings when plague broke out.

“Perhaps, however, the most important step taken was to familiarise the people generally with the idea of inoculation as a protective measure.

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"A whole-time officer was appointed who toured about the country during the rains, explaining the advantages of inoculation and showing how the serum was prepared and used, and translations of His Majesty's gracious letter with Your Excellency's letter forwarding it to the Lieutenant-Governor were made and circulated widely through the Provinces with the very best effects.

"Since the establishment of the special service the number of inoculations performed by their agency has amounted to 39,062 up to the end of February and the figures now show a steady increase each month. A good deal has thus been done to familiarise people with the idea of inoculation, and we can only hope that when the necessity arises they will be ready to resort freely to this, which is the best safeguard, so far as we at present know.

"As it happens, however, there has not been such a strong demand for inoculation as there might have been, as the rains failed last year, and, as has been noticed before, an unusually dry season following on a virulent outbreak has been followed by a season of comparative immunity from the disease.

"The mortality in the last quarter of 1907 was 3,531 only as against 15,998 in the corresponding period of 1906, and for the first two months of this year the deaths have been 7,002 as against 57,886 last year.

"While however the failure of the last rains has probably contributed in no small degree to this result, it has been the cause of the famine from which we are now suffering, and it is this which at present demands our most serious attention.

"The rains did not set in till past the middle of July, nearly a month late, and they ceased before the end of August. Even so they fell in very partial and scattered storms. At my own house for instance at Meerut but one good shower fell during the whole rains while a few hundred yards away they had four such showers. At the same time I was receiving letters from a place only 200 miles away complaining of excessive rain for the time being.

"The late September and early October rains, on which so much depends, entirely failed, with the result that the transplanted rice all dried up, the autumn fodder crops, on which the cattle depend, were also very short, and except on irrigated lands the spring crops could not be sown.

"To meet the impending calamity, very prompt measures were taken. One hundred and fifteen and a half lakhs of Revenue as mentioned by the Hon'ble Member for Finance have been suspended, and large advances, amount-



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ing so far to the sum of 172 lakhs, were made everywhere to enable the people to dig wells and purchase seed and fodder.

“There can be no doubt that these prompt and liberal measures have proved of the most inestimable advantage, and the people were enabled to commence their fight with the scarcity and famine with courage, realising as they did from the commencement that no avoidable effort would be spared by Government in coming to their aid. I have myself seen the partial famine in the Agra Division of two years ago, and the commencement of the present famine; and comparing what I saw in 1896 with my more recent experiences I have no hesitation in saying that there is now a far greater resisting power in the people themselves than there was twelve years ago; but I have equally no hesitation in saying that that resisting power has been considerably helped by the early and liberal aid which has been so readily afforded to the people from the very commencement of their troubles.

“The distress is of course most acute in those districts where rice was the staple crop and in the hilly parts of Bundelkhand, and the adjacent districts of Allahabad and Mirzapur, where irrigation from wells is difficult or impossible, and where everything always depends on a sufficient and timely rainfall.

“Relief works had to be started in parts of the Provinces in the middle of December, and the numbers on relief have rapidly risen at the rate of nearly 200,000 a week till the latest returns I have show that in the middle of this month 1,382,830 persons were being relieved by the State in one way or other out of a total population for the Provinces of approximately 47½ millions. Now that the spring crops are ready the numbers are falling slightly and on March 21st they were 1,335,128.

“In mentioning these figures I must not forget to add that the Maharaja of Balrampur has organised relief measures on his estate at his own expense, and over 28,000 persons are now being supported by him. I have to acknowledge with gratitude his liberality in this matter and to thank him for the noble example he is setting. I have no doubt that other landholders are doing their best, in so far as their circumstances will allow, and the response made to the request for help to supplement the Government measures of relief has already resulted in subscriptions amounting to Rs. 2,65,552 being raised in the Provinces, while we have also to thank the residents of Calcutta and Bengal for the assistance they are affording us in our distress.

“So far as the business today is concerned, however, I am more concerned with the effect of the famine on the finances of our Provinces. Last year the

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Hon'ble Member for Finance told us of the scheme that Your Excellency's Government had formed to meet such a calamity. I ventured then to express a doubt as to whether the limit of 30 lakhs was sufficient to meet the requirements of a serious famine, and it was explained that these figures were empirical, and if found in practice to be unsuitable the Government of India would not hesitate to revise them.

"The estimate of famine expenditure in the Provinces to the end of March is 67 and a half lakhs, and for the next year, though the local District officers would put it higher, the Local Government has estimated that the expenditure will not be less than 100 lakhs.

"The famine this year is undoubtedly a serious one, but its effects have been somewhat mitigated by the advances given and the revenue suspended. I do not see therefore how we can at all expect to get through a serious famine under less than a crore and a half for famine relief. Out of this we may have succeeded in accumulating the 30 lakhs, and this would therefore leave the Provinces to find sixty lakhs at the least out of their own resources while the Government of India would provide the remainder.

"Under the scheme we should, in the present instance, have to find probably 72 and a half lakhs, and seeing that we only commenced the year with a balance of 51 and a half lakhs to our credit the result on our finances is obvious. The Imperial Government has come to our rescue this year with a grant which will enable us to close our accounts with the minimum balance of 20 lakhs to our credit, and promises to come similarly to our rescue next year in order that the debtor and creditor sides of our accounts may at least balance.

"My predecessors and I have pointed out for several years now the really urgent need of our Provinces for further expenditure, and I fear we are beginning to be looked on as absolutely insatiable in our demands.

"The revision of our Provincial Contract has, as the Financial Member promised, formed the subject of discussion during the year, and we have to acknowledge with thanks the very liberal manner in which Your Excellency has endeavoured to meet our wishes, and we hope that the Secretary of State will deem fit to ratify the provisional arrangement that has been come to.

"The new arrangement will enable us to meet some of our more pressing wants, which as I pointed out last year include more funds for public works, education and hospitals. Municipalities are also in urgent need of assistance in some form or other. To these I may add that if we are to make any headway

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against disease the sanitation of the smaller towns now requires further money from some source.

“ I recognise that this is not a time to press our wants, and I have to acknowledge with gratitude the very generous way in which we have been treated this year; but when the opportunity does come I trust that it will not be forgotten that we still have a lot of ground to make up that we lost in times past, owing to what we now see was the mistaken policy followed in the early days of Provincial finance.

“ This is the more difficult to accomplish as in point of population we are the second largest province in India. The density of the population too is higher in Oudh than in any other part, while that of the Agra Province very closely approximates to that in Bengal.

“ Of the 61 larger cities in India no less than 17 are within our boundaries, and out of the 22 cities with a population of 100,000 and over we have no fewer than 7.

“ Now taking as a typical example our expenditure on education, I see that in the year ended March 31st, 1907, we spent Rs. 43,27,257 and only in Bombay and Bengal was a larger sum spent. But as compared with population I find that Bombay spent Rs. 252 per thousand, Burma 209, the Central Provinces Rs. 139, while we come last but one on the list, with an expenditure of only Rs. 91 per thousand.

“ The history of each year shows clearly the ever-growing interest taken in the spread of education in the United Provinces, and there is no doubt that no subject comes before the District Boards in which the members take a keener interest.

“ My Government had hoped to be able to take over the control of English education at head-quarters of districts as a Provincial charge at a cost of a little over 4 lakhs, and the local funds thus set free would have been available for further expenditure on primary education. In the course of the year a Committee met to consider the question of the improvement of technical education, and their recommendations, which promise much advantage to the Provinces in the early future, will also require funds if they are to be acted on.

“ At present our finances are crippled by the large expenditure required for famine relief, and though the Government of India is coming to our aid in a very substantial manner, and the United Provinces Government has been enabled

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to make a start towards the fulfilment of these schemes, I fear that many of our much-needed improvements will now have to wait for some considerable time before we shall be able to see our way to make even a fair commencement of them, if we have only our own resources to look to."

The Hon'ble MR. CHITNAVIS said:—"My Lord, the present Financial Statement is overshadowed by Famine, and the Hon'ble Finance Member is entitled to credit for having made an ample provision for the calamity at the same time that he expects to close next year's accounts with the substantial surplus of £571,500 or Rs. 85,72,500. In addition to the actual extraordinary expenditure on account of Famine, large suspensions and remissions of revenue are allowed. We all sincerely hope and trust that the provisions thus made will be sufficient to meet the difficulty. But, my Lord, the occasion demands a searching investigation into the whole subject of Famine. The people gratefully acknowledge the Government's solicitude for the prevention of loss of life from starvation; nevertheless, it may be doubted if everything has been done to remove the root-cause of the evil. My Lord, with all the perfection of the Famine Administration, the broad fact of the frequent recurrence of Famine in this unhappy land requires careful and earnest consideration. The necessity for making large suspensions and remissions of revenue even on the appearance of a Famine which, according to the Hon'ble Finance Member, is a tame affair compared to the past Famines, warrants the inference, as pointed out by me on previous occasions, that that revenue is assessed at its highest limit, which does not leave much margin to the farmer. As a matter of fact, my Lord, in the Central Provinces an unusually large proportion of the gross collection is taken by Government in revenue and cesses. This rack-renting makes the land-holding classes hopelessly dependent upon the seasons for sustenance, and prevents accumulation of capital for remunerative employment in the industries.

"The argument, my Lord, is not new that an agricultural country like India must be more or less affected by famines. It may be doubted, to put it mildly, if famine is so necessary a concomitant of an agricultural country; but conceding for argument's sake that the proposition is sound, an enlightened Government has a serious responsibility. Manufacturing industry, as must be evident, makes the people prosperous and independent of seasonal vagaries. The absence from the present Famine of the painful conditions usually associated with Indian Famines, which is noticed with such satisfaction by the Hon'ble Finance Member, will on careful examination be found to be due to a large extent to the growth of Indian manufactures, and the consequential rise in wages. Operatives are now better off than before, and manage somehow to

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struggle on in spite of high prices. In these circumstances it is the incumbent duty of the Government to foster and encourage industries in the country, not only to relieve the pressure upon land, but to give employment to the unemployed, and to increase the staying power of the people. My Lord, with all the benevolent intentions of Government, much unfortunately has not been done by it in this line. All the manufacturing countries of the world have passed through a stage when protection was found necessary, advisable and exigent. England has not attained her present industrial development without years of artificial help of this nature. Some of the European countries and Japan, with all their advancement, even now support their industries with bounties. But, not to speak of bounties, which, if given, would be money well spent, the Indian industries, though in their infancy, are absolutely unprotected. When a few years ago Government felt itself constrained by financial reasons to impose a small import duty, a countervailing excise duty was also imposed, albeit it was not wanted by the Finance Minister, and the cotton goods upon which it was imposed did not enter into competition with Manchester goods. The result has been regrettable. The impost has done Manchester precious little good, but it has seriously handicapped the Indian manufacturer in his competition with manufacturers of countries like Japan which support indigenous industries with bounties. Only the other day the Bomanji Petit Mills of Bombay had to close their Hosiery department for this artificial advantage which Japan enjoyed and the artificial disadvantage which the excise duty upon cotton goods imposed upon Indian manufactures.

“The Indian railways, notwithstanding difference of opinion about the propriety of State ownership, are a State concern. Government is spending millions of pounds sterling year after year upon them. The department is well cared for even in this year of Famine, but the freight charged upon goods is distinctly disadvantageous to Indian manufacturers, so much so that distant countries like Japan and Germany can place their manufactures on the market on the seaboard at a far less cost than the Indian manufacturer working in the interior. This clog to Indian Industry was the subject of complaint in Dewan Bahadur Ambalal Sakarlal's Presidential Address at the last Industrial Conference at Surat. He observed that ‘it costs nearly Rs. 15 per bale of yarn or cloth sent from Ahmedabad to Cawnpore or Calcutta, while it can be sent to the latter place by rail and sea combined for nearly half that sum.’ Mr. A. C. Chatterji, I.C.S., of the United Provinces, was likewise explicit :

‘One of the most interesting and difficult questions that have cropped up in connection with my inquiries in the United Provinces is that relating to railway freights. Many of

the existing industries complain that it is hopeless for them to find a market for their produce in the large towns on the seaboard, because railway freight even at the lowest rate over long distances in the country is higher than sea freight from competing countries like Japan and Germany.'

" It is difficult to believe that a satisfactory re-adjustment of rates is impossible through Government influence.

" In the Appropriation Report on the Accounts for 1906-1907, the increased supply of beet sugar from Germany and the unprecedented imports of cane sugar from Java have been made the subject of comment. If these imports go on unchecked, there will be small chance for the Indian sugar manufacturer. Barring the enactment of the Indian Sugar Duty Act of 1899, this Government has not done anything to stop the swamping of the Indian market by foreign sugar.

" The Hon'ble Finance Member has taken care to inform us that the Commonwealth of Australia has recently 'imposed a duty of £1 per ton on salt imported from outside the Colony.' This impost is obviously due to the anxiety of the Commonwealth for the development of its own salt industry. The adoption of such protective import tariff is perfectly justifiable in Australia, and *à fortiori* would be justifiable in India; but we find instead a heavy excise duty levied upon salt manufactured in India. Indeed, the income from that source in 1906-1907 was far larger than from the import duty on salt, *viz.*, Rs. 4,21,69,000 against Rs. 1,93,21,000.

" My Lord, the most carefully-devised protective tariff would of itself be powerless to do much for industrial development, and small hope of industrial success can be entertained without the initiation of a comprehensive system of Technical Education; but that remains a desideratum. I note with gratitude the creation this year of a few more Technical Scholarships tenable in foreign countries on the lines suggested by me last year. I hope the scope of the Scholarships will be further enlarged, and their number increased; but such Scholarships alone cannot train a nation. I respectfully point out again that well-organised Technical Institutes at important centres are urgently required in the country.

" My Lord, the public of India expect that the Government will rise equal to the occasion, and adopt vigorous measures for the protection, encouragement and expansion of the existing indigenous industries, as also for the introduction of new industries, if only to insure the country against a possible famine. And the prayer is not extravagant that Government should, for its own interests

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as much as for the relief of the landholding classes, limit its demand upon land to a more moderate figure, so as to allow ample provision against contingencies.

“High prices, my Lord, are another very disquieting factor. They have affected the Hon'ble Finance Member's calculations. The cost of maintenance of the Army has increased in consequence. The alarming feature of the rise consists in the fact of its apprehended continuance. It behoves Government to inquire fully into the causes, and to take steps for the removal of such of them as may be capable of administrative treatment. And it will be well to have a Joint Committee of Inquiry of officials and non-officials, and for which I am glad to note that my friend Mr. Gokhale has today pleaded so powerfully.

“My Lord, despite of the Hon'ble Finance Member's remark that Government is in no position to undertake any measures for the remission of taxation, I respectfully submit that, in view of the substantial surplus expected in 1908-1909, the excise duty on cotton goods could be easily abolished. It is not a very productive source of revenue; the maximum income from it has been Rs. 32½ lakhs. The budgetted surplus more than covers it twice over. The abolition of the duty ought to engage the serious attention of Government.

“Although the question of the abolition of the remaining salt-duty of Re. 1 per maund cannot be profitably discussed this year, the Hon'ble Finance Member has been at some pains to prove that the duty is the lowest charged by any Government, and he has quoted figures for some of the leading European countries. The table given shows that the tax is 2½d. per head of population in India against 8d. in England, 11d. in Germany, 2s. in Italy, 1s. 2d. in Austria-Hungary, and 6d. in the Netherlands. But the heaviness or otherwise of a tax has to be considered in the light of the capacity of the people to bear it; and any comparison with imposts of other countries which does not take into consideration the different incomes per head of population must be fallacious. The question is,—Has the penny the same value to the Englishman or to the German as it has to the Indian; in other words, is the purchasing power of the coin the same in the European countries named as it is in India? My Hon'ble friend Mr. Gokhale has just shown it is not. That being the position, the table will be found unconvincing. There would not, however, be much objection to allow the import-duty to stand, provided the excise-duty upon local manufacture is abolished or considerably reduced.

“My Lord, the Hon'ble Finance Member justly observes that ‘the occasion is one for rigid economy and retrenchment wherever it can be effected,’ but this golden rule seems to have been overlooked in providing for the Military

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Expenditure, the Capital Expenditure on Railways, and the Civil Department Charges. The Military Expenditure during 1907-1908 is expected to be somewhat less than the budget of last year, but the reduction will not be due to the enforcement of economy. It is accidental. The department clearly could not consume what was given. Next year too the budget stands at the high figure of £20,754,400 against the Revised Estimate of £20,520,500 for 1907-1908! After the Anglo-Russian Agreement, India expected she would be relieved of at least a portion of the heavy annual burden. The subject ought to engage the earnest attention of Government.

“The most disquieting news about this Military Expenditure is that the Government is ignorant of the possibilities of the recommendations of the Romer Committee. It is alarming from its very vagueness. The Indian public contemplate the possibility of an addition to the already heavy burdens on account of the Army and the Military Defences with the gravest apprehension; and if the contingency happens, it will be extremely difficult for the Government to remove the popular impression that larger burdens are from time to time thrown on the shoulders of helpless India by the British Government for its own convenience and financial relief.

“It remains to be seen how far the creation of a Controllership for the whole of India will help in the reduction of Military Expenditure. The cost, which, with the expansion with time of the Office, is bound to be heavy, will be a net addition to the total expenditure. The compensating advantage will have to be proved.

“The Government is once again liberal in the matter of Railways. Ten million pounds sterling are provided for Capital Expenditure in 1908-1909! And yet the returns are admittedly not commensurate with expectations, and the increase in working expenses has been serious enough to alarm the Hon'ble Finance Member. The utilisation of the surplus and the cash balances in the construction of railways is open to objection on principle. In the opinion of many, surpluses should in the first instance be used in reduction of taxation. If it is now decided to spend a large sum of money on Railways, I think it will be well to allocate a sufficient amount for the Itarsi-Nagpur Railway as a famine project. Money so spent should be strictly limited to areas affected by famine.

“The Civil Departments, my Lord, in common with the Military Department, show a tendency to extravagance. The charges are increasing all round, and their future is unknown. What with regular increase of pay, early retirement, tour charges, sumptuary allowances, etc., the total cost in the Civil Departments is growing enormously. And this notwithstanding the fact that the



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Administration is now in the majority of local areas a matter almost of routine. There is a deal to be said for retrenchment and reduction, and hardly much for the multiplication of offices. High offices are being multiplied which cost the country a very large amount. Their number should be the subject of the closest scrutiny. Surely the time has come when the jurisdiction of Collectors can be safely enlarged. At any rate, without going into details, the subject is sufficiently serious to justify an appeal to Your Excellency for an investigation into the possibilities of retrenchment in the Civil Departments. Superannuation at age 60 instead of at 55 is likely to afford appreciable relief to Government.

“ My Lord, one word about the grant for Irrigation. The progress made in irrigation as a whole is satisfactory, but I beg to point out that the Central Provinces have not had their legitimate share. The recommendation of the Irrigation Commission has not been given effect to, and the scheme of a total expenditure for the irrigation of the Provinces of three crores of rupees in twenty years, at the rate of 15 lakhs of rupees a year, should be faithfully worked. There is an impression in certain quarters that irrigation does not pay in the Central Provinces, and that the water-rate of Rs. 2 per acre cannot be realised. I do not think it will be difficult to realise a moderate rate from people who, though poor, cannot do without irrigation works. But even if the full rate is not recovered, and the works do not prove *productive*, they should be executed as *protective* works. The Hon'ble the Chief Commissioner, speaking at Raipur the other day, referred to two schemes which have been submitted for sanction to this Government. I sincerely hope they will be sanctioned and the recommendation of the Irrigation Commission will be loyally carried out.

