

*Wednesday,  
9th March, 1910*

**ABSTRACT OF THE PROCEEDINGS**

**OF THE**

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

**LAWS AND REGULATIONS**

**Vol. XLVIII**

**April 1909 - March 1910**

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OF  
THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA

ASSEMBLED FOR THE PURPOSE OF MAKING

LAWS AND REGULATIONS,

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The Council met at Government House on Wednesday, the 9th March 1910.

PRESENT :

The Hon'ble SIR HARVEY ADAMSON, K.C.S.I., K.T., *Vice-President, presiding*,  
and 57 Members, of whom 52 were Additional Members.

The Hon'ble SIR GUY FLEETWOOD WILSON said :—“ Sir Harvey Adamson, it had been my intention to offer a few remarks in regard to the main heads which come within my province. I have got a few remarks ready, but I have thought it would be best not to offer any for three reasons, which I hope the Council will consider good and sufficient.

“ The first is that I really think I have trespassed on your time sufficiently. The second is—and it is an important consideration—that practically all the important heads which belong to me, so to speak, were fully discussed in my opening statement on the 25th February on the budget. The third reason is that as we have arranged to shorten the discussion by two days, if I take up time with what would practically be a repetition of my remarks made on the 25th, I should be cutting short the remarks of Hon'ble Members who have resolutions and naturally wish to discuss them; so I do not propose to offer any observations.”

#### FAMINE RELIEF.

The Hon'ble MR. GOKHALE said :—“ Sir, my resolution reads as follows :—

‘ That this Council recommends that the annual allotment which for next year is half a million sterling under Famine Relief and Insurance to Reduction or Avoidance of Debt should now be abolished.’

“ I would like at the outset to make a slight alteration in the wording of the resolution. I would say ‘ that this Council recommends that the annual allotment, which for the next year is half a million sterling under Famine Relief and Insurance to Reduction or Avoidance of Debt, should now be abolished.’

“ I make this alteration because though in ordinary times when there is no expenditure on Famine Relief one might expect this allotment to be half a

million—in practice it has not always been half a million : therefore in order to be strictly accurate I should like to alter the wording as proposed.

“ The Council no doubt is aware that there is a head of expenditure in our accounts known as Famine Relief and Insurance. The total charge under this head is one million sterling and is divided into three sub-heads. One is actual famine relief ; the second is expenditure out of revenue on protective works, being both railway and irrigation, but now for all practical purposes irrigation ; and third the sum allotted for the reduction or avoidance of debt. I understand there is a limit as regards protective works, not more than half being devoted to protective works. Therefore when there is no actual expenditure on famine relief, the other half goes, or can go, to reduction or avoidance of debt.

“ Now, Sir, I want to invite the attention of Council briefly to the history of this Famine Insurance Grant, and I shall state it in as few words as possible.

“ This grant, or fund as it was called at the beginning, was created thirty years ago on account of very serious expenditure which Government at that time had to incur in connection with the relief of two famines.\* The Government of Lord Lytton in 1878-79 found that the Government of India had to spend about 17 crores of rupees in connection with the famine in Bengal and the North-Western Provinces in 1874 and the bigger famine which ravaged the Western and Southern Presidencies later on from 1876 to the beginning of 1878. The total expenditure in connection with famine relief and loss of revenue in the years was about sixteen or seventeen crores, and the Government decided that they should levy extra taxation in order to provide in the course of ten years a sum of 15 crores of rupees. It was calculated that ordinarily two famines might be expected in ten years, and a sum of one million sterling under the three heads which I have just mentioned was provided and earmarked for famine purposes. Immediately afterwards a question arose as to how this money was to be disposed of. In 1879 a Parliamentary Committee was appointed, presided over by Lord George Hamilton, to enquire into the question of public works, and this Committee laid down how the Famine Insurance Fund should then be spent. I think perhaps the best way in which I could state to the Council the objects of that Famine Insurance Grant would be to quote an extract from the report of that Parliamentary Committee. This was what Lord George Hamilton and his colleagues said : ‘ During the financial years 1877-78-79 additional taxation was imposed in India in order to establish an annual Famine Insurance Fund of a crore and a half (in the currency of that time a million and a half). That amount was fixed with reference to famine expenditure which during the last six years amounted to the enormous sum, exclusive of the loss of revenue, of 14

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crores of rupees and of which a large proportion had been met by borrowing. The object of this Famine Insurance Fund was, by increasing the revenue, to avoid constant additions to the debt of India which the prevention of periodical famines would entail by either applying that increase of income to works likely to avert famine and thus obviate famine expenditure, or by reducing annually the debt contracted for famine, so that if famine expenditure should again become inevitable the reduction of debt made in years of prosperity would compensate for the liabilities incurred during scarcity. This increase of taxation was sanctioned by the Secretary of State in Council on this understanding.'

"The understanding therefore was that the grant was to be devoted first to preventing additions to the debt of the country, and secondly, for promoting protective works which would mitigate the rigours of famine. Now the history of this fund or grant is a somewhat chequered one. Immediately after it was instituted, owing to financial difficulties connected with the Afghan War, the fund had to be diverted to other purposes. During the five years of Lord Ripon's Viceroyalty the fund was spent on the purposes for which it was instituted, but again in Lord Dufferin's time there was a diversion.

"There was then very considerable criticism in the House of Commons, and ultimately the Government restored this Famine Insurance Fund, but during Sir James Westland's time it was never fully a crore and a half for several years but only one crore, and he justified that reduction by saying that there was an improvement in the condition of the country and in the capacity of the people to resist famine.

"However, in Lord Curzon's time the full crore and a half was restored.

"This period of thirty years during which the famine grant has been devoted to the purposes mentioned may roughly be divided into two equal parts from 1881 to 1895-1896 and from 1895 up to the present time. The first period was practically free from famine. There were no doubt scarcities here and there and even small famines, but there was nothing serious, and I therefore omit the whole of that period as not being altogether too favourable for the purposes of my argument.

"Taking the second period—1895 up to the present time—there were two of the greatest famines of the century which ravaged the greater part of the country, besides two or three smaller famines. Therefore it could not be said that this period was free from famine conditions, and yet what do we find? The unproductive debt of the country, which alone has to be taken into

consideration in connection with this matter, was 70 millions at the beginning of this period. At the close of this period that debt was only 40 millions. Therefore this unproductive debt or ordinary debt, instead of being added to, was actually reduced from 70 millions to 40 millions. Out of this the portion of the Famine Relief Grant devoted to reduction comes to  $4\frac{1}{2}$  millions or  $4\frac{1}{4}$  millions. The rest was due to the surpluses having been devoted to railway construction and through that to reduction of debt. My point therefore now is, if in the absence of this grant the unproductive debt had had to be added to, then this expenditure out of revenue in reducing the debt would have been justified and this sum would have been properly devoted according to the original intention to preventing additions to the debt of the country. But as the debt was largely reduced independently of the grant, I think it was unnecessary that this grant of  $4\frac{1}{2}$  millions should have been devoted further to the reduction of the debt. And I say this sum might have been spent usefully in other directions.

“I want the Council to realise this; that there is a difference between what Lord George Hamilton's Committee laid down as the object of this grant in relation to the debt, and the present practice of Government. It is true that Government devote this to the reduction of debt, but they devote it to the reduction of debt by increasing the amount available for productive purposes and principally railway construction. Therefore this sum taken out of revenue, which is intended to mitigate the rigours of famine and which is also intended to enable the Government to borrow in times of famine, is being ordinarily devoted to increase the resources of Government for capital outlay on railway construction. Now, Sir, I have been contending again and again in the Council that as our railways earn a very fair rate of interest and as the credit of Government is excellent, the Government should confine the outlay on railway construction, only to such sums as can be raised in the market out of borrowings; and any sums available out of current revenues should be used for other more pressing objects. I would therefore suggest that this grant of half a million or under should no more be devoted to the reduction of debt because the debt is already very small and I do not think its reduction is of paramount importance. On the other hand, if the same sum was made available for agricultural education, for the organization of rural credit and other measures connected with the material improvement of the peasantry, that would benefit the peasantry far more than the present practice of Government and would enable the peasantry to resist the onslaught of famine better than the course which the Government adopts. I am quite sure the Finance Member

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will tell us that I am attacking the principle of the Sinking Fund. No doubt I am. I go further and say that in the present state you do not want a Sinking Fund. India must deal with her own problems in her own way, and in India, as I said the other day, the unproductive debt is a mere bagatelle—only 40 millions. Where the unproductive debt is huge, as in England, a Sinking Fund is an absolute necessity : but where it is small and where we want money urgently for other purposes, I think the Sinking Fund is an absurdity. I therefore move that the grant of half a million for next year under Famine Relief and Insurance to reduction or avoidance of debt should now be abolished.”

The Hon'ble SIR GUY FLEETWOOD WILSON :—“ On the last occasion when the Hon'ble Member moved his resolution we were very far asunder and I was unable to agree with him. On this occasion I had hoped that we should have been more or less in accord in regard to the principle involved, and although we might differ as regards the method proposed I should have thought he would have been the first to see the imperative necessity in this country of putting by for what I may call a non-rainy day, and that the best way of doing that is by keeping your debt as low as possible and paying it off whenever you can.