“ My Lord, the new departure made by the Government of India in the matter of sanitary improvement must be hailed with joy all over the country. It marks a wholesome change of policy which is pregnant with great possibilities. The recognition of its responsibility in the matter by the Imperial Government is a happy omen. The grant of 30 lakhs of rupees is too small, to be sure, having regard to the needs of the country ; but once the principle is recognised, there is a reasonable hope for expansiveness in the allotment in time. I feel grateful that the suggestion I made last year on this point has received a considerate treatment at the hands of Government.

“ My Lord, the bulk of my remarks today refer to the industrial development of India, and for the best of reasons. To my mind, that is the most important

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and exigent problem now before the Government. We hear a good deal of unrest, but, in my opinion, whatever restlessness there may be in the country is economic in origin. I do not mean to suggest that contributory political and social causes are absent; there are, as a matter of fact, powerful political and social causes at work; but the chief cause of discontent appears to me to be *want*. My Lord, no class of the people is free from the baneful and irritating influence of this all-pervading evil, which is, to a large extent at least, the effect of a civilisation unsuited to the habits, temperament and peculiar circumstances of the country. With the gradual working of the disruptive laws of succession and the break-up of the joint family system, most of the ancient families are ruined, notwithstanding the paternal care of the Courts of Wards; with the limitations upon their authority, the landholding classes have lost their capacity, prestige and power; increased competition for career has reduced the prospects of the respectable classes who have for centuries supported themselves by service, while the progress of an attractive material civilisation has instilled into them high ideas of ease and enjoyment, and placed these beyond their reach by their costliness; and the lower classes, although in receipt of higher wages at places, have lost the pristine simplicity of rural life, and, with their habitual want of forethought, have become spoilt by the example of the higher classes, and been drawn into reckless and ruinous expenditure. The high prices, for which free international trade is to some extent responsible, have affected the whole nation; it is the same cry everywhere; it is want and struggle for existence. So long as this want remains, the result is not only distress and disease, but also discontent and a desire for change. This is the problem therefore that the Government ought to apply itself to with all the philanthropy, enlightened self-interest and statesmanship which have characterised its action in the past. Do what you might, Your Excellency will leave the germ undestroyed unless this want is removed. And this can be best done by the expansion of the manufacturing industry of the country along with the adoption of subsidiary measures for affording relief to the community, agricultural and non-agricultural. The prosperous condition of the mill operatives in the large manufacturing centres proves this. The industrial development of India claims therefore serious consideration. I do not doubt the intentions of Government. The measures taken from time to time for the promotion of the education of the people in Technology and Economics demonstrate forcibly the sympathy and the earnestness of the Government in this matter. The announcement at the last Convocation of the Calcutta University of the creation of a Chair in Economics affords one more proof of the keen interest Your Excellency takes in the subject. But, while I cordially

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acknowledge all that Government has done to encourage Indian industry, as an humble representative of the people it is my duty to press the matter upon its attention, and to appeal to Your Excellency for a more thorough, vigorous and liberal treatment of the subject.

“Plague and other epidemic diseases have also taxed the patience of the people, but Government has wisely taken a new departure in the treatment of this evil.

“The natural yearnings of the people for political advancement is the most important of the contributory causes of discontent, and I am glad this aspect of the question is receiving sympathetic consideration at the hands of Government. But there is one other matter to which Your Excellency's attention must be invited: the Administration, besides being costly, is too complex, exotic and unimaginative. There is a bewildering growth of institutions, departments, and redtapism, enough to give a rude shock to the easy Oriental nature. Changes are sudden and appear in quick succession. All the conventional ideas of the people have been displaced; even the framework of society has been rudely shaken. The natural leaders have lost their prestige, and with it their influence. With loss of position the landlord has ceased to command respect, and is powerless to give legitimate direction to the thoughts and activities of the masses. With a feeling of amazement at the complexity and rigidity of the Administration and the changes happening all round, the people suspect, wrongly I am sure, Government is unmindful of their interests and slow to redress their grievances. And this feeling, made capital of by irresponsible agitators, is at the root of much of the present discontent, which is accentuated by an annoyance and impatience at taxation in general, and direct taxation, like rates, etc.,—unfortunately a growing item—in particular. When the Government has combated the economic evil and epidemics, has simplified the Administration and rendered it less costly and more studious of the public wishes and aspirations, much will have been done to ensure the permanence of British rule in India, and to fix it firm and broadbased upon the affections of a contented and loyal nation.”

The Hon'ble MUNSHI MADHO LAL said:—“Your Excellency, the criticisms that have just been offered by Hon'ble Members have been so able and exhaustive that it will not be right for me to take up much time of this Hon'ble Council. I shall try to be very brief in my observations. Last year both the Hon'ble Mr. Reynolds and myself had to complain of the parsimonious way in which the United Provinces had been treated financially. This year I

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am glad to be able to thank the Government of India for its generous treatment. The Finance Minister has been able to make some substantial contributions. It is patent from the clear and concise memorandum of the Financial Secretary which accompanies the lucid statement of the Finance Minister that although it has not been possible to set apart much money, owing to the eccentricity of the season, for public improvements, the Government of India has generously dealt with our United Provinces, which are most depressed, with regard to the allotment of funds for famine relief, sanitary improvements and police reforms. It has already extended its support to the Local Government's scheme of industrial progress with which Sir John Hewett's Government has identified itself.

“ Although my Hon'ble colleague, Mr. Baker, has not this year been so lucky as he had been in the past, he has laid on the Council table a hopeful financial statement for which he deserves our congratulations. The accounts of 1906-07 closed with a surplus of £1,589,300, being £263,200 above the revised estimates. But the famine of 1907 completely altered the situation, and in the revised estimates of 1907-08 there was a falling off of revenue accompanied by the restriction of useful and even necessary expenditure and a marked shrinkage of the surplus balance that was expected. The Budget Estimates of 1907-08 provided for a revenue of £72,753,000. The Revised Estimates showed only a revenue of £70,989,200. The public expenditure had to be reduced from £71,725,000 to £70,753,000, and the expected surplus at the end of the year dwindled from £774,000 to £235,000. For the year 1908-09, the revenue has been estimated at £73,438,900, the total expenditure at £72,867,400, and the surplus at £571,500. This surplus the Finance Member is sanguine enough, thanks to his robust optimism, to calculate on the assumption that the season will be normal. In the existing circumstances I can quite understand why it is not in the power of Government to undertake anything in the way of remission of taxation or do very much towards increasing useful expenditure for the development of the country. I trust, however, that the promised experiment of that much-needed though long-deferred reform of the separation of the Judicial and the Executive will no longer be put off.

“ The Hon'ble Mr. Baker believes that if the monsoon be normal there is every reason to hope that the progress of the country will resume its usual course, and that the set back which it has met with in the present year will rapidly be made good. Little did we anticipate last year that the present year would be so unfortunately eventful and that the country would once more be in the grip of famine which will cover an area of 118,000 square miles in British

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India and 15,000 square miles in the States of Central India and affect a population about 49 millions. And it is not the agricultural population alone that has been affected by the famine, but as is admitted by the Finance Minister 'the distress caused by high prices has undoubtedly affected all classes and has pressed with great severity on the urban populations and on all who are dependent on small fixed incomes.'

"Here the reflection forces itself upon us, what if the crops fail again by the uncertainty of the monsoon? A writer in a Calcutta newspaper, a few days ago, showed that while in the first half of the last century there were seven famines, during the succeeding *quarter* of the century there were no less than six, while in the last *quarter* there were as many as nineteen. Whether these figures be quite accurate or not, there can be little doubt that of late the famine has proved itself to be a pretty frequent visitor, and that within the last forty years prices of food-grains have nearly quadrupled, that the daily increasing dearness of living has caused a marked decrease in the powers of resistance and recuperation of the masses. The recurrence of famine in rapid succession, the tenacity with which the plague has held on, the decimation of large numbers of people from small-pox, fever and other preventible diseases, tend to make one sceptic of the value of paper calculations. When disease cripples and death depopulates a country, how can its revenue be ensured? In the words of Aristotle to Alexander, 'thou knowest already that the people are thy treasury which thou must carefully preserve and replenish, for thereby thy kingdom is established.'

"It is not due to famine alone that our resources have been crippled. The Plague has come to stay. Then again hundreds, nay thousands, die every year from Dysentery, Diarrhœa, Fever, Small-pox and Cholera—diseases which science can combat with and even prevent by improving the sanitation of the country as also the general physical condition of the people rendering them less susceptible to their ravages. To say that the sanitary condition of the country is capable of very great improvement is repeating a truism. It is unnecessary for me here to quote figures in support of my contention. In my own provinces the mortality from preventible diseases has of late been enormous. In Bengal, where the country all round is water-logged and the drinking water in most places is simply filthy, the wonder to me is how people live and not why they die. The Budget Estimate no doubt provides for a special assignment of 30 lakhs to Local Governments for sanitation, out of which the United Provinces have been lucky enough to get the largest share, *viz.*, 5 lakhs. In this connection I again beg to press upon the attention of the Government the claims of the Benares Drainage Works, regarding which I spoke before this Council last year.

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“ My Lord, by far the heaviest item of expenditure is under the head of military charges, the total of which has been budgeted at—

£
20,754, 400 for 1908-1909 as against
20,520, 500 for 1907-1908,
21,586, 086 for 1906-1907,
21,059, 411 for 1905-1906,
21,906, 377 for 1904-1905.

“ I am too old-fashioned to ignore the ordinance of our great Law-giver, Manu, who says ‘ By a king, whose forces are always ready for action, the whole world may be kept in awe ; let him then, by a force always ready, make all creatures living his own.’ We want a force well-manned and well-equipped, in order to hold our own against all-comers. And in this matter expert advice is of very great value. We are lucky in having in our midst one of the greatest military experts of the day. But there is an obvious danger in letting the military have a free rein. In the words of Sir Robert Peel—‘ If you adopt the opinion of military men, naturally anxious for the complete security of every available point, naturally anxious to throw upon you the whole responsibility for the loss, in the event of war suddenly breaking out, of some of our valuable possessions—you would overwhelm this country with taxes in time of peace.’ His Excellency the Commander-in-Chief is, I am glad to note, anxious to secure efficiency with economy in all his attempts at reorganisation of the Indian Army. The only question which will demand before long the serious consideration of Your Excellency’s Government is whether under the present political conditions it will not be possible to reduce the strength of the Indian Army, consistently with order and good government, the more so in view of the remark recently made by the Secretary of State for War.

“ For, after all, the security of the Government, as every schoolboy knows, lies not only in the strength of its Army, but also in the contentment of the People. To quote again from one of Aristotle’s letters to Alexander—‘ Know that thou canst not reign over persons and govern their hearts but by means of justice and righteousness.’ Or as Jeremy Bentham said—‘ If you would gain mankind, the best way is to appear to love them, and the best way of appearing to love them is to love them in reality.’ Of late we have been hearing much of ‘ sympathy between the rulers and the ruled’; and attempts are being made in high quarters, I am glad to bear testimony, to foster friendly feelings amongst Indians and Europeans. But the spirit of sympathy and good

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understanding has yet to permeate through all the grades of officialdom before the widening gulf between the governors and the governed can be bridged over. Just as the members of the ruling race need great tact and sympathy in their dealings with the people, my countrymen also should, I think, have less impatience and more tolerance in criticising public men and measures, and try to take a more charitable view of Governmental actions. There is such a thing as winning hatred by love, and suspicion by confidence. No sane man objects to any legitimate means of advancing home industries or of developing the resources of the country. But in doing so let no bitterness possess us; let us work within the law, with faith in our cause, cheerful in the hope of its ultimate success; and then we cannot but enlist the sympathy and co-operation of all right-thinking men.

“My Lord, we have it on the highest authority that sympathy is the keynote of the British administration in India. Of kindly professions and good intentions on the part of our rulers there can be no doubt. But what the country wants, in the midst of the new ideals born of Western education and modern enlightenment, is some *practical steps in advance* in the administration of the country. The Indians are a most peaceful and law-abiding people in the world, and to secure their goodwill and allegiance is not very difficult. True, want of education is sometimes a stumbling-block in the way of their proper appreciation of some Government measures. But they are generally fairly shrewd observers of men, and much depends upon how the representatives of the Government behave with them. As to the educated community Your Excellency was pleased to observe not long ago that though very small in numbers, compared with the vast mass of the population, they are not a negligible quantity, and I submit that their voices demand earnest and sympathetic attention of the Government. A Government that strives to conciliate and advance its subjects can hardly be accused of weakness. My Lord, the scheme formulated by the Government of India for the expansion of the Legislative Councils and the establishment of Advisory Boards is good in its intention. I hope, however, that to make it a real boon the Government will see its way to modify it materially. As I have already stated my views on the subject in another place I do not consider it necessary to repeat them here. I sincerely hope and trust that Your Excellency's administration will be signalised by the grant of substantial political boons to my countrymen, and that the economic question will find a solution which will be to the advantage of India and England. The most natural demand of the educated community for a larger share in the administration of their own country is daily growing stronger. Let England discharged

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its duty by India, of uplifting it once more in the scale of nations, and of making it occupy a worthy place in the Empire.

“My Lord, last year I tried my best to plead before this Hon’ble Council on behalf of Lady Ind. The past year has been unlucky for her. Not only were the Home authorities not moved by my appeal, but even the gods have been unpropitious. And to crown all, her young ones have, in some cases, shown distinct signs of restlessness. My Lord, it is the function of a paternal Government to enforce discipline and to properly train its children but let me beg the Government that in chastising unruly ones let their ears not be pulled too hard, and let not hardened criminals and hairbrained enthusiasts be dealt with in the same way. Occasional connivance at shortcomings pays in the long run more than constant and stern rigidity. Boys are boys all the world over; and it is not always wise to hound them: though efforts to keep them confined to their legitimate functions should be welcomed by all true well-wishers. I trust that the responsible leaders of public opinion in this country will so guide their countrymen as to win the sympathy and support of a Government which, though foreign, cannot be replaced for a long long time to come by a better one, be it foreign or native. May the Supreme Ruler of the Universe so direct the affairs of the Government of our beloved King-Emperor as to bind in a golden chain of love the hearts of all his Indian subjects to his august throne.”

The Hon’ble MAHARAJA OF DARBHANGA said:—“My Lord, considering that the Budget which has been presented to us is a famine one, I think we may congratulate ourselves upon the financial forecast given by the Hon’ble Mr. Baker for the coming year, and be thankful that it is no worse. The Budget neither remits nor increases taxation. There is no heroics of any kind mentioned and there is the prospect of a fairly good surplus at the end of the financial year. This is a matter for satisfaction.

“I am glad to see that a beginning has been made in the simplification of accounts, in the separation of local from general finance, in the grouping together of the military figures, and, not least, in the classification of public debt. Now that the process of simplification has begun, the department responsible for classifying the various accounts may be induced to continue their good work and give us fresh specimens of their enlightened endeavours when the next occasion comes round.

“I note with pleasure, my Lord, that there has been a decrease in Military expenditure, but surely the time has now come when the Government



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ought to consider seriously the advisability of materially reducing the burden on the people caused by the upkeep of our huge Military establishment. Let it be done gradually if you will, but now that our North-West frontier is secure from invasion by the Anglo-Russian Agreement, it appears to me that a smaller army than now exists ought to be sufficient to maintain peace within our borders and thus liberate a vast sum of money for more profitable investments in the expansion of railways, irrigation, scientific agriculture, and the exploitation of our Fisheries. My Lord, I put it respectfully to you that Rs. 30 crores per annum is rather too high an insurance premium for the Indian people to pay in a time of peace, and I trust the Government will take this matter into their serious consideration.

“The liberation of a few crores of rupees by means of a lessened Military expenditure would put it in the power of the Government to give an increased development to the railway systems of the country, and to provide for adequate transport facilities, now far short of what they ought to be—for the rapid development of traffic now going on. The present high price of coal has already seriously increased the working expenses of our railways, and is tending to cripple many of our industries whose very existence depends upon getting their necessary fuel at moderate rates. One of the main factors in the present exorbitant prices of coal is doubtless to be found in the great shortage of wagons for transport, coupled in some cases, with the want of efficient management in the quick handling of the rolling-stock for transport purposes only, and in preventing the wagons from becoming mere coal godowns. The throttling of commercial traffic is a very serious one for the country, and I am glad to see that the Railway Board, in their report, are thoroughly alive to the gravity of the situation. The Government have during the last twenty-seven and a half years received twenty-six crores profit from the East Indian Railway alone, and in view of such good results it is mild criticism to say that to keep the lines short of rolling stock is equivalent to something like killing the goose that lays the golden eggs. I am glad to see however that part of the three crores loan is to be expended on railways, and doubtless an adequate addition will be made to the number of wagons required for the increasing traffic.

“Sanitation, my Lord, is a subject of perennial interest to us all, and I notice that Rs. 30 lakhs have been budgetted for allocation amongst the various Provinces on this account, which is so far well. But there is one matter, on which I trust Your Excellency will at this time be able to give us some definite information, and that is regarding the scheme for the Improvement of Calcutta

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It is now seventeen years since the Sanitary Commission gave in their report, and today we seem not to be much further forward than we were at that time. That report revealed that there were congested areas in Calcutta reeking in filth and disease, where the number of inhabitants were four times as dense as in the most congested parts of London, and nothing has yet been done to mend this state of matters. A Calcutta Improvement Scheme has been dangled before our eyes during recent years—a scheme which was to turn our metropolis into the Queen of the East. May I respectfully ask the Government, where is that scheme now? Does it still exist? If so, when is it to come into operation? Perhaps the Government may take us into their confidence and tell us wherein lies the hitch? Is the difficulty one of finance? There are fifty lakhs lying in trust with the Government of Bengal for the scheme, and, as has been suggested before, there is our great monopoly of Jute, a moderate export duty on which would pay for the whole cost of the improvement of our metropolis out of the pockets of our foreign customers, without any burden being felt here at all, or without the chance of hurting the industry in the slightest degree. It is absurd to say that an article which we alone can sell cannot stand a small tax, seeing that the price can range from £13 10s. to £26 per ton, the rate it touched during the last year, without any cessation in the demand for the article. I suggest therefore that if financial considerations form the hitch, the remedy may be found in putting a moderate tax on Jute.

“Anyhow it is surely high time this Calcutta Improvement Scheme was launched, for it has now been abundantly proved that all the other experimental measures which have lately been in vogue for checking the ravages of plague, such as disinfection, inoculation, rat-catching and flea-hunting, while these may have had some ameliorating effects, there is nothing that can have any lasting effect in extirpating the scourge of plague and other diseases begotten in filthy conditions, than by rooting them out of their lairs by effective sanitation in such a manner as this Calcutta Improvement Scheme was designed to bring about. I trust therefore that the Government will today be able to give us some authoritative and satisfactory deliverance on this most important subject. Perhaps the Hon'ble Member for the Home Department will forgive me if I remind him that in his speech on the Budget Debate last year he made the distinct promise then that the Calcutta Improvement Scheme would ‘soon’ come into being.

“The food supplies of the people naturally call for consideration in time of famine, such as a large part of the country is passing through at the present moment. To meet the pressing needs of the

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starving thousands the Government have been prompt in supplying enough food to keep body and soul together, and the voluntary organisation recently inaugurated will, with the funds placed by the public at their disposal, supplement State aid by giving other alleviating comforts to the suffering people. But after all, while it is good and right to meet famine in these ways when it all too often makes its appearance, it would be better if we did our utmost to bring about conditions which would go far to banish famine altogether from the land. I mean by increasing the food supplies of the people by the greater development of scientific agriculture and by the exploitation of the fisheries in our coastal waters and our inland streams.

“ My Lord, agriculture, as has often been said, is the first and most important interest in India, and the Government, during recent years, have not been slow to recognise the fact, and by the establishment of agricultural colleges here and there, and by the model experimental farms, have made a beginning in tackling the all-important subject. But let us all recognise that it is only a beginning, although a very promising one, that has been made up to the present time. It is good by means of these comparatively few experimental farms to show that with selected seed, proper preparation of the soil, and by the use of the most suitable fertilisers, two blades can be made to grow where only one grew before. It is good also to issue all this most valuable information by the means of reports. But these have little effect on those chiefly concerned, *vis.*, the cultivators themselves, for they seldom see these documents, and the passing visits of itinerating instructors throughout large districts produce very little effect in moving the raiyat out of his old ruts. What is really wanted is that scientific agriculture should be made an indispensable part of the primary education given in all our schools. Nine-tenths of our population are of the agricultural class, and it is by catching the children of the raiyats at the village schools and by early indoctrinating them there with sound instruction in principles of scientific agriculture, illustrated in a pleasant way by experiments in gardens such as are attached to some of the schools now, that a real living and abiding interest will be taken in this question of all questions for the salvation of our land from the desolations of famine.

“ Important as a training in the three R's may be, it is in my opinion more important still that the children destined to be cultivators of the soil should receive a sound agricultural education in our primary schools, if any real progress is to be made towards increasing the productions of the soil so as to give our fast increasing population an adequate supply of food. Money will of course be required to provide for such agricultural education, but I am sure Your

[Maharaja of Durbhanga.] [27<sup>TH</sup> MARCH, 1908.]

Excellency will agree that such money will be well spent, for, like good seed, it will yield a rich harvest in the near future. Probably His Excellency the Commander-in-Chief may be able by future judicious retrenchments in the Military Budget to enable the Government to have money at their disposal for giving this much-needed agricultural education in all the primary schools throughout the country.

“ My Lord, the whole question of food-grain supply is one of the most vital and pressing problems which demands solution at our hands. In the course of my remarks on the Budget last year, I made a respectful request that the Government of Your Excellency would be pleased to grant a Commission of Enquiry to examine into the whole subject. In reply the Hon'ble Financial Member of Council said: 'There is no doubt that prices have ruled very high during part of the past year. I have seen it stated in the papers that a Committee has been formed under the presidency of the Hon'ble Maharaja to consider the situation, and, if possible, to devise measures to meet it. If the Maharaja's Committee ("Annarakhini Sabha") is able to devise any means of mitigating the difficulties, its labours will be deserving of encouragement. Until we see what the Maharaja's Committee elicits, I do not think there is any occasion for a Government Committee of Enquiry.'

“ My Lord, the members of the Sabha have placed before me a statement the perusal of which has made me more inclined than ever to press upon Your Excellency the absolute necessity which exists for the formation of a small expert Government Commission to enquire into the whole matter. The facts and reasons demanding such an enquiry may be stated as follows:—

- (a) In 1866-67 (Orissa Famine) the area most affected was 12,000 square miles, containing a population of about four millions of people (*vide* Famine Commissioner's Report of 1878).
- (b) In 1873-74 (Bengal-Bihar famine) the area affected was 40,000 square miles, and the population affected was seventeen millions (*vide* Famine Commissioner's Report of 1878-80).
- (c) In the present year the area affected is 150,000 square miles and the population affected is fifty millions. (I quote from Your Excellency's speech in the Town Hall on the 17th March current.)

“ My Lord, you will observe that the foregoing facts and figures distinctly show that the area and population affected by successive famines have been rapidly on the increase.

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“ During the first half of the 19th century there were nine famines affecting different parts of India, whereas during the second half of the same century there was no fewer than twenty famines, including the famine of 1901, affecting different parts of India. These facts show an alarming increase in the extent of these calamities.

“ My Lord, it has been acknowledged by your Government that the prices of food-grains this year are ‘ much higher than during the great famine of 1900, and distinctly higher than in 1897.’ But the high prices this year have one special characteristic distinguishing them from their predecessors. They are not confined to the affected area, but are universal almost over all India. This rise in the price of grain all over India tends, in my opinion, to show that the affected districts of India are largely importing food-grains from the unaffected districts, and that the time is not distant when exports of food to foreign countries will so exhaust the resources of India as to render them incapable of affording the surplus which may be required for the affected districts.

“ My Lord, I have seen it stated that ‘ the export trade encourages production and creates a reserve which can be drawn upon in time of scarcity.’ I am afraid that this ‘ reserve’ is more or less a fiction as it is spent in buying necessaries of life, the prices of which have a tendency to rise *pari passu* with the rise in the price of the staple food-grains. If there had been a ‘ reserve’ in the country there would have been a staying power with the people. But the facts prove otherwise. No sooner does one monsoon fail, or show signs of failing, than scarcity at once begins to be felt.

“ My Lord, the price of rice, the staple food of Bengal, was about Rs. 1-8 per maund in Calcutta in 1866-67. Today it is between Rs. 7 and Rs. 8 per maund. This increase is phenomenal and perhaps unique in the world’s prices of food within so short a period. This rapid increase in the prices of food-grains has a reflex action on the prices of all other articles of human consumption, and until this tendency is brought under proper control, the results will be of a serious order. I know that the general idea is to cast all the responsibilities for famine on the freaks of the monsoon. But monsoon freaks occur with neither more nor less frequency than they have ever done from the days of old. But the present differs from the past in that there is no reserve of food now when famine occurs and consequently no staying power among the people. My Lord, I could say much more in support of the proposal I have respectfully made, but I trust Your Excellency will feel that I have said enough to influence the Government

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of India to make a wise concession to popular opinion and grant a Select Commission of Enquiry to examine into the whole question of the Food Supply of the people and all things related thereto. Your Excellency is aware that a private Commission would not have the same weight or authority in the eyes of the public, nor could it collect its information in the complete manner in which a Government Commission would have at its disposal, and I need hardly add that its conclusions and recommendations would not have the same weight as those of an official Commission in the eyes of the Government or of the public. Whatever might be the outcome of an official Commission, I am sure at least that it would convince the country that the Government had made an honest attempt to arrive at a solution of the great problem of the Food Supply of the people. And this in itself would be a good achievement. But the Government Commission would have to be invested with full powers to go into the whole question and be invited to suggest the remedies which they think would cope with the disease.

“My Lord, I may note in passing while speaking of Food Supply that I am glad to see that the Governments of Bengal and Madras have taken up in earnest the question of Fisheries Investigation. The Government of Madras have already made great progress in this direction and have established a Fishery Board under the able superintendence of Sir Frederick Nicholson. In Bengal I am glad to see that the lines are being laid down for experimental investigations, and that a steam trawler is expected out immediately to commence work in the Bay. In this way, my Lord, a lead will be given to private commercial enterprise from which enormous results of a beneficial kind are likely to flow, in not only materially increasing a constant supply of good and cheap food, but also in multiplying the means of national wealth, and bringing into existence quite a number of related industries which are as yet strangers to the land. My Lord, I earnestly trust that the good work now commenced in Madras and Bengal will go on until every Province has a Fishery Board of its own, and that Your Excellency's Government will do all in its power to foster such a hopeful enterprise as will result from the scientific exploitation of our coastal seas and our inland waters.

“It might not be out of place here to refer to some inland waters for which we have no use. I mean those which are cooped up by railway embankments in times of flood, because there are no culverts or waterways through these embankments to allow the water to go away. There was a recent Conference at Mozufferpur on this question held by the Commissioner of Patna with the Collectors of Darbhanga and Mozufferpur and the Chief Engineer

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of the Bengal and North-Western Railway ; and in the course of the discussion it was acknowledged by the Chief Engineer that more waterways were absolutely necessary as the recent floods had been caused by the water having no means of getting away. This is a question of national importance, as these waters cooped up by the railway embankments sour the land and render it less fit for cultivation, and bring malarial fever in their train. Some years ago such a state of matters was experienced in the neighbourhood of Calcutta until the necessary culverts were made to allow the water to subside. I trust Your Excellency will call the attention of the Railway Board to this all-important matter, and especially to take notice that the culverts be made in all new railway embankments where it is essential that flood water should have easy means of getting away.

“ My Lord, I look forward with some degree of hope to the results of the Decentralisation Commission now engaged in their enquiry throughout India and trust that the outcome will be in the interests of a better and more sympathetic administration in the subordinate ranks of the Government than now exists or, it may be, is now possible. Anything, my Lord, that will tend to dissolve cast-metal bureaucratism, and will bring our subordinate administrators more into living touch with the people in their daily lives, to mingle more and converse with them, to listen sympathetically to grievances, to give friendly advice and to heal differences, will all tend to bring about a more genial atmosphere of feeling between the governors and the governed, and will cause peace and contentment to spring up where unrest and aversion existed before. My Lord, while on the matter of reform, I would like to express my humble opinion that so soon as it can be brought about it would be better to have a uniform system of Provincial Government in India than continuing the methods now in vogue. The Provinces which are now Lieutenant-Governorships should all be raised to the same status as Madras and Bombay, and each Province have a Governor and Council of its own. I am sure, my Lord, that the people of Bengal would welcome such a change as an improvement upon the present system.

“ My Lord, may I be permitted to hint that while the growing charges connected with the Administration are beginning to bulk largely in the eyes of the public, criticism is directed mainly to the fact that the increased expenditure has been nearly all for the benefit of the upper ranks of the Civil Service. No one has the least objection to the high officials being comfortably housed according to their rank, and within the limits of moderation ; but, my Lord, it is meet at the same time that the subordinate ranks whose salaries range say from Rs. 500

[Maharaja of Darbhanga. [27<sup>TH</sup> MARCH, 1908.]

downwards, should, in these days of higher rents and increased cost of living, meet with adequate consideration also. As I have said, I merely hint at the matter, feeling assured that Your Excellency's Government will do what is right in ameliorating the lot of these public servants who now feel hardly hit by the altered circumstances in which they feel themselves placed.

“ If I might say a word to Your Excellency regarding the threatened dislocation of some of our public services recently on account of grievances, alleged or otherwise, formulated by employees in some of the subordinate offices, not being promptly attended to by their immediate overseers, I would respectfully suggest that when such employees formulate their grievances a copy of the document which is sent to their immediate overseers should also, at the same time, be allowed to be sent in to the Head of the Department for his information as to what is going on in the ranks of the employees. I am sure, if this were allowed, adjustment of grievances, sometimes too long deferred, would receive prompt attention, and strikes hurtful to commerce and to the public generally would in many cases be absolutely avoided.

“ It is to be noted with great satisfaction that Your Excellency's Government are now engaged in devising means for more closely associating with yourselves in the Councils of the Government, the most capable men in our various communities whose character, ability and experience mark them out as being fitted for the work; and we have every confidence that Your Excellency will hold the balance even in giving each considerable section of our communities their due and fair share in proportionate representation. In connection with the subject I would suggest, with all due deference, that as the Import and Export commerce of the Empire finds due representation by members of the British Chambers of Commerce on the Imperial and Provincial Councils, the great internal trade and commerce of the country, which is at least about six times the value of our foreign trade, should also be represented on Your Excellency's Council by the admission of Indian merchants of experience, such as the Hon'ble Mr. Thackersey, who would be able to give valuable advice when matters connected with our internal trade came up for consideration.

“ My Lord, in my remarks during the Budget Debate a year ago, I alluded to the question of the Victoria Memorial Hall. I know that this is not a question which is directly under the control of the Government, but it is a matter of national interest after all. The things connected with the Memorial do not seem to be in a much greater state of forwardness than they were twelve months ago. Indeed, there has been considerable controversy



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and differences of opinion have arisen amongst the engineers and architects consulted, about the nature of the structure to be erected. And now the plans and estimates are again in the crucible. No one knows what is going to happen ; but seeing that eminent doctors differ so much from each other I would again respectfully offer the opinion that before anything further is definitely decided upon, the subscribers should be asked for their opinion as to how the money should best be devoted to honour the memory of the great Queen-Empress.

“ My Lord, in bringing my remarks to a close, I would venture to suggest as an improvement on the present course, that the Budget should be introduced early in January of each year, the financial year to close on the 31st December instead of the 31st March as at present. If there are any serious objections to this proposal so that it cannot be entertained, then, as there are often matters connected with and arising out of the discussion on the Budget which might form subjects for subsequent conference with Your Excellency if we only had the opportunity, it would be esteemed as a great and special boon if Your Excellency could see your way, instead of departing immediately after the conclusion of the Debate, to prolong your stay in Calcutta for two or three weeks in order to give those who cannot go to Simla, opportunities for such private conference, for the purpose of making representations on matters regarding which we might wish for further explanation, or for making suggestions on others of public importance which have not come within the scope of the Budget Debate. I am sure if Your Excellency would accede to this proposal the public would esteem your acquiescence with thankfulness and profound gratitude.

“ My Lord, when last I had the honour of addressing you on the Budget, India was in a comparative state of unrest from various causes. I am happy to believe that, under the sympathetic and wise rule of Your Excellency, much of the bitterness which was mixed up with the unrest is passing away, with the increase of closer and more friendly feelings between the governors and the governed, and the cordial recognition by the people that the British Raj means well to the country at large.

“ I conclude by thanking Your Excellency most cordially for the grace and patience with which you have listened to my remarks.”

“ The Hon'ble MR. HARVEY said :—“ My Lord, I have officiated for a few days only as a Member of Your Excellency's Government, and in ordinary circumstances would have felt it incumbent on me to take a very limited part in the debate. But as I have been connected with the Department of Commerce

[*Mr. Harvey.*] [27<sup>TH</sup> MARCH, 1908.]

and Industry since its creation and am familiar with the work done in the various branches of business with which it deals, it will perhaps not be out of place for me to review as briefly as possible the principal features of the year's administration.

"The latest available statistics of our sea-borne trade show that the expansion of the last three years has so far been maintained. The total value of imports and exports, excluding Government stores, for the eleven months ending February 1908, aggregates nearly 314 crores, which is an increase of 9 per cent. on the total for the same period of 1906-1907, and is only 4 crores short of the trade for the whole of that year. Imports, which account for the greater part of the increase recorded, are returned at 147 crores, or 12 crores in excess of the value of the import trade for the twelve months ending 31st March 1907. The chief advances are under 'cotton fabrics,' 'railway plant and rolling stock,' 'iron and steel.' There have been large exports of raw cotton, seeds, jute manufactures, rice and wheat, but against these we have to set heavy decreases in raw jute, cotton yarn, and hides.

"I fear, however, that the present rate of expansion is not likely to be maintained in the immediate future. The latest information points to the fact that, in the import trade, there has been a large accumulation of stocks, especially of piece-goods, and the effect of the scarcity in Northern India has, so far as the statistics are concerned, barely had time to make itself fully felt. In all our staple lines of exports, however, the figures for the first two months of 1908 show an appreciable decline, and the total increase up to date is due entirely to the large exports in the beginning of the official year. The exports of Indian manufactures show a net increase of  $1\frac{1}{2}$  crores, which is mainly attributable to the increased activity in the jute manufacturing trade in the earlier part of the year 1907-08, but there has been a certain reaction recently due to causes which are well known. The yarn trade with China shows a marked falling off which is only partially counterbalanced by the advance in exports to other markets in the Levant and Europe which Indian traders have recently entered. There has, however, been a greater internal demand for cloth manufactured in Indian mills, which are absorbing a larger proportion of our Indian yarn, and under this head the returns show a satisfactory improvement.

"At all the important ports, measures are in progress to provide for the demands of trade. The Calcutta Port Commissioners have taken steps to acquire the land required for the large scheme prepared by their Chief Engineer. In Bombay, in addition to the construction of the New Docks, the progress of which has been somewhat retarded by unexpected difficulties,

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the Trustees are undertaking at an estimated cost of 131 lakhs, a large reclamation project which will give a wharf frontage of two and a quarter miles, between Mazgaon and Sewree, and sanction has been accorded to the raising of the necessary loan. Similarly at Karachi, the Port Trust have submitted proposals for the construction of ten ship berths at a cost of 125 lakhs. The erosive action of the river at Rangoon has necessitated the initiation of large and costly measures with a view to the training of the river, and provisional sanction has recently been given to estimates in connection with this work amounting to 92 lakhs, towards which the Government of India have contributed 25 lakhs and the Provincial Government has been permitted to advance a similar amount.

“ Measures have recently been taken to standardise the procedure at the various Customs Ports in regard to the administration of the Merchandise Marks Act. The Government have approved of the issue of a Manual compiled under their authority which brings together the executive instructions issued from time to time for the guidance of Customs Officers in administering the provisions of the Act. This Manual will be of assistance to merchants, in presenting to them for ready reference in one authoritative compilation, the rules and regulations observed at our Customs Ports, and it will also have the effect of securing a very desirable degree of uniformity in the administration of the Act. A modification is to be introduced in the practice respecting the marking of specific indications of the country of origin on imported goods. The law requires that, when the name or trade-mark of an English or Indian manufacturer is marked on goods not made in England or India, there must be a counter-indication specifying by name the country in which the goods were made. *indication* Where, however, goods made elsewhere than in England or in India do not bear such a name or trade-mark, but are only marked with an expression or description suggesting an English origin, the law does not authorise the Customs-authorities to insist on the marking by name of the country of origin, and any expression negating the suggestion of English origin is, for legal purposes, sufficient. For instance, the use of such expressions as ‘Made abroad,’ ‘Foreign made,’ or ‘Not made in England or in British India,’ would be a sufficient compliance with the provisions of the law in the case of an article say, made in Germany, which bears an English expression. The practice at our ports has, however, not been in entire accord with the law. The Local Governments and Chambers of Commerce were consulted in regard to this modification, and I refer to it in some detail because the replies we received to our references suggested a certain misapprehension of the scope and purport of our proposals, and I hope that I have made it clear that the object of this modification is only to bring our practice into conformity with our law, and that no change in the latter is at present contemplated.

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“ A brief reference may be made to two special matters which have formed the subject of discussion during the year, namely, the amendment of the law relating to patents, and the Assam Labour Law.