“ The Hon'ble Member's resolution comes to this, that we should divert part of the famine grant to other purposes than those on which it is now employed. My Hon'ble friend has stated the case with his usual ability and fairness, and he has made it unnecessary for me to describe to the Council the whole history of this much debated grant. It has been in force now for thirty years ; it has been the subject of much misconception ; and at the same time it has been of very great value to India. When it was first started, the unhappy experiences of the great famines of the seventies led the Government of India to the conclusion that it ought in prudence to strengthen its resources by one million sterling as representing, year in and year out, the average amount which it might be called upon to provide against the cost of periodical famines. After some uncertainty as to the most advantageous method of employing these additional resources, the Government came to the following arrangement, which has now been in force for a good many years. When there is a famine in India, the whole grant is available for expenditure on its relief ; and of course we occasionally have had to spend very much more than one million on this object. But when there is no famine, we regard half the grant as available for expenditure on protective works, that is, canals and railways which serve areas that would otherwise be liable to famine and thereby render them less helpless against the failure of the rains. But whether there is famine or not, or whether we are able to spend our full half million on protective works or not, the whole grant of one million is invariably charged off

in our accounts, any surplus which is not required either for actual relief or for protective works being treated as available for the reduction of debt. In this way and with the help of our revenue surpluses, we have been able to make the very great reduction in our non-productive debt to which the Hon'ble Member has alluded. During the ten years from the 1st April 1900 to the 31st of the current month we expect to have utilised in the reduction of debt altogether 592 lakhs, or roughly 4 millions sterling, which is somewhat less than half a million a year on the average. For the coming year, we happily see no prospect of expenditure on famine relief ; we shall be able for the first time to devote a full half million to protective works ; and we have thus allotted exactly half a million for avoidance of debt. It is this last amount which the Hon'ble Member would prefer to utilise on other purposes.

“ Wholly estimable though those purposes are, I am afraid that I can not accept the proposal. India is not immune from famine. It is not yet by any means fully protected against famines. It still has a considerable burden of non-productive debt ; and there is still the danger that we may be driven, at any of our periodic scarcities, to increase that debt as a direct or indirect effect of the famine upon our revenues. I must accordingly advise the Council that our prudent plan is to continue on the lines of policy which have been laid down and successfully followed for many years ; to keep our famine grant intact as a provision available for direct relief when it is necessary, and for the extension of protective works or for the strengthening of our credit in years of prosperity.

“ I have made an attempt to work out an estimate of what the position of our famine grant would have been if it had taken the form of a genuine fund. An estimate of this kind used to be incorporated until a few years ago in the annual Financial Statement and I have tried to bring it roughly up to date. The net effect would be that after debiting the hypothetical fund with all the expenditure on protective works which have been incurred since 1878, the balance at the credit of the fund would now be about  $3\frac{1}{2}$  millions sterling. Inasmuch as our deficit during a single bad year in 1908-9 was  $3\frac{3}{4}$  millions, it can hardly be said that our hypothetical fund would be unnecessarily strong ; and of course I would remind the Council that in making up this account I have not debited the fund with any of the grant which we so frequently have to give to Local Governments to compensate them for the indirect results of famine in the depletion of their balances or the starving of their ordinary administrative services.

“ On all these grounds therefore I do not think that Government would be well advised to accept the innovation which the Hon'ble Member proposes.



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I should not be unwilling to see a larger proportion of the famine grant devoted to protective works if the Secretary of State considers such a step advisable ; but until there is a still further substantial reduction in our non-productive debt, I should be sorry to see the famine grant diverted from purposes which have either a direct or indirect effect in the relief or prevention of distress. I am afraid I cannot accept the resolution."

The Hon'ble MR. GOKHALE :—“I should like to say just a word by way of reply to what has fallen from the Hon'ble Member. He himself has given us the figures as to how the fund stands from 1878 up to now. After meeting all expenditure under Famine Relief and Insurance there is still to the credit side a sum of 3½ millions. It should be remembered however that Government have had to incur very heavy expenditure during the last 12 years on famine and scarcities, and if after meeting all that expenditure out of that grant a balance remains, surely it follows that the whole of this sum is really not necessary to be set apart as a famine grant. However I really do not wish to pursue the point any further. I think even if Government devoted the whole of this money to protective works it would be preferable to the present practice. Under the existing practice the money does not go to protective works which are needed but to productive works which should be constructed out of capital only. I note that the Hon'ble Member is not unwilling to see a larger portion of the famine grant devoted to protective works, and I shall be glad if he can obtain the Secretary of State's sanction to that course.”

The resolution was put and rejected.