“ The growth of manufactures and industries in India, and the consequent increase of the use of new processes and machinery, has directed more attention of recent years to inventions and designs in this country. The Act which regulates their protection was passed in 1888 and was founded in the main on the earlier Acts of 1856 and 1859 which in turn were based on the English Act of 1852. Since that date many further changes have taken place in the way that invention is regarded both from the standpoint of the inventor and the public, and it is proposed to take early steps to obtain sanction to legislation which will bring the present system more into line with the latest practice in the United Kingdom. Suggestions put forward by the Patents Secretary and considered by the Department have been carefully worked out by him and a draft Bill is now under preparation. This will, it is hoped, shortly be ready for examination, and when the necessary sanction has been obtained it will be submitted for the criticism of the manufacturing public.

“ The orders recently passed on the subject of labour for the Assam Tea Gardens define the attitude of Government towards this question. The Act of 1901 is to remain in force in the Assam Valley for a period of two years, after which the question of its continuance on present lines will be taken into consideration. In the meantime the operation of the Act has been modified in two important particulars: the right of private arrest hitherto vested in employers has been withdrawn, and the taking of contracts in the labour-districts has been abolished. The object in view is gradually to introduce greater freedom in the management of labour on the gardens. The special Committee which enquired into the subject considered that in order to induce labour to move to Assam, relaxation of the existing conditions in these respects was necessary, and they also pointed out that the attractions to labour should be increased in order to enable the Tea industry to compete in the labour-market in the down country districts. The various suggestions made to this end it is for the industry to consider. The Government of India, while agreeing with the conclusion of the Committee that the minimum wage prescribed by the present Act is no longer an inducement to emigration, have, in view of the generally favourable opinion expressed by the Committee as to the material condition of the labourers in the Gardens, decided to leave the question of raising the wage to the industry concerned. In recruitment various changes have been introduced with a view to encouraging the emigration of labourers free of contract under the Act.

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"The question of withdrawing the Act from the Surma Valley presented difficulties which have led to the postponement of action in this respect. But it is intended presently to amend the law so as to enable a beginning to be made in selected tracts with entirely uncontrolled emigration to the Surma Valley districts.

"The reductions made during the year in the rates of inland postage have been accompanied by a remarkable increase of traffic in respect both of letters and of parcels, and we anticipate that the net cost, which was originally estimated at 15½ lakhs for this half-year, will probably not be more than half that amount.

"There has been a good deal of adverse criticism because the new contract with the Peninsular and Oriental Steam Navigation Company for carrying the Indian mails, which came into effect on 1st February last, provides for an acceleration of only eight hours over the transit timings hitherto in force between Bombay and Brindisi. I need hardly say that the Government of India entirely sympathise with the desire of the commercial community for a faster service, and have spared no effort in their attempts to secure this. We secured the insertion in the form of tender issued by the Post Master General, London, in August 1906, of a provision asking tenderers to state what subsidy they would require if a service 24 hours faster than that given under the former contract were introduced three years after the commencement of the new contract. The Peninsular and Oriental Steam Navigation Company was however the only responsible Company that tendered for the service, and they declined to comply with this request. They contended that the acceleration proposed would necessitate a very large expenditure on ship-building and that the incidental charges would be excessive. It might perhaps have been possible to extend the old contract for a further period of two or four years and to make a further attempt to obtain a 24 hours acceleration in 1910 or 1912. But it was very doubtful whether any responsible competitor would have come forward, and in the absence of real competition we should have been no better off four years hence than we are now. It was therefore decided by His Majesty's Government to close with the offer of the Peninsular and Oriental Steam Navigation Company, in the hope that this would be found the most effective measure towards obtaining a substantial improvement in the mail service on the next occasion on which tenders are invited.

"In the Telegraph Department the year has been characterised by the greatest activity. It was recognised soon after the introduction of the low tariff rates that the Department was not fully organised or equipped to cope with

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the enormous increase of traffic involved, and that very far-reaching reforms would be necessary before it could render to the public the service which the latter has the right to require. A Committee was appointed which submitted its report in April, and later in the year the services of a selected officer of the English Post Office were obtained in order that examination of all the details of the existing methods of dealing with traffic might be carried out. Time does not permit of my placing before you even a resumé of the evidence and reports which have been laid before us; they have been very voluminous and have been examined with care. We have come to the conclusion that the greatest fault to be remedied is the excessive delay which by ancient custom has come to be regarded as a normal feature of the service. As an illustration I would mention that the figures of delay in a large Indian office and a Home office, similar in respect of volume of work, have been compared, and it is a fact that while in the former only 8·2 per cent. of the messages were put on the wires within ten minutes of receipt in the office, and 57·6 per cent. were delayed over 40 minutes, in the latter 91·7 per cent. were being despatched within ten minutes. We have received convincing reports from Mr. Newlands, whose work has been invaluable, as to the causes of delay, which he attributes mainly to the excessive amount of clerical labour performed in respect of messages, unnecessary signalling operations, the compilation of useless returns, and to the fact that the hours of duty have not been arranged so that there may be a sufficient number of men during the busy hours to dispose of the traffic as it comes. These are defects which can be remedied, and it is hoped that the orders which have already issued in the direction of simplification will before long produce a very marked effect. There is no desire on the part of Government to exact too much work from the subordinate establishment, but it is a matter of common knowledge that the Department is already considerably overmanned. The new system of duties, when finally arranged, will not only greatly accelerate business, but will also materially reduce the amount of work done at night, and this will be understood before long. At the same time Government are aware that the present scales of pay are insufficient and that there have been in the past several legitimate causes of complaint. Some of these have already been remedied and action is being taken in respect of the others. A recommendation will shortly be made to the Secretary of State in respect of the pay of the staff. We recognise that special efforts will be necessary on the part of all concerned to carry out the reforms and to build up a telegraph service that will be capable of performing its proper functions. But we believe that the whole staff of the Department, superior as well as subordinate, will spare no pains in the endeavour to attain efficiency, and we look with confidence to the public for their assistance and perhaps

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or a time for some forbearance while the measures that have been devised in their interests are brought into full operation.

“The abolition of the office of Consulting Engineer on the 1st January 1908 marks a great change in the relations between Government and the Railway Companies and in the system of railway administration in India. Hitherto this officer has been the medium through which the control of Government over the Railway Companies, usually of a minute character, has been exercised.

“The proposal to give greater freedom to Companies originated with Mr. Thomas Robertson and is now being carried into effect. The duties of the Consulting Engineers as regards inspection have been transferred to Government Inspectors working directly under the Railway Board. Most of the powers of sanction which they formerly possessed, and extended powers similar to those vested in Managers of State Railways, have been delegated to the Companies' Boards. The appointment of Railway Secretary to the Local Government has been abolished in Bombay and Burma, but in Madras the Government Inspector will continue to hold that office, though without exercising the functions of a Consulting Engineer.

“It would be premature to pronounce any opinion on the new system after only three months' experience. We have every hope that it will prove a success and will promote efficiency, and we believe that the Companies will exercise their enlarged powers with discretion. Government interests will be safeguarded by means of the Inspectors working under the Railway Board and Examiners of Accounts, and we have reserved the power to make special arrangements should the circumstances of any line appear to require this course.

“One effect of the change will be that some of the Local Governments will have less direct responsibility for railway work than they have at present. But we have no desire to diminish in any way the legitimate influence of the Local Governments in the questions of railway policy in which they are interested. Railway Administrations have been instructed to keep in close direct communication with them in respect of all matters which are not of a technical character, and the Railway Board will welcome their advice and assistance.

“The disappearance of the last of the old Guaranteed Companies demands a word of notice. The Madras Railway, which was established in 1856, has always been an expense to the State, and we had, therefore, no hesitation in recommending to the Secretary of State that the line should be acquired at the earliest date which the contract allowed. The purchase was concluded last year and took effect from the 1st January 1908. As the existing

contract with the Southern Mahratta Railway Company terminated in 1907, and the contract with the South Indian Railway is to expire in 1910, the opportunity was taken to re-arrange the railway systems of Southern India, with the result that the Madras Railway, as a separate entity, has disappeared and has been absorbed in the South Indian and Southern Mahratta systems. A reduction in the number of separate administrations was clearly required for purposes of economy and efficiency, for the Madras Railway had no room for expansion and none of the three systems could rank in mileage or in receipts with the great lines in other parts of India. The Southern Mahratta Railway Company has taken over the whole of the Madras Railway excepting the Jalarpet-Mangalore section (and branches) of the South-West line; and also the South Indian metre-gauge lines north of Katpadi. The South Indian Railway Company has taken over the Jalarpet-Mangalore line and has also been given running powers over the Madras-Bangalore section. The object in view in these arrangements has been to create two systems with distinct spheres of influence, within which they will be free to develop trade and to build extensions with as little risk as possible of creating excessive competition.

“The Railway Board’s memorandum, which is attached to the Financial Statement, explains the programme which has been adopted for the coming year. It will be observed that the total has been maintained at 15 crores, a much higher figure than was at first anticipated. In pursuance of the deliberate policy which has been adopted, by far the greater part of the expenditure will be on open lines and rolling stock; the Board have provided for lines under construction 331.12 lakhs and for new lines 20 lakhs only. No provision was made in these estimates for the construction of the Lower Ganges Bridge, but since they were framed the sanction of the Secretary of State to the project has been received, and the Board will now issue orders for the commencement of the working survey and the preparation of construction plans and estimates. Sanction has also been given to the Irrawaddy Bridge at Sagaing and funds for the preliminary work will be provided from the grant for open lines.

“The Board have alluded\* to the difficulties experienced in working traffic, and it is a matter of common knowledge that the complaints have been as bitter and the discussions at meetings of public bodies and in the Press have been as acrimonious as before. In considering the position it must not be forgotten that there have this year been two special causes which have added very largely to the normal difficulties. The scarcity in the United Provinces has necessitated the transport of large quantities of grain to the affected areas there, and the strike on the East Indian Railway in November caused a retardation in the



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traffic which was bound to have effects lasting throughout the season. But the complaints have not been confined to Calcutta. Steamers have been detained at Karachi unable to discharge, and there have been most urgent requests for the transport of produce to and from that port and from the wheat-growing areas of the Punjab to the distressed districts of the United Provinces. Government do not conceal from themselves the fact that systematic measures are required to restore the balance. It is, however, impossible for them at the present time to do more than devote the funds at their disposal towards the amelioration of existing conditions. As Hon'ble Members are aware, a Committee was appointed last year by the Secretary of State to enquire into Indian railway affairs and the terms of reference were wide enough to cover the whole range of traffic facilities and the methods of financing schemes for their improvement. The Government of India have not seen the evidence that has been placed before that Committee, but they understand that comprehensive and detailed proposals have been put forward by witnesses and public bodies representing commercial as well as railway interests, and it is obvious that their report, which, it is believed, has been submitted to the Secretary of State must be awaited. It is hoped that their proposals will provide a satisfactory working scheme; but if these require to be elaborated or supplemented, the Government of India will be prepared to institute the local enquiries that were asked for last year, and to invoke the assistance of representatives of the commercial community in making them. In the meantime I will refrain from repeating figures already given by the Board, and will only claim that Government have not failed to devote the maximum amount at their disposal to the improvement of traffic conditions on existing traffic routes.

“The Hon'ble Mr. Finlay suggested last year that a solution of some of the difficulties connected with the wagon supply might be found in a system of private ownership. He subsequently discussed the matter very fully with the Agents of the East Indian and Bengal-Nagpur Railway Companies; but I am sorry to say that the result of these discussions has not been very favourable to the proposal. Both the Companies object in principle to the private ownership of wagons, and there is no doubt that the difficulties in the way of any general introduction of such a system are of a very serious character. English railway opinion is now very strongly against it, and I understand that the English Railway Companies would be glad to get rid of the private wagons at once. To a limited extent, however, private ownership might be permitted under conditions which would not be open to the objections which have been raised. An arrangement has been made between the East Indian

and another Railway, under which the latter supplies 150 wagons for the carriage of the coal required by it. This is not regarded as objectionable because the wagons can be run to and fro between fixed points in rakes of 50 wagons or so at dates which can be arranged between the Coal Company and the two Railway Companies. The Bengal-Nagpur and East Indian Railway Companies are willing to extend the same facilities to Railways generally, and the Railway Board have been asked to move the two Companies concerned to deal in the same way with the larger Coal Companies which can work under similar conditions.

“The Hon'ble Mr. Apcar has referred again to the desirability of encouraging wagon-building firms in this country, and I can assure him that Government as well as the Railway Board are most anxious to give all the assistance in their power, subject of course to the condition that *bonâ fide* manufacturing work is carried out and that rolling stock is not imported in a practically finished state for the purpose of fulfilling contracts. The Hon'ble Mr. Finlay mentioned last year that State Railways had been instructed to invite tenders locally for 25 per cent. of their requirements. There has been no reversal of this policy, and the Railway Board have done all in their power to induce railway companies, which occupy a position of independence as regards sources of supply, to follow their example. The specific instances brought to notice by the Hon'ble Member will now be enquired into.

“There are several other railway matters which I should have liked to mention in a little more detail had time permitted, such as the recent strikes and the steps that have been taken to form Boards of Conciliation, the projected railway connection with Ceylon, and the proposals which have been made to Government by several Companies for the purchase or lease of certain of the State lines. I may say, however, with regard to the last of these that negotiations have not yet reached a stage at which any public announcement could be made, and that it is the desire of Government that mercantile opinion in Calcutta should be consulted before any decision regarding the transfer of the Eastern Bengal State Railway to a Company is arrived at.

“In conclusion, my Lord, I should like to say a few words regarding industrial progress in India. Though the exports of coal and manganese-ore show a tendency to decline, there is no sign of any check in the development of the mineral resources of the country. The figures for the production of coal, in the calendar year 1907 as returned by mines subject to the Mines Act, have advanced by nearly one and a half million tons, and the returns of mining concessions granted point to a great activity throughout the country. The

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total number of concessions relating to Government lands, excluding those granted in the permanently settled districts and in Native States, was 252 in 1906, while for the three quarters of 1907 the large figure of 409 has been reached, the increase being most marked in the Central Provinces, which accounts for nearly one-half of the concessions recorded. In Bombay there has been an extraordinary advance in prospecting operations.

“Government have received various suggestions for modifications of the rules under which mining concessions are granted, and it was decided to entrust the revision of these rules to a small informal Committee. This Committee has just sat and its recommendations will be circulated for opinion among the Local Governments and Commercial Associations interested, and, on consideration of the replies, the Government will submit their proposals to the Secretary of State with whom the final decision lies.

“We look forward confidently to the time when the industries of the country will absorb a much larger proportion of its mineral products than at present, and it is gratifying to know that the project for the establishment of large iron and steel works near Sini on the Bengal-Nagpur Railway, which was referred to at length by the Hon'ble Sir John Hewett in the Budget debate in 1906, has passed through the preliminary stages and that work is rapidly progressing. Government have committed themselves to the grant of substantial assistance to this scheme and it will be a pleasure to them if their aid is further invoked towards the inauguration of other industrial enterprises. The Lieutenant-Governor of the United Provinces, who evinced the keenest interest in this subject while in charge of the Commerce and Industry Department, has made comprehensive proposals to give effect to his policy in those Provinces. In several of the other Provinces also active measures are being taken towards carrying out industrial surveys and advancing technical education, and we have every reason to expect that before long the general movement in this direction which we are most anxious to promote will have made material progress. I would, however, invite the attention of Hon'ble Members who have referred to this subject in the debate to the speech to which I have just alluded. Government have already done a great deal and are anxious to do more, but it is only with the co-operation of the people themselves and active assistance from the capitalists of the country that great results can be attained.

The Hon'ble MR. MILLER said :—“ My Lord, in October last year at Simla, I made a statement in this Council regarding the imminence of the famine to which so many references have been made today. .

“ At that time it was difficult to foresee how large a part of the country would be seriously affected. It seemed possible that severe distress amounting to famine would spread over the greater part of northern and north-western India and far to the south. Fortunately this has not been the case. There has been and is distress which is acute enough to give cause for anxiety over a very large part of the country; but except in the United Provinces and some of the neighbouring tracts, the conditions are those of scarcity, not of famine. The rainfall in those parts was, as I explained in October, only half the normal, in individual places much less; the autumn crops failed altogether or were miserably poor, and no human power could ward off a famine of very considerable intensity. Relief measures were, however, taken with a promptitude which has earned the gratitude of the people, and at the same time has inspired them with a confidence at once in the Government and in themselves. Revenue was freely suspended; advances for the construction of wells and other agricultural purposes were made on a large scale; gratuitous relief was given where necessary, and all preparations were made to cope with any rush there might be for work provided by the State. No such rush occurred, however, at the outset, and the numbers of the famine-stricken mounted at first more gradually than in some previous famines; at the end of December the total number of persons on relief in the United Provinces was only 101,915; but there was then a rapid increase and at the end of January the number was 492,748; by the middle of February it had risen to 919,873; at the beginning of March to 1,332,449; while the latest figures are 1,382,780.

“ In ordinary course there should now be some diminution, but when the harvest is over there must be a return to the works, and no reduction in the scale of relief can be expected till the rains are well established. In the Punjab the Delhi Division suffered equally with the United Provinces, but relief works were not found necessary till the end of January, and even now they fail to attract labourers, only 1,235 being employed according to the latest returns. In the Panch Mahals District in Gujerat the conditions are much the same as in the Punjab. Test works are open, but only 2,965 persons are employed on them. The Central Provinces received some welcome rain in November and timely rain later on which considerably eased the situation there, and it has been found possible up to the present to avoid any large recourse to relief works by general suspensions, by the grant of loans, by providing a comparatively small amount of gratuitous relief, and by expanding the ordinary programme of public works. In Orissa, famine conditions have been caused by drought following on floods, but the able-bodied labourers of those parts find work in Calcutta or elsewhere, and the scarcity wages given on test works do not attract them. It

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has been found necessary to give gratuitous relief somewhat freely to the families of those who have migrated in search of work. In Ganjam it has recently been found necessary for similar reasons to open test works. In the States that lie south of the United Provinces there has been the same disastrous failure of crops as within our own borders, and the rulers of those States appear to have met the situation in a liberal and determined spirit. No less than 135,500 people are now in receipt of relief in those States—a large number for those thinly populated tracts.

“ In the whole of India the numbers on relief, according to the latest returns, reached a total of 1,558,439. These are large figures, but to anyone who will compare the rainfall statistics of the last monsoon with those of 1896 and 1900, it will be a matter for surprise that they have not been far exceeded, and we may find some cause for satisfaction in the absence of the worst forms of distress that were formerly regarded as inevitable in times of drought. How far these results are due to the promptitude with which relief was given, how far to the people being better off, and how far to altered conditions of labour must be a matter for speculation. Probably all these causes were at work.

“ The Hon'ble Mr. Gokhale takes strong exception to the assumption that there has been any development of the resisting power of the people, and he quotes the opinion of the Famine Commission of 1898 that up to that time there was a large and possibly increasing section of the community,—the great class of day-labourers and the least skilled of the artisans,—who were if anything less well to do than ever. The question is an important one, and at the same time very interesting. I should have been glad if the Hon'ble Member had been able to throw the light of any fresh facts on it. For my own part, after carefully watching the progress of relief and studying all the evidence available, I have formed quite a different conclusion from his. No doubt when we compare the present with past famines we must take account of the comparatively limited area in which distress is now acute, and of the liberality with which relief was given, to which I am glad to see that the Hon'ble Member makes appreciative reference. But allowing for this, and also for the fact which I think is fairly certain, though the Hon'ble Member challenges it, that the agricultural condition of the greater part of the severely affected tracts was better than in 1896, I find it impossible to resist the weight of evidence that comes from all quarters of the improved position of the labourer. How is it that in this famine following on an extraordinarily poor and ill-distributed rainfall, with prices at a height above even the range of 1897, there are at this critical period of the season so few of the worst features associated

with famine? How little do we hear of the gangs of wanderers spreading over the country and of the increase of crime; how few comparatively are the paupers in the poor-houses? In the United Provinces the poor-house population was only 5,165 on March 14th as compared with 45,000 at the same time in 1897. The main cause I have no doubt is to be found in the increasing demand from all quarters for labour, and in the consequent rise of wages. This is to my mind the most important economic feature of the present day in this country, and I am sorry to find that so acute an observer as the Hon'ble Member should take a different view.