#### REVENUE AND EXPENDITURE.

The Hon'ble MR. MILLER introduced the following heads of the Financial Statement for 1910-11 :—

<i>Revenue.</i>	<i>Expenditure.</i>
I. Land Revenue.	3. Land Revenue.
VI. Provincial Rates.	8. Provincial Rates.
IX. Forests.	16. Forests.
XXI. Scientific and other Minor Departments.	26. Scientific and other Minor Departments.
XXIX. } Irrigation.	33. Famine Relief.
XXX. } Irrigation.	35. Protective Works, Irrigation.
XXXI. Civil Works.	42 } Irrigation.
	43 } Irrigation.
	45. Civil Works.
	49. Capital Outlay on Irrigation.

He said :—“ Sir, I have had some difficulty in satisfying myself as to the manner in which I could most usefully make the explanations that are expected

under our rules of procedure to be made on this occasion. I feel very much inclined to follow the example of my Hon'ble Finance Colleague, and I am not sure that that would not be best ; but, perhaps, it may be as well on this the first occasion on which we have had any experience of the actual working of these rules, that there should be differences of procedure. We shall thus find out what is the most convenient form in which we can put forward those explanations, and we shall understand the class of points on which Hon'ble Members particularly desire information. As far as those points may be taken to be indicated by the resolutions, there are none of them raised on the subjects I propose to deal with myself, but we have an Irrigation resolution, which will be taken up after the Hon'ble Mr. Jacob, to whom I propose to assign the duty, has explained the figures on the subject.

“As regards the first head I have to deal with, I have a few remarks to make rather for the information of the Council than for any other purpose, because I have found on looking through the explanations already given in the Financial Statement, that unless one goes into an altogether unreasonable amount of detail, which I am obliged to say would be profoundly uninteresting to the Council, it would be impossible to add usefully to what is explained in his Statement.

“The head Land Revenue includes not only land revenue proper, with which in certain Provinces some irrigation receipts are consolidated, but also such receipts as collections from Government estates and quit-rents from certain Tributary States. Then there is in Burma the thathameda tax, and in the two Bengals recoveries on account of survey and settlement charges. There are also receipts from fisheries and certain miscellaneous items. We have a tax in Burma. Out of the total budget for 1909-1910 practically 30 crores out of a total close on 33 are for ordinary Land Revenue. The Council will also observe that a certain share of Land Revenue is transferred to another head and taken under Irrigation. About 150 to 170 lakhs annually goes to this head. That is partly owing to the fact that in some provinces irrigation and revenue charges are combined, especially in Madras ; while in some other provinces it is held that a question of Land Revenue may fairly be taken to the credit of productive irrigation works. We make a charge for the use of water, but in addition to that charge rents go up for land which can be irrigated, and a certain portion of the revenue is thus due to the application of irrigation, and is credited under that head.

“As regards the Budget figures I find I have nothing to add to what has been said in the paragraphs on the subject in the Financial Statement ; the actuals

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have been better than the budget estimate owing to a good season. The Central Provinces form an exception to the general rule as collections have not been quite so good as was expected; they therefore hope to realise rather a large amount next year than is shown in the revised estimates this year.

“We were criticised last year for budgetting for the collection of a large amount of arrears. As a mere matter of estimating, the budget has been more than justified, as the collections owing to good seasons have gone above the estimate. As an administrative matter, however, the answer stands on different grounds. We were, as I read the objections, accused of increasing taxation by getting in the arrears. It seems hardly reasonable to regard deferment of payment of revenue as an increase of taxation. We do not usually regard a creditor who has been willing to defer payment, as a person who is increasing his demands on us. The Council is aware that the Government has adopted a liberal system of suspending revenue, when seasons are bad. The system is an attempt to go some way towards making the revenue fit the season—a system which some of our critics would like to carry much further by actually realising our revenue as a share of the produce each year. That is a system which is, as a fact, adopted in certain parts of Baluchistan; if we were to attempt to apply it to the more advanced parts of the country, I have no doubt we should hear a good deal about it, and I hardly imagine that it is likely to be supported here.

“On the occasion of any great calamity, it is desirable that there should be no delay in suspending the revenue. The more promptly it is done, the better; but if all revenue so suspended is to be eventually remitted, it is clear that in the interests of the State very careful investigations must be made to ensure that there is no mistake. What would be the result of a policy of remitting all revenue once suspended? Would it not necessarily lead to stricter enquiries and to greater delay in taking remedial action? Supervision should be prompt and then it should be left for more leisurely examination later, when the full effect of the calamity can be appreciated to decide whether any, and if so what, part of the suspensions should be remitted altogether. And the Council I am sure recognise that in this matter the policy of Government has been exceedingly liberal in recent famines. Revenue has been remitted on a large scale; in some of the famines we have unfortunately had to cope with on quite an unprecedented scale. It is difficult, owing to the different years for which our revenue and financial accounts are made up, to give an exact statement of the effect of the remissions on the figures of each financial year, but I find that the remissions on account of the most recent famine alone were 108 lakhs of rupees, the greater part of which—77 lakhs—

was in the United Provinces. Another statement I have had prepared shows remissions under all heads as being 126 lakhs in 1908-1909, and 44 lakhs in 1909-1910. These figures show clearly enough that suspensions are turned into remissions with great liberality, when it is thought that any real hardship would be caused by insisting on the payment of arrears.

“ There is one point to which I may call the attention of Council. Land revenue does not now occupy quite so important a part of the Bengal system as it once did. In the memorandum recently issued under Lord Morley's orders you will find it stated that in 1856 the land revenue was half of the total public income of the country and that now it is less than a quarter. Land revenue now occupies a distinctly less important place financially than it once did.

“ Nor has it quite the same administrative prominence. Other subjects have pushed forward their claim to more attention than formerly—sanitation, education, the development in many ways of the country. But with all this, the Land Revenue Administration must always retain an immense importance. It is inevitable that in the administration of interests touching so nearly the welfare of the great bulk of the inhabitants of the country, and producing so large a share of the State's annual income, there will always be room for criticism and objection and suggestions. There have been many controversies on the subject in the past. But to me it seems that the old controversies are now losing something of their asperity. The Government has gone far to meet many objections taken to some features of the system, and if we are not likely to escape criticism in the future I think we may also count on an increased interest on the part of the Council in the financial side of the revenue question, and I rather look forward to the time when the Council as a whole will be disposed to take a sympathetic attitude towards the ordinary official feeling of gratification when the revenue comes in easily and smoothly and when it shows signs of a healthy, if not a very rapid, increase.

“ The expenditure under the land revenue head is almost all provincial. The only important exception is the expenditure on Survey and Settlement in the two provinces of Bengal. The main part of the expenditure is on district administration, which as regards the lower part of the establishment is debited entirely to Land Revenue, though in the case of higher officers one-half of the charges are transferred to the head of Law and Justice.

“ The Central Provinces Budget of expenditure which is open to discussion is very much the same as in the previous year. It has increased from

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Rs. 38,30,000 to Rs. 39,10,000, the increase being due to the reorganisation of the pay and grading of the Commission, to improvement of the land records establishment, and to increase in the settlement staff.

“ I come then to the head of Forests, the revenue from which is almost entirely derived from Government forests, but there are some additional receipts from forests which are shared between Government and the owners, and there are some duties on foreign timber and produce which come under this head. The largest contributor is the province of Burma which accounts for one-third of the whole total receipts, which have risen in 10 years from 195 to 265 lakhs. The expenditure is generally about three-fifths of the revenue.

“ In the Central Provinces figures the demand for produce and for timber has fallen off and the receipts for the present year are likely to be below the estimate. The expenditure is rather less than was incurred in 1908-1909 because in that time of scarcity work had to be provided to help some of the forest tribes. Fortunately that need has now disappeared. The estimates under the heading ‘ India General ’ chiefly refer to the Andamans, Baluchistan and the Forest Research Institute at Dehra Dun. The receipts from the Andamans are not shown separately, but I find they come to 2½ lakhs. There has been a great falling off of revenue from those islands in recent years owing to the decline in the demand for Padouk, a timber which used to be much in demand in America for furniture, but I believe the fashion has now changed. The demand will probably however revive and in the future we hope to get a market. There is a decrease also in Coorg owing to there not being the same demand for sandal wood. On the expenditure side Dehra Dun is responsible for the provision of Rs. 2,18,000.

“ As in the case of land revenue I trust the Council will take an increasing interest in the development of the great forest property which India possesses. It is really worth their attention, and I was very glad two or three years ago to notice the interest taken on the subject by one of the non-official members. Owing very largely to the foresight of Lord Dalhousie, the State is now in the possession of a very valuable asset in its forests, and much of that wanton and wasteful destruction from which other countries have suffered very seriously has been avoided here. Restrictions on the use of the forests are inevitable if they are to be conserved ; it may be that sometimes these restrictions have been imposed too readily or enforced too rigidly, but the more the matter is examined the more it will be admitted that the broad lines of the forest policy in India have been conceived in the best interests of the country. To-day it is chiefly with the financial aspect of the Forest Department that we have to deal ; and

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looking at it only from this point of view I think there can be no doubt that the forests will prove eventually, as private supplies are exhausted, a property of great and ever increasing value. But it is not merely the general direct financial results that we should look to, but the importance—the absolute necessity—of the conservation of forests in the interests of agriculture, of the protection of the catchment areas of the great rivers, of the prevention of floods and erosion, and of the amelioration of climatic conditions. In the management of this great property we are necessarily at present far behind the standard that has been attained on the Continent of Europe ; in the extent of the property we no doubt fall short of the great forest tracts in America ; but if we take account both of area and of the extent to which scientific management and development have been carried, I doubt if there is anywhere a property that surpasses that which is managed by your Forest Department in this country.