"It is not merely in the towns that higher wages are to be had. The members of this Council who are landowners will bear me out as to the much better terms which the agricultural labourer now demands and receives. The conditions of India have changed or are changing, and even in time of famine the labourer who chooses to go in search of work can find it on better terms than on relief works. That is why in Bengal, the Central Provinces and Bombay the number of labourers on test works is so small. In Bengal, difficulty has been experienced in obtaining the labour required for ordinary road works at the usual rates, owing to the great industrial development in and near Calcutta and in the mining districts. In the Central Provinces, private employment has not slackened off to the same extent as in previous scarcities, while employment has been found on ordinary public works for about 40,000 more labourers than usual. In Bombay, it is difficult to secure labourers for the irrigation works in the Deccan where over 10,000 men are at work, and a large supply of outside labour is absorbed by Bombay itself. The classes most affected in that Presidency are the hill and wild tribes of the Panch Mahals and West Khandesh. In the Punjab the supply of labour is barely sufficient for the large canal projects and railway and other works that are under construction. Even in the tracts where famine is most severe—in the United Provinces and Central India—it is found that the ordinary demand for labour is greater than it was in previous famines, and the problem of dealing with famine is thus to some extent simplified.

"The great increase in the wages of labour is a matter of almost universal experience, and the only evidence I have come across to the opposite effect comes from the outlying tract of Ganjam in Madras.

"The Hon'ble Mr. Chitnavis has referred to the distress caused by high prices. This is a feature of the present day, the effect of which we fully recognise. It is not so much that a high scale of prices is in itself objectionable; it is the change from one scale to another that creates hardship. It is undoubtedly the case that the very high range of prices has caused much

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privation and distress amongst the classes above the labourers, and these are the classes for whom it is difficult to provide State relief. On this account the scope of gratuitous relief has been widened, but the Council will recognise the risks inevitable in extending the help of the State too liberally where no definite test of its necessity can be applied, and in such cases there is a wide field for the judicious exercise of private benevolence, which has already shown its readiness to assist.

“ The good effect of the liberal suspensions of revenue has been recognised on all hands, and I am surprised to find that the Hon'ble Mr. Chitnavis draws from this policy the argument that the land is assessed to its utmost limit. Such criticisms will not affect the development of the more liberal and elastic policy in land revenue administration on which the Government of India have laid so much stress in recent years. Mr. Chitnavis has also referred to the burden of the assessment in his own province. He says that there is no margin left for the accumulation of capital for industry. My Lord, if the employment of indigenous capital in industrial enterprise is to be taken as the measure of the lightness of assessments, then I have no hesitation in saying that, considering their natural resources and population, the Central Provinces and Berar have a good claim to be ranked amongst the most lightly assessed tracts in the country.

“ The distress must inevitably continue, and in some parts it will deepen, until the monsoon is well established. The condition of the spring crops up to a recent date was promising in a considerable part of Upper India, but the area on which those crops have been sown is much below normal. Taking both area and condition into account the most sanguine estimate puts the outturn at three-quarters of the normal, other estimates go as low as a half. Much will depend in the future course of prices, and on the outturn of the mahua and mango crops. If we are fortunate in these two respects, no great increase in the numbers on relief need be anticipated in the United Provinces. In Bengal, a few additional districts will probably require assistance before the rains come, and in the Central Provinces an expansion of relief measures may be necessary in the upland districts and in Chattisgarh. It does not at present appear probable that any considerable extension of relief will be necessary in either the Punjab or Bombay, and any distress in Madras will, it is hoped, be confined within a limited area in the extreme north of the Presidency.

“ There has been comparatively little complaint on this occasion of severe scarcity of fodder. The resources of the forests have been utilised as far as

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possible and the railways have given special facilities for transport at cheap rates. It will be interesting to know how far advantage has been taken of these, and whether there has been any marked development of private enterprise in supplying the demand for fodder.

“There have been so many failures of the rains in the last ten or twelve years that it may interest the Council to know that a careful analysis of rainfall statistics was recently made to ascertain whether they showed any signs of permanent change in the seasonal conditions of any part of India. For such purpose a very long and accurate series of statistics is necessary. Thirty years or fifty years is a short time in the history of a country, and it would require a longer series of accurate observations than we possess to justify any confident deductions. But generally it may be said that in Bengal, Assam, Burma and the greater part of Southern India the returns give no indication of any change. In North-West and Western India down as far as Guzerat the rainfall showed a tendency to increase up to about 1894, reaching a maximum in different places between 1892 and 1894. Thereafter it diminished the minimum being reached in 1899, after which there was again an improvement. The figures of the present year will do much to blot out the evidence of that improvement, but it is worth noticing that up to 14 years ago the statistics pointed rather to an increasing than to a diminishing rainfall.

“The Hon'ble Munshi Madho Lal has given prominence in his remarks to some figures taken from a newspaper of the number of famines. I had noticed them myself and had the curiosity to examine them, and it is perhaps as well that the methods in which such statements are compiled should be understood. The original statement was in these terms:—

“From 1800 to 1850 there were seven famines; during the next twenty-five years there were six, while the last quarter of a century claimed no less than nineteen.”

“Every one knows that from 1878 to 1896 the country enjoyed a remarkable immunity from serious and widespread famine, and the Hon'ble Member may well hesitate to accept the figures. He will be relieved to know that the comparison is grossly misleading. The statistics for the last quarter of the century appear to be taken mainly from the Famine Commission Report of 1898. On one page of this there is a tabular statement of 14 famines that occurred from 1884 to 1892 inclusive. These are arranged by Provinces on the principle of one Province one famine, and so we have fourteen famines in nine years. The years 1890, 1891 and 1892 account for no less than seven of the fourteen famines. On this principle we have five or six or possibly more



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famines in progress in India at the present time. It will at once be asked whether the same method of calculation was adopted for the figures given for the earlier periods. It was not. The Famine Commission of 1880 proceeded on a different principle, and the figures now given agree with its report. For example, the famine of 1812-13 which extended from Bombay to Rajputana and Upper India counts as one famine only, and similarly the famine which affected Madras in 1823, Bombay in 1824 and Upper India in 1825 is reckoned only as one. So in the second period the great famine of 1868-1869 which affected Rajputana, Central India, the Upper Provinces, the Central Provinces, Guzarat and the Deccan counts as one famine only. That famine affected 300,000 square miles of country. The largest of the 14 tabulated by the Commission of 1898 affected less than a tenth of that area, and the smallest less than a thousand square miles. I hope that this explanation will remove any doubt from the Hon'ble Member's mind as to the value of the statistics he was led to quote.

"It is possible that this idea that famines have for over a quarter of a century been continually increasing in number that has led to the numerous requests for enquiries of which we now have the following before us:—

- an enquiry into prices;
- an enquiry into the question of food supply;
- a complete investigation into the whole subject of famine;
- an enquiry into the condition of typical villages.

"It has already been stated that the Government have had under consideration the question of making an enquiry with reference to prices. As regards the other proposals I would merely say that the Government does not shrink from an enquiry into its famine policy, but it must be satisfied that definite practical advantage will result before it agrees that enquiry is advisable.

"When droughts unfortunately come we cannot, in a country where agriculture is so largely dependent on the rains, and where the people are so largely dependent on agriculture, prevent much hardship. But in many ways much has been done to minimise the effects of drought. The most important work of Government in this direction is indirect. It establishes tranquillity and leaves every man to reap the result of his own labours. But there is also a large field for direct action, and I wish to-day to allude briefly to the official work that is being carried on in the Agricultural, the Forest, and the Public Works Departments.

"Ten years ago the expenditure on agriculture for the whole of India was under five lakhs of rupees. In recent years, as the Council are aware

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a more active policy has been initiated, and important developments are now in progress. The accounts for 1906-07 show an expenditure of 17½ lakhs, and the Budget for the coming year amounts to nearly 27½, while the Budget of the Civil Veterinary Department has in the same time risen from Rs 5,91,930 to Rs 15,81,000. By far the greater part of this expenditure is under the control of the Provincial Governments. It is not much for the whole country, but the Provincial organisations have now obtained a start which will lead to a rapid development as soon as the necessary staff can be trained. The field before the Agricultural Department is a very wide one; it is not merely to the improvement of existing methods that we have to look; a wider and often more directly useful opening is often found in the combating of disease and of pests. To take one example, the research work of Dr. Butler has shown how to combat the palm disease in the Godaveri Delta which had spread over hundreds of square miles and caused a loss of lakhs of rupees. In the Veterinary Department inoculation against rinderpest has attained a success which is not only attested by official reports, but is confirmed by the growing popularity of a remedy that was at first regarded with suspicion. Similar problems await investigation in all directions and our efforts ought to be devoted to training the staff to deal with them. This work of training is the most important that now lies before the Agricultural Department, and the colleges which are springing up in the different Provinces will, if I am not much mistaken, be thronged by an eager crowd of students—such as one can already see in our Veterinary Colleges. The next matter of importance is to get into touch with the cultivators, who may have much to learn but have also much to teach, and much prominence was wisely given to this question at the recent Agricultural Conference at Pusa. I had an opportunity also when in Bombay, where the Agricultural Department has from an early date been developed on progressive and practical lines, of attending an interesting meeting where the officers of the Department, representatives of the cultivators in the districts, and representatives of trade and commerce were all brought together. All these attempts to establish relations with the cultivator and with those who can influence the cultivator are to be warmly welcomed; all projects for the improvement of agriculture are impracticable that do not take account of his methods and traditions and capacity. At a time when the popular demand is for technical and industrial education with a view to the development of manufacture, it is well to remember that much as industrial development is to be desired, and great as are the benefits which variety of occupation has already conferred and will in increasing measure confer on the country, still the great industry and interest of India, will always be the agricultural one. Even in America, a railway

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magnate recently warned the people of the dangers of forgetting the importance of agriculture. 'There must be,' he said, 'a re-adjustment of national ideas such as to place agriculture and its claims to the best intelligence and the highest skill that the country affords in the very forefront.' In India it is still more necessary to enlist the best skill and intelligence, and I trust that we shall not fail in doing so and in making the most of it.

"For years, as the Council is aware, the question of providing capital for the agriculturist has been under consideration. Within certain limits much has been done by Takavi loans, but though these provide valuable assistance at a cheap rate, the system is a purely official one; it has no educative effect, and its expansion on a great scale would involve much official intervention. How to provide capital, while at the same time encouraging thrift, is the problem for the solution of which the scheme of Co-operative Credit Societies was introduced some years ago. The Government refrained from any over-sanguine estimates of the result; it recognised that success was doubtful and that progress must be slow. Progress has, however, been more rapid than was anticipated. The number of registered Societies is now 846, the number of members 90,000, and the capital 21 lakhs. There is every reason to be satisfied with the results, and to hope that the system, which is now arousing the active interest of the non-official public, will take root, and if it does take root, it will spread rapidly. The Registrars in some Provinces indeed have been obliged to moderate the enthusiasm they met with, and to deprecate the formation of too many Societies. Mr. Rajagopala Charriar, the Madras Registrar, is of opinion that Co-operative Societies have undoubtedly come to stay; the Bombay Government think that the movement shows every indication of growing into a well-developed system. In Bengal the lines on which progress is being made appear to be eminently sound and eminently successful in attracting non-official co-operation. In the United Provinces the stage of the foundation of District Banks to which the local societies are affiliated has been reached; everywhere the reports are most hopeful regarding the future expansion of the movement. The present year will undoubtedly be one of stress and trial for the Societies, which have not yet had time to build up Reserve Funds, and it is well not to take too sanguine a view of their future. But all the indications go to show that under the guidance of those who are themselves convinced of its possibilities, co-operation gives every promise of attaining a much more vigorous growth on Indian soil than anyone at the start ventured to anticipate.

"Under the head of Forests for the coming year the Budget provides for an expenditure of 150 lakhs and for receipts of 276. The total area of Reserved and

Protected Forests now amounts to 102,514 square miles, and there is a further area of 131,137 square miles known as 'Unclassed Forests'. This is a branch of administration the importance of which is certain to go on increasing. I do not refer to the importance of its contributions to the Treasury; they are not to be neglected, but they represent only a small part of the benefits to the country which Forestry confers. The necessity for the preservation of forests for climatic reasons is every year becoming more widely recognised, as the emphatic remarks which have been made by the Hon'ble Tikka Sahib of Nabha show. This is the one Department to which we may look for some direct effect in preventing drought. I do not mean that forests will necessarily increase the actual rainfall in the country as a whole. It is not merely the total rainfall that we have to consider, but its distribution and the retention of moisture in the soil, the prevention of floods and of the erosion of mountain slopes, the maintenance, as far as possible, of a continuous and equable flow of water in our rivers and streams. The benefits of Forestry in these respects cannot be easily measured, and next to them may be placed the necessity of maintaining a continuous supply of forest products for the use of the agricultural and other industries of the country. For this purpose it is unfortunately necessary to place restrictions on the access allowed to the forests; the very existence of the forests is incompatible with unlimited rights of user: you cannot both eat your cake and have it. Hence it is that we hear of the oppressiveness of forest regulations; they must necessarily be to some extent oppressive when forests were formerly treated as if they formed an inexhaustible source of supply. But experience in the best administered forests goes to show that by the exercise of tact and sympathy, by careful attention to the real wants of those who live in their immediate neighbourhood, and by strict control of the subordinate establishments and improvement in the class of men employed, it is possible not merely to avoid friction and causes of grievance, but even to interest the local population in the management and maintenance of the forests.

"We have now established a Forest Research Institute at Dehra under a body of capable workers, and there is no service more enthusiastic in the prosecution of their work than the officers of the Forest Department. They will now be able to work out in the country itself the higher problems of Indian Forestry, and to give to the future staff of the Department that higher training for which, in the future, there is certain to be a great demand.

"Before referring to the Irrigation and Roads and Buildings Branches of the Public Works Department I should like to allude to the value in times of famine of the development of our Railway system. Without the railways our

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famine administration could not hope to be successful. I am informed that in the month of February the imports of food-grains into one district in the United Provinces amounted to half a pound per day per head of the whole population. There are 200,000 people on relief in that district, and had the railway not existed, or had trade been fettered, a large proportion of the population must have been on the brink of starvation. This aspect of the case is often referred to, but there is another of much, though not of equal, importance, namely, the facilities which the railways give to the transport of the labourer. Owing to them the aimless wandering of the famines of earlier times is now being replaced by an ordered emigration of the able-bodied to those parts of the country where labour is in demand. The extent to which this proceeds even in ordinary times is surprising, and the readiness of the Indian labourer to leave his home in search of wages is not often realised. Not only is there a constant coming and going to the great trade and mining or manufacturing centres where labour is always in demand, but the surplus population of congested districts finds a profitable field for its energies in temporary migrations at the time of harvest to such places as the rice tracts of Bengal and Burma or the cotton country of Berar.

“Turning now to Irrigation, not many years ago it was thought that we were approaching the limit of productive irrigation schemes in this country, but the Council are aware how the horizon was widened by the report of the Irrigation Commission and by a less strict policy as to the direct remunerativeness of irrigation works constructed from public funds. We still, however, draw a clear line of distinction between productive works which are commercially paying, and protective works where we have to look largely to indirect benefits. The former class are constructed almost entirely from loan funds and there is never any difficulty in obtaining such funds as the strength of our establishment and the conditions of the labour market enable us to spend. From 1900 to 1906 the expenditure on productive works was as a rule about 80 lakhs a year. In 1906-1907 it rose to 120, in 1907-1908 to 130, while for the coming year the budget is for 150 lakhs, or a million sterling. Statistics of Irrigation works are given already in so much detail in the Financial Statement that I do no more than invite the attention to them of those members of Council who are interested in the great development of the wealth of the country that is due to the prosecution of productive canal schemes.

“For protective works the purse-strings are naturally more jealously guarded and we must expect that policy to continue until the works have demonstrated their utility in years of drought. The total grant that may be made available for such works is 75 lakhs of rupees, and this amount may be reduced by any sums

spent on famine, a condition that is fortunately not interpreted too rigorously. Hitherto we have been unable to work up to the 75 lakhs limit. Investigations of projects take time, and when works are not directly remunerative, careful discrimination is necessary in deciding to which preference should be given on account of the indirect benefits to be expected.\* The following figures will, however, show the rapid development of protective schemes.

“In 1900 the total expenditure on protective works was under five lakhs of rupees. After that date it rose gradually to 53½ lakhs in 1906-07; in the present year it is expected to reach 61 lakhs, and for next year the budget is placed at 60 lakhs, which is all that could be allotted in the unfortunate financial conditions that prevail. From the administrative point of view there are great objections to curtailing expenditure on these works when famine threatens. The works provide a useful outlet for labour, and labour is at such times comparatively cheap, while delay in construction means loss in many ways. When the larger projects are sanctioned, the means by which a definite allotment can be secured from year to year undisturbed by the accident of famine will require serious consideration. Amongst the largest protective works suggested by the Irrigation Commission were two great canals in the Madras Presidency—the Tungabhadra and the Kistna; but investigation has as yet failed to show that these can be constructed at a permissible cost. In other cases, however, the prospects of protective works appear, especially in Bombay and the Central Provinces, to be much more promising than the Commission ventured to anticipate, and the field for useful work in this direction gives every promise of being a wide one. I have no doubt myself that these works will establish their value, and that we may look in the future for further developments when the Irrigation Commission's twenty-year programme comes to an end.

“The operations of the Buildings and Roads Branch of the Public Works Department are not often mentioned in a Budget discussion. Perhaps that is partly because there is nothing to be said for it as a direct contributor to the receipt side of the estimates; but the main reason is doubtless that its operations affect the Imperial estimates to a comparatively small extent. It is a spending Department, but its expenditure is mainly Provincial or Local. At the same time there are few Departments of which the operations more directly affect every branch of the administration than Public Works; there are for example 165,000 miles of roads in its charge; and it is a satisfactory sign of progress that funds have been placed at its disposal on an increasingly liberal scale in recent years, for it is the first Department to be called on for retrenchment when the finances are suffering. In 1906-07 the total

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Provincial and Imperial expenditure was over six crores of rupees or four millions sterling. Ten years before (a year of famine) the expenditure was a little under three crores, and the great development is no doubt directly due to the more liberal assignments which Local Governments now enjoy. The Budget for the coming year provides for an expenditure of a little over 6½ crores. A complaint is made by the Hon'ble Member for Burma of the insufficiency of funds for the development of his Province. The needs of Burma are no doubt great, but most Provinces would consider themselves fortunate if they could afford to spend 108 lakhs on Provincial public works as Burma proposes to do in 1907-08.

“The development of the country has recently been so rapid that there is no limit but that of finance to the work of the engineer. In the districts, better communications, which in some provinces are even now lamentably backward; everywhere, better buildings for schools and colleges, for medical relief, for the offices of every Department; in towns, improved water-supply and drainage;—in every direction there are demands which must be met, and the meeting of which depends on the engineer.

“And similar remarks apply to the other Departments I have dealt with. They are all Departments of which the operations must greatly expand in the future; they are all hampered by the difficulty of obtaining a qualified and trustworthy staff; they are all closely bound up with the welfare of the country, and offer promising avenues of employment to its educated youth. In all cases, too, we are endeavouring to improve the opportunities for obtaining a higher training in the country itself; for making India as far as possible self-supporting; and the day must come when those who go through that higher training and prove their fitness in actual work, will find the higher posts opening to them in a more liberal measure than is now possible.”

The Hon'ble SIR HARVEY ADAMSON said:—“My Lord, the Hon'ble Mr. Apcar and the Hon'ble the Maharaja of Darbhanga have referred to the delay in bringing into operation the Calcutta Improvement Scheme. I confess that when a year ago I reported progress in this Council I hoped that things would move faster. But I can assure Hon'ble Members that the papers were not put in a pigeon-hole to be drawn out with a sigh a year later when further pressure was brought to bear. The fact is that the constitution of the Government of India does not admit of big schemes involving varied interests being carried through with great celerity. It takes some time to reconcile the various interests of the Departments of the Government of India and of the Local Government. Nor is this all. India is ruled from England, and when wa

[ *Sir Harvey Adamson.* ] [27<sup>TH</sup> MARCH, 1908.]

have ourselves fully made up our minds as to the course which should be adopted in a costly and complicated measure such as the Calcutta Improvement Scheme, the whole matter has to be negotiated again with the Secretary of State before any action can be taken. We lost no time in putting our matured views before the Secretary of State, but under the circumstances delay is unavoidable, and it is not unreasonable in the case of a scheme which is calculated to cost over 800 lakhs of rupees, to involve a large amount of new taxation, and to require special legislation. A few days ago we received a communication from the Secretary of State, in which he reviewed our proposals and agreed with most of them. I do not propose to enter into a lengthy explanation today. I may mention, however, that the Secretary of State has consented under certain conditions to a recurring grant-in-aid of  $1\frac{1}{2}$  lakhs for sixty years in addition to the original contribution of 50 lakhs. The next step will be to prepare the legislative measure requisite for carrying out the scheme, and I am afraid that this will also have to be seen by the Secretary of State. I can make no promises. There is still much to be done before the spade can be put to the earth. But I can say this much that no delay has occurred during the past year or will occur which is unavoidable in view of the essential difficulty of the problem and the number of interests involved.

“ I propose to say a few words on a subject on which volumes have been written during the past few years—the separation of Judicial and Executive functions in India. In 1899 the Secretary of State forwarded to the Government of India a memorial signed by ten gentlemen, seven of whom had held high judicial office in India, in which the memorialists asked that a scheme might be prepared for the complete separation of Judicial and Executive functions. They based their condemnation of the existing system largely upon notes illustrating its alleged evils, which were compiled by Mr. Manomohan Ghose, a barrister in large criminal practice. The memorial was referred to Local Governments and to high judicial officers in India for report, with the result that an enormous mass of correspondence has accumulated. This correspondence disclosed a decided preponderance of opinion in favour of the existing system, but whether it was the weight of the papers or the weight of their contents that has so long deferred a decision of the question is more than I can say. The study of the correspondence has been a tedious and laborious process, but, having completed it, I am inclined to think that the consensus of opinion against a change may have been due in great measure to the faulty presentation by the memorialists of the case for separation, as well as to the obvious defects of the constructive proposals put forward by them, which were shown by the Government of Bengal to be likely to cost many lakhs of rupees in that province alone.



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The authors of the memorial, in my view, put their case very feebly when they rested it on a few grave judicial scandals which were alleged to have occurred from time to time. It was easy to show that many of these scandals could have occurred even if the functions had been separated. Many who have reported their satisfaction with the existing system have followed the memorialists and been impressed by the comparative infrequency of grave judicial scandals in India having their cause in the joinder of functions, and by the certainty of their being exposed to light and remedied. Scandals may to some extent exemplify the defects of a system, but there can be no doubt that, whatever system be adopted, scandals must occur. Occasionally, very rarely I hope, we find the unscrupulous officer, less infrequently we find the incompetent officer, but not so seldom do we find the too zealous officer, perfectly conscientious, brimming over with good intentions, determined to remedy evils, but altogether unable to put into proper focus his own powers and duties and the rights of others. With officers of these types—and they cannot be altogether eliminated—occasional public scandals must occur, not only in India, but elsewhere, as a perusal of any issue of *Truth* will show. I see no reason for believing that they occur more frequently in India than in England or any other country; but this at least may be said for the Indian system of criminal administration, that in no country in the world is so perfect an opportunity given for redressing such scandals when they occur.

“ But though the preponderance of opinion in the correspondence is as I have stated, a deeper search reveals considerable dissatisfaction with the existing system. This is expressed chiefly in the reports of judicial officers. The faults of the system are not to be gauged by instances of gross judicial scandals. They are manifested in the ordinary appellate and revisional work of the higher judicial tribunals. In one case a sentence will be more vindictive than might have been expected if the prosecution had been a private one. In another a conviction has been obtained on evidence that does not seem to be quite conclusive. In short, there is the unconscious bias in favour of a conviction entertained by the Magistrate who is responsible for the peace of the district, or by the Magistrate who is subordinate to that Magistrate and sees with his eyes. The exercise of control over the subordinate Magistrates by whom the great bulk of criminal cases are tried is the point where the present system is defective. This control indirectly affects the judicial action of the subordinate Magistrates. It is right and essential that the work of the subordinate Magistrates should be the subject of regular and systematic control, for they cannot be relied on more than any other class of subordinate officials to do their work diligently and intelligently without it. But if the control is exercised by the

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officer who is responsible for the peace of the district there is the constant danger that the subordinate Magistracy may be unconsciously guided by other than purely judicial considerations. I fully believe that subordinate Magistrates very rarely do an injustice wittingly. But the inevitable result of the present system is that criminal trials, affecting the general peace of the district, are not always conducted in the atmosphere of cool impartiality which should pervade a Court of Justice. Nor does this completely define the evil, which lies not so much in what is done, as in what may be suspected to be done; for it is not enough that the administration of justice should be pure; it can never be the bedrock of our rule unless it is also above suspicion.

“ Those who are opposed to a separation of functions are greatly influenced by the belief that the change would materially weaken the power and position of the District Magistrate and would thus impair the authority of the Government of which he is the chief local representative. The objection that stands out in strongest relief is that prestige will be lowered and authority weakened if the officer who has control of the police and who is responsible for the peace of the district is deprived of control over the Magistracy who try police cases. Let me examine this objection with reference to the varying stages of the progress of a community. Under certain circumstances it is undoubtedly necessary that the executive authorities should themselves be the judicial authorities. The most extreme case is the imposition of martial law in a country that is in open rebellion. Proceeding up the scale we come to conditions which I may illustrate by the experience of Upper Burma for some years after the annexation. Order had not yet been completely restored and violent crime was prevalent. Military law had gone and its place had been taken by civil law of an elementary kind. District Magistrates had large powers extending to life and death. The High Court was presided over by the Commissioner, an executive officer. The criminal law was relaxed, and evidence was admitted which under the strict rules of interpretation of a more advanced system would be excluded. All this was rendered absolutely necessary by the conditions of the country. Order would never have been restored if the niceties of law as expounded by lawyers had been listened to, or if the police had not gone hand in hand with the judiciary. Proceeding further up the scale we come to the stage of a simple people, generally peaceful, but having in their character elements capable of reproducing disorder, who have been accustomed to see all the functions of Government united in one head, and who neither know nor desire any other form of administration. The law has become more intricate and advanced, and it is applied by the Courts with all the strictness that is necessary in order to guard the liberties of the people. Examples would be easy to find in India of

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the present day. So far I have covered the stages in which a combination of magisterial and police duties is either necessary or is at least not inexpedient. In these stages the prestige and authority of the Executive are strengthened by a combination of functions. I now come to the case of a people among whom very different ideas prevail. The educated have become imbued with Western ideals. Legal knowledge has vastly increased. The lawyers are of the people, and they have derived their inspirations from Western law. Anything short of the most impartial judicial administration is contrary to the principles which they have learned. I must say that I have much sympathy with Indian lawyers who devote their energies to making the administration of Indian law as good theoretically and practically as the administration of English law. Well, what happens when a province has reached this stage and still retains a combination of magisterial and police functions? The inevitable result is that the people are inspired with a distrust of the impartiality of the judiciary. You need not tell me that the feeling is confined to a few educated men and lawyers and is not shared by the common people. I grant that if the people of such a province were asked one by one whether they objected to a combination of functions, ninety per cent. of them would be surprised at the question and would reply that they had nothing to complain of. But so soon as any one of these people comes into contact with the law his opinions are merged in his lawyer's. If his case be other than purely private and ordinary, if for instance he fears that the police have a spite against him, or that the District Magistrate as guardian of the peace of the district has an interest adverse to him, he is immediately imbued by his surroundings with the idea that he cannot expect perfect and impartial justice from the Magistrate. It thus follows that in such a province the combination of functions must inspire a distrust of the Magistracy in all who have business with the Courts. Can it be said that under such circumstances the combination tends to enhancement of the prestige and authority of the Executive? Can any Government be strong whose administration of justice is not entirely above suspicion? The answer must be in the negative. The combination of functions in such a condition of society is a direct weakening of the prestige of the Executive.

“On these grounds the Government of India have decided to advance cautiously and tentatively towards the separation of Judicial and Executive functions in those parts of India where the local conditions render that change possible and appropriate. The experiment may be a costly one, but we think that the object is worthy. It has been consistently pressed on us by public opinion in India. I have had the pleasure of discussing the question with

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Indian gentlemen, among others with my colleagues the Hon'ble the Maharaja of Darbhanga and the Hon'ble Mr. Gokhale. Their advice coincides with my own view, that the advance should be tentative and that a commencement should be made in Bengal including Eastern Bengal. It is from Bengal that the cry for separation has come, and if there is any force in the general principles which I have expounded, it would appear that the need for a separation of police and magisterial functions is more pressing in the two Bengals than elsewhere. One cause may be found in the intellectual character of the Bengali, another in the absence of a revenue system which in other provinces brings executive officers into closer touch with the people, another in the fact that there is no machinery except the police to perform duties that are done elsewhere by the better class of Revenue-officer, another in the fact that there are more lawyers in Bengal than elsewhere, and another, I suspect, in the greater interference by the District Magistrate with police functions in Bengal than in other provinces. These may or may not be the real causes, but most certainly the general belief is that the defects of a joinder of functions are most prominent in the Bengals, and it is on those grounds that we have come to the conclusion that a start should be made in these two provinces.

“It is a very easy matter to propose as an abstract principle that magisterial and police functions should be separated, but in the descent to actual details the subject bristles with difficulties. A solution has been attempted, and it is being sent to the two Local Governments for criticism. It is desirable that it should be submitted to the criticism of the public at the same time. I may therefore now disclose the details. But in doing so I desire to state clearly that the tentative solution is not a final expression of the decision of the Government of India, and that it is merely a suggestion thrown out for criticism with the idea of affording assistance in the determination of a most difficult problem. The general principle outlined is that the trial of offences and the control of the Magistrates who try them should never devolve on officers who have any connection with the police or with executive duties, while on the other hand the prevention of crime should be a function of the District Officer and his executive subordinates who are responsible for the preservation of the peace of the district. The outlines of the scheme, stated baldly, and without discussion, are as follows:—

- (1) Judicial and Executive functions to be entirely separated to the extent that an officer who is deputed to executive work shall do no judicial work, and *vice versa*, except during the short period when he is preparing for departmental examinations.

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- (2) Officers of the Indian Civil Service to choose after a fixed number of years' service whether their future career is to be judicial or executive, and thereafter to be employed solely on the career to which they have been allotted. The allotment to depend on choice modified by actuarial considerations.
- (3) Officers of the executive branch of the Provincial Civil Service and if possible, members of the Subordinate Civil Service to be subject to the same conditions as in (2), though the period after which choice is to be exercised may be different.
- (4) During the period antecedent to the choice of career officers of both services to be gazetted to Commissioners' divisions and to be deputed to executive or judicial duties by the Commissioner's order.
- (5) During this period deputation from executive to judicial or *vice versa* must be made at intervals not longer than two years.
- (6) High Courts to be consulted freely on questions of transfer and promotion of all officers who have been permanently allotted to the judicial branch.
- (7) Two superior officers to be stationed at the head-quarters of each district, the District Officer and the senior Magistrate.
- (8) The District Officer to be the executive head of the district, to exercise the revenue functions of the Collector and the preventive magisterial powers now vested in the District Magistrate, to have control over the police, and to discharge all miscellaneous executive duties of whatever kind.
- (9) The magisterial judicial business of the district to be under the senior Magistrate, who will be an officer who has selected the judicial line—either an Indian Civilian or a Deputy Magistrate of experience. He will be the head of the Magistracy and his duties will be (1) to try important criminal cases, (2) to hear appeals from second and third class Magistrates, (3) to perform criminal revision work, and (4) to inspect Magistrates' Courts. In districts where these duties do not give him a full day's work he may be appointed an additional District Judge and employed in civil work and in inspecting Civil Courts. If, where the senior

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Magistrate is an officer of the Provincial Civil Service, it is considered inexpedient on account of his lack of experience to give him civil work, he may be appointed Assistant Sessions Judge. In either capacity he would give relief to the District and Sessions Judge.

(10) At head-quarters of districts, where there are at present Indian Civilians, Deputy Magistrates and Sub-deputy Collectors, a certain number to be deputed to executive and the remainder to judicial work.

(11) Sub-divisional boundaries to be re-arranged, and each district to be divided into judicial sub-divisions and executive sub-districts. The boundaries of these need not be conterminous. The area of a judicial sub-division to be such as to give the judicial officer in charge a full day's work, and similarly with executive sub-districts. Boundaries to be arranged so as to disturb existing conditions as little as possible.

(12) Thus the whole district is divided into—

## A. Executive—

(a) Head-quarters,

(b) Sub-districts,

and also into—

## B. Judicial—

(a) Head-quarters,

(b) Sub-divisions,

and the staff is divided into—

## A. Executive, under the District Officer, namely:—

(a) The District Officer.

(b) A certain number of Indian Civilians, Deputy Collectors and Sub-deputy Collectors at head-quarters.

(c) An Indian Civilian or Deputy Collector for each sub-district.

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B. Judicial, under the senior Magistrate, namely :—

- (a) The senior Magistrate.
  - (b) A certain number of Indian Civilians, Deputy Magistrates and Sub-deputy Magistrates at head-quarters.
  - (c) An Indian Civilian or Deputy Magistrate for each sub-division.
- (13) The District Officer to be empowered as a District Magistrate, and certain other executive officers to be empowered as first class Magistrates, solely for the performance of the preventive functions of Chapter VIII (omitting section 106) to Chapter XII of the Code of Criminal Procedure."

His Excellency THE COMMANDER-IN-CHIEF said :—"The Hon'ble Mr. Gokhale and some other Hon'ble Members alluded to a possible reduction in military expenditure consequent on the recent Agreement and the cordial relations which so happily exist between a great northern Power and ourselves.

"The Council may rest assured that this factor has by no means been lost sight of, nor has it been underrated; but it must be remembered that other weighty considerations affecting the external and internal security of this country have to be kept constantly in view."

His Honour THE LIEUTENANT-GOVERNOR said :—"Your Excellency, as there are but few points raised in this discussion to which I need refer in this place, I have very few remarks to make. On some points I shall have to speak in my own Council; and in respect to one, the immensely important matter of the relation of executive and judicial functions, it will be my duty to submit my views to the Government of India before communicating them to the public.

"I regret that the Government of India have not considered it advisable to give any assistance to Local Governments in respect of the expenditure involved in compensation to Government servants for the dearness of grain. This expenditure is not trifling. In Bengal it was about ten lakhs during the current year, and is estimated at about nine lakhs for next year. It is in great degree, an indirect result of famine; and the analogy of the financial arrangements to assist Local Governments in famine relief, might lead to the hope of assistance here also. I do not, however, desire to press any complaint in view of the difficulties of the financial situation.

"I regret that while in almost all other provinces all the local rates have been surrendered to local purposes, the public works cess in Bengal is still taken as a part of the general revenues. I have no doubt, however, that the localisation of the public works cess is accepted as a reform to be undertaken at the earliest opportunity.

"I am thankful for the assistance given to enable the Local Government to continue to push forward much-needed reforms in the police. I congratulate my Hon'ble friend on his able and successful handling of a difficult situation. He has not been able to continue in some of its lines the liberal and beneficent policy which he has hitherto pursued; but, in spite of the existence of a famine, he has framed a budget which inspires nothing but hope.

"I should like in conclusion to say a word in regard to the remarks which have fallen from my Hon'ble friend Mr. Apar regarding the Calcutta Improvement Scheme. I hail with pleasure the vigour of his statement of the necessity for that Scheme. I share with him the satisfaction with which he must have heard from the Hon'ble the Home Member that the scheme, while lost to our view, was making progress. We are not indifferent to the scheme; and we desire to push it forward.

"At the same time I should like to point out to my Hon'ble friend that his statement was somewhat defective. He read to us an indictment framed years ago against the sanitation of Calcutta. But he did not tell us whether every word of this is still true. That indictment pointed out defects which only a great improvement scheme will remove. But it also indicated great defects due to neglect of measures within the power of the Corporation. I do not know how far my Hon'ble friend's business or inclinations lead him into the city, and how far he could tell us of its present condition. I am sure that, if he has ascertained the facts, he will admit that things have improved very considerably not only in regard to the formerly neglected parts of ordinary sanitary work but also in regard to the treatment of bustis.

"In another respect my Hon'ble friend failed in applying his quotations of the literature of 1898 to the present time. He quoted Sir Herbert Risley's views as to the necessity for giving the mercantile community their true place in the work of the Corporation. He did not go on to tell us that the constitutional change which Sir Herbert Risley was advocating was then and there carried out, and that the mercantile community were called to a front place. Their responsibility for municipal work is real and most important. It has been so for ten



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years; and it will continue to be so. The Calcutta Improvement Scheme will not do everything. It will not relieve the Corporation of its responsibility for the sanitary state of Calcutta and for municipal work in general. The mercantile community took their place in the Corporation eagerly ten years ago. Lately there have been signs of the cooling of their zeal. Their loss of interest in the work would be a very great calamity. I trust that the remarks of my Hon'ble friend, and the deep draughts he offers of the vintage of 1898, may restore their former enthusiasm and prevent them from growing weary in well doing."