“The only other head I propose to deal with myself is Famine Relief, a head we have too frequently had to refer to with some apprehension. This year the figures are purely satisfactory. In all the provinces except the Punjab which showed a very small excess, the expenditure has been much less than the amount budgetted for last year. For the coming year there is no provision at all, and we may pass from this head with a devout prayer that the results will justify the Budget in this particular.

“I will now ask Mr. Carlyle to deal with one of the heads ‘Scientific and other Minor Departments.’”

(SCIENTIFIC AND OTHER MINOR DEPARTMENTS.)

The Hon'ble MR. CARLYLE :

“As this head includes items dealt with by three Departments—Revenue and Agricultural, Home, and Commerce and Industry—it would perhaps be most convenient to deal with the items relating to this head in the order named.

“The Revenue and Agricultural Department deals with the Survey of India, Meteorological Survey and the Agricultural and Veterinary Departments.

“The expenditure and revenue as shown in the Budget under the head ‘Survey of India’ are entirely Imperial. The increased expenditure for last year is due to the reorganisation undertaken in consequence of the recommendation of the Survey Committee that a thorough revision of the Topographical Survey of India is necessary. It is proposed to spread the work over about 25 years. The

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main features of the reorganisation are (1) the substitution for the former Imperial graded service of 40 officers of a new service of 55 officers on a time scale of pay, the average pay per officer remaining practically unchanged; (2) the substitution for the present graded Provincial service of a similar time scale service on improved rates of pay which will be capable of supervising and controlling the work of the Surveyors: at least one-fourth of this service is to consist of Indians; (3) the division of the present subordinate service of Surveyors into (a) an upper subordinate service on a time scale of Rs. 80—200 with nine fixed posts on Rs. 250 who will carry out the more difficult survey work, and (b) a lower service of the less qualified Surveyors on the present rates of pay of Rs. 100 and less.

“The Meteorological Survey is another Scientific Department of which the revenue and expenditure are Imperial. The large decrease in expenditure compared with the accounts of 1908-1909 is due to the reduction in telegram charges which took place during the current year. The work of the Department falls mainly under two heads; ‘Reporters’ and ‘Observatories’. Under the head ‘Reporters’ are included the salaries of the Director General and of the various Imperial and Provincial Meteorologists, including their establishments, and the very large item of telegram charges on account of the daily weather reports. The charges under the head ‘Observatories’ include allowances to the numerous observers in minor observatories all over India and in a few places outside India which are important in connection with the forecasts of the Indian weather. It also includes the charges on account of the Madras Astronomical Observatory, the Kadaikanal Solar Physics Observatory and the combined Colaba and Alibagh Observatory.

“Agriculture is mainly provincial. The most striking feature is the very rapid growth in expenditure from 2 lakhs in 1901 to 25 lakhs in 1908-1909, and an estimated expenditure of Rs. 31,40,000 in 1910-1911. The Department in its present state is so comparatively new—it was not till 1905-1906 that the expenditure ran into double figures—that it would be absurd to judge of the probable future benefit to India by present results. But even in this short period, the Department has justified its existence. It has introduced in some provinces improved and remunerative new crops; it has taught in some places better methods of cultivation; it has in several provinces done a great deal to stimulate the introduction of machinery or the use of improved machinery; and it has taught means for preventing the spread of some very serious diseases. Very promising investigations are in progress regarding wheat and cotton, and altogether the outlook for the future is most encouraging. The full benefit of the

Department will not accrue till the Provincial Colleges have been working for some time and Pusa has been able to train students from these Colleges so as to be capable of independent research work and the efficient supervision of agricultural work in the Provinces.

“ So far as the Imperial budget is concerned, the main heads of expenditure are the Inspector General of Agriculture's budget which includes provision for the Imperial Cotton Specialist and for the publication of the Agricultural Journal of India, Agricultural Memoirs and the Pusa Bulletins. Expenditure under Inspector General of Agriculture's budget proper amounts to Rs. 1,26,200. The other main head is the Pusa budget which comes to Rs. 3,16,540.

“ The next item I would notice is the expenditure on the Veterinary Department. Here also the development has been rapid. The expenditure has increased from 10 lakhs in 1905-1906 to an estimated expenditure of Rs. 17,39,000 for the coming year. The expenditure is largely provincial. The India General budget comes to Rs. 4,61,000. The two main heads in this budget are 'Bacteriology' and 'Veterinary charges'. Under the head 'Bacteriology' the budget includes provision for the Imperial Bacteriologist and the staff of the Muktesar Laboratory where rinderpest and other prophylactic sera are prepared. The growing popularity of these sera indicates that the time may come when one laboratory will not suffice. Under the head 'Veterinary charges—Proper', which comes to Rs. 2,52,000, provision is made for the Inspector General, Civil Veterinary Department, leave reserve officers, the Superintendents of the Civil Veterinary Department in Baluchistan, Sindh and Rajputana, the Superintendent of the Hissar Cattle Farm and the Camel Specialist who is engaged on a very important enquiry into camel diseases. His work has so far lain mainly in the Punjab. The pay of other Provincial Superintendents is also provided for in the Imperial budget under the head 'Other Provinces'.

“ Turning now to the Department of Commerce and Industry the main heads are 'Geological Survey', 'Inspector of Mines', 'Central Museum', 'Inspector of Explosives', and 'Bureau of Commercial Intelligence'. The figures of expenditure are given on page 68 of the second part of the Financial Statement and they do not appear to call for any remarks.

“ So far as the Home Department is concerned, the main items are 'Archæological Survey', 'Bacteriology', 'Central Research' and 'X-Rays Institute', 'Census' and 'Imperial Library'. The expenditure figures will be found on page 68 of the second part of the Financial Statement. The object of the



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Central Research Institute is to provide more adequate means for the study of the etiology and nature of diseases. Its functions are original research, the preparation of curative sera and the training of scientific workers. The plague prophylactic is prepared in the Bombay Laboratory, while the Central Research Institute is occupied with the preparation of anti-venene, anti-typhoid and other similar vaccines. The X-Rays Institute was established in 1906 as a centre for the practical instruction of medical officers and subordinates whether in civil or military employ, in the use and management of X-Rays apparatus and as a Department for the repair and storage of such apparatus.

"So far as the Census is concerned, I need only mention that the budget estimate is based on the expenditure incurred during the last Census."

#### IRRIGATION.

The Hon'ble Mr. JACOB : "In his speech at last year's budget debate the Hon'ble Mr. Miller explained very fully the reasons why it had been found impossible in the past to work up to the average of 220 lakhs of rupees of the 20-year programme of expenditure as given by the forecast of the Irrigation Commission. He explained that the pace at which we could push on with irrigation schemes was, owing to the nature of the work involved, necessarily limited, and, as an example of this, as an illustration of the time and money which have to be expended before Government can be in a position to decide whether any large irrigation scheme can be profitably executed or not, I may mention that the surveys and investigations of the large Tungbhadra project in Madras occupied a period of about 5 years and cost more than 6 lakhs of rupees. This is perhaps an extreme case as the Tungbhadra was a very large and costly project presenting many difficulties, but it gives some indication of the amount of time and expenditure which may have to be faced before any extensive irrigation work can be commenced. Mr. Miller then proceeded to give actual figures of expenditure, and showed that this expenditure had been more than doubled in the short period of the past 6 years. I may give some further figures; in the year 1900-1901 the capital expenditure on Productive and Protective irrigation works was about 93½ lakhs, in the current year it is expected to be 232 lakhs, and for 1910-1911 a sum of 240 lakhs has been provided. That is to say, in the course of ten years, the annual expenditure has increased from 93½ to 240 lakhs. These figures will give those interested in the subject some indication that the Government are fully alive to the irrigation needs of the country, and are in no way neglecting them. In addition also to the grants for works which fall in the Productive and Protective category, and leaving out of

account works chargeable to Provincial revenues, a sum of Rs. 33,86,000 has been provided for minor irrigation works, and 69 lakhs to meet the working expenses of our major canals.

" I do not propose to analyse the figures relating to Public Works expenditure and grants, as explanations of all important variations have already been given in the Financial Statement, paragraphs 151 to 162 and 164 to 170. I may, however, mention that, while the normal maximum grant in the past for works of the Productive class is 150 lakhs, it was considered whether the grant should not be increased by 50 lakhs, by a corresponding reduction in the Railway grant, but it was not at all certain that a larger grant than 170 lakhs could be advantageously utilised in the coming year, and it has therefore been decided to increase the normal grant by 20 lakhs, taken from the grant for Railways.

" I would explain that the bulk of the Productive expenditure is at the present time taking place in the Punjab, not because other Provinces are being starved of funds to meet the needs of this particular Province, but because the large projects elsewhere have not yet reached the stage of sanction to the estimates. Of the 170 lakhs, the grant for Productive expenditure next year, nearly 112 lakhs will be spent in the Punjab, and, of this sum of 112 lakhs, 98½ lakhs have been provided for one scheme alone, for the project known as the Triple Canals scheme. This is a project of a very daring character and marks an important change in procedure. At one time it had been the practice to approach each irrigation scheme as independent in itself, but we are now working to far broader principles, to the necessities of a Province as a whole, in order that the water supplies may be carried further afield and be more fully utilised. The Triple Canals scheme is an example of this; in it the water of the Jhelum river will be carried across the Chenab, and the water of the Chenab across the Ravi in pursuance of the principles I have just mentioned. This is the project, which will probably cost about 10 crores of rupees by the time it is finished, and which the Punjab is straining every nerve to complete, and, as long as the greater part of the expenditure is confined to this one Province, it will be difficult to increase it.