The Hon'ble MR. BAKER said:—"It is within the bounds of possibility that this may be the last occasion on which the debate on the budget will be conducted under the present regulations. Before next March comes round, it is at least conceivable that the reform of procedure indicated in the Home Department circular of the 26th August last, or something of that nature, may have come into operation. In this view I had the curiosity the other day to turn up the report of the first budget debate that took place under the regulations that are now in force. It was in 1893, just 15 years ago. It is true that the Council had not then been enlarged; that came a year or two later, and the total number of non-official Members was only five, one of whom, the Hon'ble Dr. Rash Behary Ghose, is an honoured Member of the Council at the present time. That was however the first occasion on which the Financial Statement was presented for discussion by the Council in accordance with the statute of 1892; and it is impossible not to be struck by the change that has come over the financial position, and also the character of the debate, during this period of 15 years.

"At that time the whole subject of Indian finance was overshadowed by the question of sterling exchange. The bottom seemed to have fallen out of silver altogether: it was anticipated that the United States would shortly cease their purchases: the Indian Mints were still open to free coinage; the Brussels Monetary Conference had separated without coming to any agreement; Lord Herschell's Committee was sitting, but no remedy had yet been devised for the grave danger which occupied men's minds in this country to the practical exclusion of every thing else. Sir D. Barbour estimated exchange for 1893-94 at 1s. 2½d. to the rupee, and this rate eventually proved to be in excess of the actual figure. The Finance Minister was compelled to estimate for a deficit of over 1½ crores in 1893-94, following on one of over a crore in the previous year, and he made it clear that his calculations must only be regarded as provisional and intended to

fill the interval that must elapse till the currency problem had been settled one way or another. The capital grant for Irrigation Works was 75 lakhs, or just one-half of what we are now providing for next year. For Railway construction and development, those of our critics who are not satisfied with an allotment of 15 crores, may be interested to know that 15 years ago we were only able to provide 280 lakhs for State Railways and 307 lakhs for Companies' lines, or 587 lakhs in all, *i.e.*, little more than 40 per cent. of the grant for next year.

"It is not, however, so much the alteration in the financial situation that I wish to dwell upon. What has impressed me most is the character of the debate in the Council of that day. It was a real debate on the budget. The speeches were for the most part a good deal briefer than has been the custom of late years, and scarcely any point was raised or question put which was not closely connected with the Statement before the Council. Thus Sir J. Mackay, the Commercial Member, discussed the all-important currency question, and vigorously advocated the adoption of the gold standard. Sir Griffith Evans criticised the Home charges, especially the cost of the India Office, commented on the growth of the Army charges, and urged that the deficit was really due in part to the retention of the famine grant. Another Member asked for information regarding the rupee loan, and suggested that a part of the cash balances should be invested. A fourth proposed to reduce the famine grant, commented on the variations between the percentage of collection charges in the different provinces, advocated the reduction of registration fees, and greater liberality in the issue of takavi loans. The Hon'ble Dr. Ghose confined himself to a very brief expression of doubt whether the time was opportune for the grant of compensation to the services for the fall in exchange. The replies of the official Members were rather longer, but I should imagine that the entire proceedings must have been completed before the luncheon interval.

"Anyone who has followed the discussions for some years past will readily perceive how far we have travelled since 1893. It has become a commonplace of criticism that the so-called budget debate bears little or no relation to the budget. The observations made range over almost the whole field of Indian administration, but a great proportion of the points that are pressed upon us have no financial bearing or only a nominal one. We are frequently told in the Press that these discussions are unreal and devoid of interest and that they lead to nothing. I think that this criticism may easily be pushed too far, for it is beyond doubt that many of the comments and suggestions that fall from Hon'ble Members, whether strictly relevant to the budget or not, are

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thoughtful, suggestive, and instructive and they commonly deserve and invariably receive the attentive consideration of Government. Many illustrations might be given of this, but I will merely point to the exclusion from our accounts of the transactions of Local Funds, of which a description was given in the Financial Statement, and which followed a suggestion made in last year's debate.

"However that may be, Your Excellency's Government have recognized the defects of the practice which prevails under the existing regulations, and have expressed their desire to bring the debates into closer relation with the financial policy and administrative decisions of the Government. I have endeavoured to show that those defects were less noticeable at the outset of the present system; they have been the growth of later years, and may possibly be connected with the greater size of the enlarged Council. If the Council is still further enlarged, the need for stricter regularity in procedure and closer insistence on the rules of relevancy will become imperative; and I think that the experience of 1893 (and, I may add, of other years also) shows that the debates need not thereby lose anything in force, freedom or value.

"In making these remarks, it is very far from my intention to make any reflection on the comments which we have heard today. On the contrary, I think that many of them are very much to the point; and I shall now proceed to reply to some of the more important among them.

"In the first place we take note of His Honour the Lieutenant-Governor's remarks about grain compensation. That is now a considerable charge on the Provincial finances and no provision was made for it in the present Provincial settlement. I had not realised that it was so much as 9 lakhs in Bengal, and I admit that is a heavy burden on the province. It is impossible to make any promise now, but I may say that we shall be ready to see what can be done when more favourable times comes round.

"I fear that I can hold out no expectation of any increase to the Provincial assignments to Burma. This question was fully and sympathetically considered last year and we are satisfied that this Province has, under its present settlement, received as much as it is fairly entitled to. I observe that its Budget provides for an expenditure of more than 97 lakhs for public works, which is far in excess of any other Province. For Railways I notice that the Railway Board have allotted considerably over 80 lakhs to various lines in Burma, and I think that is not an illiberal proportion of the total grant.

"I do not understand why the Hon'ble Member complains that Burma receives no part of the export duty on rice. That duty is not at all suitable

for provincialisation, because it is liable to violent fluctuations according to the demand from India, and if we gave the Local Government a share in it, the Provincial finances would be liable to be upset by causes over which the Government had no control.

"I am glad to learn, from the remarks that have fallen from the Hon'ble Mr. Sim, that the Madras Government appreciates the terms of the settlement which, subject to the Secretary of State's approval, has been framed for that Province. The traditions of Madras have long been characterised by economy and the careful management of its finances, and I do not doubt that the enhanced resources which will now be placed at its disposal will be usefully and economically applied.

"The Hon'ble Mr. Reynolds has pointed out that the expenditure which his Province has been forced to incur on famine relief in the two years 1907-1908 and 1908-1909 has largely exceeded the sum of 30 lakhs which represented the reserve of credit to which it was entitled under the scheme introduced last year. What he says is perfectly true. In the two years, the charge on this account will amount to 167½ lakhs, and of this, under the terms of last year's scheme, 95 lakhs are Imperial, while 72½ would have been Provincial had the Province been able to find the money. This means that the famine in the United Provinces falls into the third of the three categories provided for by the scheme. We acknowledge that further assistance is required, and, as is expressly explained in the body of the Financial Statement, that assistance is being freely given, though the full measure to be accorded cannot properly be determined till later on. I do not think that the Hon'ble Member need feel any apprehension that he will be dealt with in an illiberal spirit. Both he and also the Hon'ble Munshi Madho Lal have been good enough to acknowledge the favourable nature of the terms accorded in the new Provincial settlement, and that is evidence of our desire to deal with the United Provinces as handsomely as we can.

"As regards the other four Provinces which have been affected by the famine, but in a less degree, I have explained in paragraph 62 of the Financial Statement that last year's scheme has operated with entire success and has relieved their finances entirely from disorganisation.

"I have listened with interest to the Hon'ble Mr. Reynolds' account of the measures which the Local Government is organising to combat the ravages of plague. The same is being done in other Provinces where the epidemic has been most widely prevalent, especially Bombay and the Punjab, and the Government of India are hopeful that the special grants which they are now allot-

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ting for this purpose will enable every Local Government at least to make a beginning with this most important work. It has been alleged that the grants are inadequate. I think, however, that reasonable persons will admit that with the limited resources available in the present year, we have done as much as could fairly be expected, and it is, moreover, open to doubt whether, in the first year of the campaign, larger sums could be spent to advantage. I can give no pledge for the future: but it is betraying no secret to say that the matter is one which Your Lordship has very much at heart, and when better times come round, the public health will stand an excellent chance of sharing in any further assistance which it may be in our power to bestow.

“ The Hon'ble Mr. Chitnavis has invited us to impose a protective import tariff in the interest of indigenous industries and further asks us to consider the question of abolishing the excise duty on Indian cotton piece-goods.

“ I scarcely think that the Hon'ble Member can expect that any action will be taken on his suggestion. The last general election in England was fought mainly on the issues of tariff reform, preference and protection, and the verdict of the electors was sufficiently decisive. If Your Lordship's Government were so misguided as to put forward proposals for the introduction of a protective tariff, it is not difficult to imagine the answer we should receive from the House of Commons, more especially as protective duties, if imposed at all, would necessarily be directed especially against British manufacturers who are far and away our principal rivals in the Indian market.

“ Why the Hon'ble Member complains that the excise on Indian salt brings in a larger revenue than the corresponding import duty is difficult to understand. The rates of duty are exactly the same, and the only reason why the former is more productive is that much more salt is produced in India than is imported from abroad. I should rather have expected the Hon'ble Member to rejoice at this striking evidence of the flourishing condition of a truly swadeshi industry.

“ The cotton excise duties are a subject on which it is necessary to speak with some reserve. We are all aware of the circumstances in which they were imposed in their present form, in 1896; I do not think that those circumstances have undergone any material change since then; and if that is so, it seems to be certain that if Parliament were approached with a request for the abolition of the duties, the reply would be that this could only be permitted if the import duties on cotton goods were simultaneously removed. I do not know how the Hon'ble Member would regard such a contingency; but for my part, I should

regard it as calamitous. The import duties on cotton piece-goods have latterly yielded over a crore of rupees per annum, and for the current year they are estimated to yield over 150½ lakhs. Adding to this 32½ lakhs for the excise duties, the total loss of revenue involved would be close upon a million and a quarter sterling. We are certainly not in a position to face any such sacrifice of revenue. Even this is by no means all. It would be quite indefensible to retain our general import tariff, if we exempt from it the largest and most important staple of import. If the cotton duties were abolished, it would be impossible for long to maintain the import duties on other goods, and the revenue from these—putting aside the duties on articles subject to a special tariff—amounts approximately to 3 crores. The Hon'ble Member's proposal would therefore lead us by rapid stages to a total loss of revenue of over 4½ crores per annum and would place us in a position of extreme embarrassment. We should be compelled to redress the balance either by curtailing most necessary and desirable expenditure, or by the imposition of fresh and less appropriate taxation. In my view this would be doubly disastrous, for I venture to hold that there is scarcely any source of revenue which is so well adapted to the conditions of India as import duties, provided always that they are pitched on a moderate scale.

“ Nor can I admit that the excise duties have in practice checked the development of the Indian mills. From 1896-97 to 1906-07 I find that the outturn of woven goods in these mills has increased from 81 million lbs. to 165 million lbs. or by 103 per cent., whereas the output of yarns, on which there is no duty, has increased by only 56 per cent. in the same period.

“ More than one Hon'ble Member has referred to the table relating to the taxation of Salt given in paragraph 41 of the Financial Statement, and some gentlemen seem to take exception to the figures of incidence per head of population, on the ground that the wealth of the various countries mentioned is different, and that therefore the true burden of the tax is not measured by its absolute amount. To that view I readily assent, but I would add that no inference on the subject was suggested or intended. My object in inserting paragraphs 40 and 41 of the Financial Statement was quite different. People in this country often speak as though India was the only country in the world which raises a revenue by taxing a necessary of life like salt. I desired to show that this was an entire mistake: and that if we do sin in this respect, at least we sin in numerous and respectable company.

“ I note with pleasure the zeal of the Hon'ble Tikka Sahib in the cause of temperance. I can assure him that the matter is very seldom absent from our

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thoughts, and that we are making steadfast and unceasing efforts to prevent the evil of intemperance from arising in India. Three years ago, I pointed out in this Council how insignificant the actual consumption of alcohol is in India, and also showed that there had been a distinct reduction in the consumption per head during the past 20 years. Since then we have had the advantage of studying the valuable report of Sir James Thomson's Excise Committee of which I gave some account last year, and the Hon'ble Member may be assured that step by step we are bringing into operation the approved reforms which were advocated by that body.

"I am sorry to learn that the Hon'ble Member is disposed to class tobacco with intoxicants. Tobacco may be abused like anything else: and no doubt it is deleterious to children. But when used in moderation I believe it to be free from objection. It certainly is one of the very few luxuries of the poor in this country, and I should be exceedingly sorry to see its legitimate use interfered with.

"In the Financial Statement I advisedly abstained from enlarging on the question of Railway finance, for the reason that this matter has been remitted by the Secretary of State for consideration by Sir J. Mackay's Committee, and until their report is received and considered it seems a mere waste of time for us to propound our views regarding it. I shall follow the same course now, and the only reason why I advert to the matter at all is that the Hon'ble Mr. Apcar may not be led to suppose that Government is either deaf or indifferent to the arguments which he has addressed to us with so much authority and force. The Committee is one of the strongest that could have been constituted for this purpose, and it is fair to anticipate that unless the problem is really insoluble (which is not to be believed), they will devise a satisfactory solution.

"His Excellency the Commander-in-Chief has alluded to the Convention with Russia, and the degree to which it affects the military situation in India. I will merely add that full account was taken of these considerations in framing our military budget, and that but for this it is probable that the estimate of special expenditure for the improvement of the Army might not have been fixed at the moderate figure at which it now stands.

"In the interesting and suggestive speech of the Hon'ble Maharaja of Darbhanga there is one proposal which concerns the Finance Department in a special degree. I refer to the suggestion that the budget should be presented early in January, and that the official year should terminate on the 31st December

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instead of the 31st March. It is clearly impossible to give an opinion off-hand on so sweeping a change, which might have more far-reaching consequences than would appear at the first glance. I will have the matter looked into, but *prima facie* I foresee considerable difficulty and not a few objections, and I am not sanguine that the change desired by the Hon'ble Member will commend itself to Government or the Secretary of State.

"I observe that Mr. Gokhale is inclined to doubt whether the financial situation is at present stronger than it was in 1900-01. I think, however, that if the late Sir Clinton Dawkins were alive, he would readily endorse my view. The Hon'ble Member refers to the Provincial deficits of  $1\frac{1}{2}$  crores and argues that if these are taken into account there would really be a deficit of 115 lakhs. I explained last year at some length how these Provincial surpluses and deficits operate, and I will not go over the ground again. But the plain truth is that these deficits are really an indication, not of weakness, but of strength. They mean that the Local Governments have built up reserves of cash or credit, on which they are able to draw in times of stringency, and which enable them to carry on the administration of the country unimpaired and without being crippled by the temporary contraction of their revenues. The Hon'ble Member acknowledges that the level of taxation has been lowered since 1900, but thinks that that does not alter the real character of the comparison. I think I understand what the Hon'ble Member means; but surely remissions of taxation aggregating some 5 crores of rupees per annum are a most substantial reserve of Financial strength? That reserve had no existence eight years ago. I am unable to understand on what reasonable ground they can be left out of account in comparing the position at the two periods.

"Mr. Gokhale has asked us whether we cannot add another table to the Financial Statement in order to show our revenue and expenditure net, instead of gross as at present. There is so much pressure on our establishment at the time the budget is compiled that I am reluctant to add to their burdens by prescribing another statement. But *prima facie* it does not seem as if the statement which the Hon'ble Member desires would give much trouble, and I dare say that there might be some advantage in presenting the figures net as well as gross. I will, therefore, consider the suggestion and see what can be done. Meanwhile, I would ask him to look at the statement numbered E at page 93 of the Financial Statement. This seems to give most of the information he requires, and possibly it may be sufficient for his purpose.

"The Hon'ble Mr. Gokhale has renewed his appeal to us to apply our



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surpluses, not to the construction of public works but to expenditure on sanitation. This question has formed the subject of discussion at at least two recent budget debates, and I fear the Hon'ble Member and the Government are irreconcilably divided, and can only agree to differ. Apparently he would like us to set aside the whole or some part of each surplus as it occurs, and to hand it over in a lump to the Local Governments, not for immediate expenditure, but to be put into a separate pocket, and doled out from time to time for expenditure on local sanitation. Now, the Government of India are fully alive to the importance of doing what is possible for the improvement of the public health, and the recurring grant of 30 lakhs which they have just assigned to Local Governments is some evidence of the interest they take in this matter. But the course advocated by the Hon'ble Member is not in our judgment the proper way to deal with the problem. It is a fundamental principle of modern public finance that current expenditure shall be met from current revenue. Sanitation is current expenditure, and should therefore be financed from current revenue, and not from windfalls. Cases may no doubt arise in which it is convenient or advantageous to apply an unexpectedly large surplus to some special object of a non-recurring character. When that has seemed to be the case we have not hitherto shown any pedantic insistence on theoretical principles. But it is not sound finance to attempt, as a regular procedure, to provide funds for a permanent and continuing public service from sources which are necessarily spasmodic and precarious. When a surplus does occur, it cannot as a rule be more usefully applied than in reduction of the national debt, which is the residuary legatee of all moneys not required for current expenditure. I should be only too glad if I could see the Hon'ble Member's hope realised, and a million sterling a year provided by Government for the improvement of public sanitation; though I fear that this consummation is likely to be delayed. But if it should ever come about, the money must be found from current revenue, and not be dependent on the occurrence of surpluses, large or small.

"The Hon'ble Mr. Gokhale has referred to the question of our cash balances, and has reminded us that in 1876-77 the Government of Lord Northbrook thought it sufficient to provide for a closing cash balance of 13½ crores whereas for next year we estimate for one of 18¼. Mr. Gokhale mentions a figure of 25 or 30 crores; but, at least within recent times, we have never had a balance anywhere near that amount.

"It is however not really to the point to look at the closing balance of the year. What we have to consider is the period of minimum balances. There are certain months of the year, August, September, October and November (and

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sometimes also December), in which the revenue we receive is far less than their proportionate share. During those months, therefore, our balances always run down: and the end of November (or occasionally December) is ordinarily the time when our balances are lowest. It is of course essential that we shall at all times have sufficient till money in each of our numerous treasuries, which are over 250 in number scattered all over the country, to enable us to meet all our obligations at a moment's notice, without risk of even temporary default. Our position in that respect is that of a Bank with a number of branches, each of which must be maintained in a solvent condition on every day of the year. In 1888 Sir J. Westland, who had special experience of this subject, calculated that 8 crores of rupees was the lowest sum with which it was possible to carry on our treasury business. That is 20 years ago. Subsequently, as a result of the gradual development of our transactions, he raised this figure to 9 crores. Sir Edward Law, who paid much attention to the matter, again raised it to 10 crores: and since his time, it has been our policy to increase it still further to 12 crores. I do not believe that that is a bit too much for safety, but as a matter of fact we have barely succeeded in reaching it. This figure of 12 crores represents the point below which our balances cannot safely be allowed to fall, even at the time when they are lowest, *i.e.*, ordinarily at the end of November. It necessarily follows that at other seasons they will automatically stand at a higher level. The figure of 18½ crores which we reckon on for next year is merely the March equivalent of 12 crores, or thereabouts, in November. The increase since Sir J. Strachey's time is really very moderate. In 1876-1877 our total transactions in India, including capital and debt, receipts and disbursements, amounted to 204 crores. In 1906-1907 they had risen to 552 crores. The increase in our cash balances by less than 5 crores is manifestly in a far smaller proportion, and it would certainly have had to be very much greater had it not been for the great intermediate improvement in communications, which has enabled us to mobilise our resources with a rapidity that would have been impossible thirty years ago.

“We have heard a good deal today about the high range of prices, and the distress which this undoubtedly causes to certain classes of the population. Various opinions have been expressed on the subject and Government has been pressed to appoint a committee to enquire into the matter. Some days ago, in answer to a question in Council, the Hon'ble Mr. Miller stated that we were considering the question of appointing such a committee, which would include representatives of the public, to enquire into the matter. If that course should presently be adopted, it would clearly be inconvenient that we should prejudge the question now or commit ourselves in advance to any particular

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theory which further investigation might show to be ill-founded. In that view, I wish to add as little as possible to what has fallen from my Hon'ble Colleague on this subject.

“One suggestion, however, has been made which I do not wish to pass over altogether in silence. It has been suggested that the prevailing high prices of food grains may be connected in some way with the large additions that have been made to the rupee currency during the last few years. Here also, I do not wish to speak dogmatically, or to pledge the Government to any positive theory. I shall deal presently in more detail with Mr. Gokhale's remarks on this subject. But apart from detail there are two considerations which seem to be inconsistent with the view that has been put forward, and which will certainly require to be very fully examined and explained before the latter could be accepted.

“In the first place, the whole of the new coinage that we have undertaken during this period has been undertaken solely to meet the demands of trades. Not one single rupee has been added to the circulation except to enable us to meet those demands: and, so far from being ahead of trade requirements, it will I think be generally agreed that our tendency has been rather to lag behind them, and to work on too narrow a margin, until in 1906 we established the silver branch of the Gold Standard Reserve. Now, I would remind the Council of the dictum of Sir Clinton Dawkins on this subject. Eight years ago, he pointed out that ‘as long as Government refrains from coining rupees except upon the demand of trade, there can be no dilution of the currency. As I said just now, we have always invariably conformed most strictly to this condition, and if Sir C. Dawkins' principle is sound, as I believe it to be, our action cannot have led to any dilution of the currency. I am aware that it may be alleged that rupees coined in answer to trade demands may not be redundant so long as the demand exists, but that when it slackens off, they have no outlet, and then become redundant. I shall return to this a little later. But whether that be so or not, the history of the present rise of prices lends no colour to the argument. For the activity of Indian trade, and the consequent demand for currency, were as prominent and vigorous as ever down to August of last year: and if the argument were sound there would have been no redundancy until six months ago. Yet we know well that the rise of prices began long before then. In 1904, when the prices of food stuffs were lower than they had been for a decade, the index number of 7 selected food grains was 117. In 1905 it was 147: in 1906 it was 179: and in 1907 it was practically the same, *viz.*, 178. It is evident, therefore, that whatever the cause

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of the rise in prices may be, it must have been in active operation long before there was any possibility of a redundancy of the coinage.

“The second point to which I wish to draw attention is this. If it were the case that the cause for which we are seeking is to be found in the additions to the coinage, its effects would have made themselves apparent not merely in the prices of food grains, but in those of other principal staples as well. Now this is not the case. I have taken out the figures for a number of non-food staples, comparing the price in February 1908 with that in February 1906, and though they exhibit great differences, yet there are only three articles, *viz.*, oil seeds, cow hides, and raw tobacco, in which there has been an increase in price comparable to that which has taken place in food grains during the same period. Of the remainder some have remained stationary while others have actually decreased. Thus in the great cotton industry cotton yarn has fallen in value by 23·5 per cent, T. cloths by 14·3 per cent, longcloths by 7·3 per cent, and chadars by 12·2 per cent; and raw cotton has remained steady with a nominal advance of 2·28 per cent. Raw jute has fallen by from 24 to 36 per cent according to the marks; and gunny bags by 16·1 per cent, while Hessians have advanced by only 2·1 per cent. Petroleum has varied according to brands, but the average rise is only a little over 5 per cent, and buffalo hides have remained unchanged. If the increase of the currency was the *causa causans* of the rise in food grain prices, it must equally have tended to raise the price of each of these staples also; and those who hold that view will have to explain why it has failed to affect them.

“The only other remark I have to make on this subject is this. If the rise in the rupee price of food grains were really due to an excessive supply of rupees, one would naturally expect to see the gold value of the rupee depressed in something like the same proportion. Now that is notoriously not the case. That sterling exchange is inclined to be weak at the present moment is true, and in the Financial Statement I have endeavoured to trace the causes of this. But, except for a very short period in the end of November, the exchange value of the rupee has all along been maintained above gold export point, which means that it has maintained or very nearly maintained its parity with gold. So long as the rupee is linked with gold and not with silver, and represents a fixed fraction of a sovereign, rupee prices must bear a close relation to gold prices. India is by no means the only country which is experiencing high prices at present. The same phenomenon is also affecting countries so widely different as England, Germany, Egypt, and Japan. According to the index numbers of the *Economist*, gold prices have risen by 30 per cent during

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the five years ending July 1907, while the corresponding rise in rupee price of 7 selected food grains during the same period has been 26 per cent. I have no intention of committing myself on a matter so obscure and controversial, yet I may perhaps go thus far, that it would be a matter for little surprise if, as a result of enquiry, it should be found that the movements of rupee prices in India, in so far as they are not due to local and temporary causes, are traceable to some cause connected with the value of metallic money, both gold and silver, in the markets of the world.

“I will now return for a moment to the question of the additions made to the coinage in late years. The Hon'ble Mr. Gokhale has drawn attention to the large output of rupees during this period, and has told us that it greatly exceeds the average coinage before the Mints were closed; and he suggests that the currency thus swollen may become redundant, and lead to a general rise of prices.

“There is not the least reason to apprehend any undue increase of the circulation. The fact is that the figures presented by the Hon'ble Member are quite misleading and give a most inaccurate view of the true facts. He gives us certain figures which he says represent the average annual coinage of rupees for a number of years *minus* old rupees recoined. But he omits the six years from 1894 to 1899 on the ground that during that period little or no coining was done. But the fact that no additions were made to the currency for six years is a most important element in the case, and it is wholly misleading to omit this period. Again, he makes no deduction for the recoinage of old rupees during the last three years, 1905 to 1907, but thinks that the number must have been small. That is quite incorrect. At all times, both before and since the closing of the Mints, defaced and light weight rupees were constantly being withdrawn and recoined, and part of the new coinage was merely to replace these. But during the last few years we have gone much further than this. We have been calling in the rupees of the issues of 1835 and 1840, *i.e.*, all rupees issued before 1861. These are now never re-issued to the public, but are melted down and recoined and a very considerable part of the apparent additions to the coinage is merely the replacement of these. It is also necessary to deduct the 6 crores of rupees which have been coined for the silver branch of the Gold Standard Reserve, for these have not been put into circulation and never will be except temporarily to meet a sudden emergent demand. The correct figures to look at are those which represent the net additions to the coinage, year by year. We maintain a complete account of these, and I will ask the Council to accept them, in lieu of those presented by Mr. Gokhale. If we

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examine these figures, we shall find that during the 15 years that have elapsed since the closing of the Mints, the net additions to the coinage have amounted to a little less than  $84\frac{3}{4}$  crores. This represents an average of a little more than  $5\frac{1}{2}$  crores a year. Now, in the 15 years immediately preceding the closing of the Mints, the net additions to the coinage (after making the same allowance for withdrawals) amounted to over 105 crores of rupees, or slightly more than 7 crores a year. It is quite true that in the former period there was a certain diminution by melting and that this does not occur now. But on the other hand, as the volume of the circulation grows, the annual loss by wastage and wear and tear also increases, and it has been estimated that the yearly reduction at present is about as great as it was formerly. I may mention that this annual wastage has been estimated at about 4 crores a year. Moreover, during the last 15 or 20 years the population, wealth and trade activity of India have expanded enormously, and it is manifest that a much larger circulation is required now than was sufficient in former times. When in addition to these considerations it is remembered that the annual addition to the coinage is now less by  $1\frac{1}{2}$  crores a year than it was 15 years ago, I do not think there need be the smallest apprehension of redundancy.

“ If the above view is correct Mr. Gokhale’s question is of no present practical importance, and I am generally averse from discussing questions which are merely academic. The suggestion, moreover, involves the assumption that a redundancy of currency is in fact possible, and that if it did occur it would lead to a rise of prices. This is a highly controversial matter and one which is quite inappropriate for discussion in this place. If however we assume for the sake of argument that the currency did become temporarily in excess of requirements, and that the excess was greater than could speedily be cleared off by ordinary wastage, then there is still no fear that such a condition of things could last. In a country with an automatic currency, when the circulation is temporarily redundant, the surplus flows away under the ordinary operations of trade in the form of exports of coin. That outlet is not available in India, because rupees can only be exported at their bullion value, and the loss of doing this would be prohibitive. But we have provided another outlet for the excess. This may be applied in two ways, *vis.*, either we may give gold in exchange for rupees, in which case the gold will be available for export; or, when this is inconvenient or impracticable, we may sell bills on London. This latter course was indicated in the Financial Statement, and was brought into operation two days ago. Each of these methods has the same effect on the currency. They draw off the surplus rupees, and withdraw them from the effective circulation until the demand once more revives and the temporary redundancy has ceased.

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The machinery which enables us to apply these remedies consists of the gold in our currency reserve in India and London, and the gold securities and gold in the Gold Standard Reserve. These two resources combined now stand at over 20 millions sterling, or 30 crores of rupees, and if applied to this purpose would enable us on occasion to contract the circulation by about one-sixth of its total amount.

“In conclusion, I have only to acknowledge the generally favourable spirit in which the budget has been received by the Council, and the frank and friendly nature of the observations and criticisms which have been made upon it. We are well aware that it is not a progressive budget: we are in fact only marking time. But when it is remembered that we are combating a serious famine, which will cost us over 2 crores of rupees in direct famine relief besides suspensions and remissions of Land Revenue exceeding  $3\frac{1}{2}$  crores more, I think we have some reason to congratulate ourselves that we are indeed marking time, and not falling back. Of the latter there is neither sign nor apprehension, and, as I said last week, if the ensuing rains should be of a normal character, there is every reason to hope that the prosperity and progress of the country will speedily resume their forward course.”

His Excellency THE PRESIDENT said:—“Last year it was my good fortune to be able to congratulate the Hon'ble Mr. Baker on the general prosperity which continued to assure the success of his financial policy, and though today we have been called upon to consider a Budget framed, I regret to say, under very different conditions, I cannot but express to him my appreciation, in which I know my Colleagues will share, of the administrative ability which has enabled him so well to meet a period of financial strain. We have again to deal with a famine, less serious no doubt than that of 1897 or 1900, but bringing with it much misery and suffering for the people of India, making heavy calls upon our revenue, and grievously delaying expenditure which last year we had every reason to hope might be still further devoted to the development of the country and the welfare of its population.

“The extent and severity of the present famine is perhaps not quite fully realised, or possibly the knowledge that far better machinery exists for coping with distress than was available in former years has relieved the anxiety of the public—forgetful of the demands entailed upon the public purse. The Hon'ble Mr. Baker has told us that in the present year over 2 crores of rupees have been already distributed in the afflicted districts, and that 2 crores are being

provided for issue next year—in comparison with 2'3 crores in 1896—1898 and 2'9 crores in 1899—1901. But it is money well spent, for, with the terrible history of former famines still fresh in our memories, I cannot but think we may gratefully recognise the results of past experience in the administrative efficiency which has enabled us, with no greater strain, to provide for a famine area of approximately 150,000 square miles, with 1½ millions of persons in receipt of relief.

“ And in the midst of all this distress a ray of sunshine lights up the gloomy outlook, for the ravages of the plague are weakening. The total deaths from plague in Bombay, the United Provinces and Punjab in 1908 are very much lower than those of the corresponding period in 1907. I find that in January and February of the latter year, the deaths in those provinces were 44,319 and 78,063 against 7,445 and 11,898 in January and February of this year, whilst the total deaths in January and February 1907 were 122,382 against 18,343 in the same months of this year—an enormous reduction in mortality, and, allowing for climatic influences, I trust that we may not be too sanguine in hoping that this terrible scourge is at last beginning to give way to scientific research and to the energy of our officers assisted by the people themselves. The Hon'ble Mr. Reynolds has told us of the efforts made by the Government of the United Provinces to familiarise the people with the idea of inoculation, and of the reassuring effects of His Majesty's gracious letter of sympathy—and though I am well aware that, as the Hon'ble the Maharaja of Darbhanga has told us, the sources of plague, as of many other dire diseases, are to be found in the absence of effective sanitation, we must remember that effective sanitation in its modern sense is often opposed to long established customs which cannot be immediately thrown aside, and whilst persistently aiming at improvements in that direction we shall I am sure for long be compelled to rely much upon those experimental measures which have already been so beneficial when systematically adopted.

“ To return for a moment to the famine. I cannot entirely follow the arguments of the Hon'ble Mr. Chitnavis as to its causes. He admits the necessary results of a failure of the monsoon, but wonders that the same cause does not produce the same disastrous results in other countries. Now all agricultural countries are peculiarly dependent on the seasons, drought and storms are everywhere answerable for much ruin, but I know of no agricultural country so peculiarly dependent on climatic conditions as India is on the monsoon. A failure in the monsoon must mean scarcity of produce, and consequent distress—and so I am afraid it must always be—except that I



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firmly believe that new conditions will arise as India develops, not to take the place of a good monsoon, but to afford employment and a livelihood to those who might otherwise have starved for want of food. In the present famine we have already seen something of such conditions, a demand for labour, high wages and easier means of leaving afflicted districts to gain employment elsewhere. As years go on, such conditions will, it is to be hoped, multiply and will more and more assist the opportunities for a livelihood. I agree with my Hon'ble Colleague that economic questions are amongst the greatest of future Indian problems. I am far from saying there is no political unrest, but I believe that we shall find much more genuine unrest, or rather much more justifiable unrest, in respect to economic difficulties than in the region of so-called politics. That unrest will be associated with the development of Indian home industries, for though India is, in the first place, an agricultural country, it is in the development of resources that India herself possesses that the increasing educated community must look for employment, India will require to cherish her young industries.

“It is on economic, and I would add on social, questions that the future of India so largely rests, questions full of difficulty both largely dependent for their solution on the people of India themselves. There is much in what the Hon'ble the Tikka Sahib has said as to social life in this country, but no one can know better than he does the strength of tradition and veneration with which it is surrounded and the difficulty of bridging the gulf which separates it from modern ideas, and yet with him I earnestly hope that the clouds are beginning to lift,—that we are beginning to look further ahead,—and that racial differences of thought and custom will grow less and less.

“We have been told today of the efforts the Government of India is making to improve its administration in the interests of the people. The Hon'ble Mr. Miller has very ably explained to us the practical and scientific line upon which agricultural interests are being dealt with, and has told us of the success so far obtained by the newly introduced Co-operative Credit Societies in providing capital for agriculturists and of the development of the vast wealth of India's forests; and we have heard too of the many measures in progress to meet the growing demands of trade at Indian ports, amongst them the great work at Rangoon which the enormously increased commerce of Burma has rendered necessary. The outlook for the future is full of promise, but I am aware of the justice of some of the criticisms we have today listened to, such as the natural demand for improved internal communication in proportion to rapidly-growing requirements, dependent largely upon a railway administration, which we must admit has not as yet proved

itself quite capable of satisfactorily meeting the calls upon it. I need only say that railway administration is now in the crucible, and that I hope a system will be evolved which will keep pace with the times.

“The Hon'ble the Maharaja of Darbhanga has alluded to the Calcutta Improvement Scheme—the evidence that much requires to be done stares us in the face—it is not creditable to a great city that a congested population should have been for so long allowed to exist in its midst with the machinery of sanitation either non-existent or neglected,—in circumstances fraught with danger not only to itself, but to surrounding districts.

“The Hon'ble Sir Harvey Adamson has explained the intentions of the Government of India in respect to the scheme which has its warm sympathy. The delay in carrying it out has been unfortunate; at the same time there have been difficulties connected with its furtherance, peculiar to Calcutta, there has been a dearth of Government land, and of assets upon which necessary funds could be raised. I trust that such difficulties have now been overcome.

“The Hon'ble the Maharaja has drawn attention, as have other of my Hon'ble Colleagues, to the necessity for a reduction in military expenditure—a criticism to which His Excellency the Commander-in-Chief has referred. The Anglo-Russian Convention has not unnaturally drawn attention to such considerations; but, welcoming as I do the confirmation of friendly relations with our great neighbours, I cannot admit that any treaty would justify us in allowing our sword to grow rusty in its sheath. My Hon'ble Colleagues are very right in taking exception to extravagance in military expenditure, but I would venture to point out that reduction of expenditure on such a complicated matter as the army cannot be undertaken hastily without incurring grave risks, and a diminution in efficiency which it would be impossible to restore on the sudden appearance of unforeseen emergency.

“The most expensive weapon may be the cheapest in the long run. We may justly claim the recent expedition as an example. His Excellency Lord Kitchener's military organisation enabled us to draw a sharper and better tempered sword than we have ever drawn before—the machinery of the expeditionary force had been tested in the Commander-in-Chief's workshop before it took the field, and, when it did so, it was complete in every detail; the result has been an expedition of exceptional success and brevity, and brevity means economy. If India had preferred a cheaper weapon, we should have had to pay, and pay heavily, for loss of time, to say nothing about loss of life. Short as the expedition was, I hope its lessons will not be thrown away, and that the acceptance of a sound military administration may enable us to look forward with confidence to the great responsibilities of the future.

[28TH MARCH, 1908.]

[The President.]

“ Now that the Calcutta session of the Government of India has come to a close, I cannot but recall the words I addressed to my Colleagues at our last Budget debate in reference to the political future, and the reforms which the Government of India had ventured to submit to the Secretary of State. I then gave an assurance that no legislation in connection with those reforms should be undertaken before the public in India and at home had had ample opportunity for an expression of opinion on the proposals we had placed before them.

“ Those proposals have now been published and submitted to Local Governments, all of whose replies have not as yet been received. The Government of India has always been anxious for the opinions and the criticisms of the public, and it is to that source they largely look for independent advice; but I confess I was hardly prepared, if my interpretation of his remark is correct, for the concluding portion of the Hon'ble Mr. Gokhale's speech. He tells us that many things have happened during the last few years, but he omits to notice the efforts made by the Government of India to meet the representations put forward in these years, whilst he criticises the action of a Secretary of State, who, whilst determined to support law and order, has been throughout sympathetically in touch with the justifiable aspirations of the people of India.

“ My Hon'ble Colleague talks of the Government of India advancing and receding. They have advanced, but they have not receded; they have placed certain proposals for the amelioration of the political position in India before the Indian public, and they have asked that public for its opinion. My Hon'ble Colleague passes by the request that the Government of India have made—not only that, in the face of that offer of reforms he has attributed to us hesitation and want of appreciation of the ambitions of the people of this country. I hope however that, when this Council next assembles, measures will have been accepted by His Majesty's Government and will be ready for legislation here, and which will go far to meet the aspirations of those who have the welfare of the Indian people at heart.”

The Council adjourned *sine die*.

J. M. MACPHERSON,  
Secretary to the Government of India,  
Legislative Department.

CALCUTTA ;  
The 27th March, 1908. }