" Other Provinces are, however, in various stages of progress with their projects. Of these, the largest will be in Sind: it is proposed to divide the Indus in Sind into 3 reaches with 3 weirs, each with its group of canals, both to improve the present inundation systems and to irrigate new ground. The aggregate cost of these works in Sind is likely to amount to 17 crores of rupees, but attention is first being paid to the central group with a barrage at

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Sukkur, a project which will probably cost over 9 crores. The Madras Government have two important projects under preparation,—the Cauvery, at a cost of about 4 crores, and the Kistna, at about 7,—and both these schemes are expected to prove productive. The United Provinces Government has a scheme known as the Sarda project, conceived on very bold lines, under investigation. The idea is to carry the water of the Sarda river in Oudh into the Ganges and Jumna tracts, and thus to bring fresh areas in the United Provinces under command, and possibly also to admit of greater irrigation facilities in the South-East Punjab, where the need of water is very pronounced. The anticipated cost of this project is about 6 crores. The Punjab has also another important scheme under survey for the utilisation of the water of the Sutlej river below its confluence with the Beas. The aim of this project will be the irrigation of Bikanir and Bahawalpur territories on the left bank, and the improvement of the present British inundation canals on the right. These may be said to be the more important of the Productive works under enquiry.

“Of the Productive works under construction, apart from the Triple Canals already mentioned, the more important are the Upper Swat Canal on the North-West Frontier Province, a work which, it is hoped, will go far to advance the prosperity and secure the well-being of the border tribesmen, and two projects known as the Môn and the Yeu in Upper Burma.

“The total number of Productive works in operation is 53. The most important of these are situated in the Punjab, United Provinces, Madras and Sind. In Bengal and the Bombay Deccan there are canals technically classed as such but which have failed to satisfy the conditions required of works of this category. Burma has two Productive works in operation, and there are three in the North-West Frontier Province. Practically the entire irrigation systems in the Central Provinces are at present protective. The province of Eastern Bengal and Assam does not at present possess any State irrigation works.

“The latest recorded statistics of the Productive works in operation show the capital cost to be Rs. 40,43,89,784, the net revenue Rs. 3,33,46,968, and the annual irrigation 14,115,538 acres. On works of the Protective class some additional money could probably be expended in the coming year, but it has not been possible for the reasons given in the Financial Statement to provide a larger grant than 70 lakhs against demands amounting to 82½ lakhs. It is, however, hoped that, as explained in paragraph 140 of the Financial Statement, it will shortly be arranged to allow an annual provision of 100 lakhs for these works, an amount which will be sufficient for, at any rate, some years to come.

“ The details of the distribution of the Protective grant are given in paragraph 139 of the Financial Statement. It will be seen that Bombay gets the largest share, 27 lakhs, of the money available. A sum of 15 lakhs has been provided for the Godavari project, which is designed to protect an area of about 200,000 acres in the Nasik and Ahmednagar districts and on which good progress has already been made. An adequate grant has also been made for the Pravara scheme, protecting a large area, which was started a few months ago. In the Central Provinces there are numerous tank irrigation works in hand which absorb  $17\frac{3}{4}$  lakhs, and it has been necessary, for want of funds, as stated in the Financial Statement, to postpone the Tendula Canal project, estimated to cost nearly 100 lakhs of rupees. This is the first canal scheme of any magnitude to be undertaken in these Provinces, and it is expected to irrigate an average of 263,000 acres annually in a precarious area. It is hoped, however, under the new arrangement for funds under consideration, that it will be possible to provide money for this important work in a short time.

“ Good progress is being made on the works in hand in those parts of the United Provinces which are liable to famine. The Dassan Canal, which will serve an area of about 80,000 acres in the Hamirpur District, is now approaching completion, and, while in progress, considerable improvements in the original design have been made, resulting in an increase in the storage capacity of the reservoir and in the area to be annually irrigated. In the case of the Ken Canal, designed to protect a precarious tract in the Banda District, it has also been found necessary to increase the storage supply.

“ In the ten years prior to 1908-1909, the total capital outlay on Productive and Protective irrigation works has risen by a sum of nearly  $13\frac{3}{4}$  crores, the net revenue has increased by about 114 lakhs, and the area irrigated by over  $4\frac{1}{2}$  million acres. The rise in net revenue and irrigation acreage in the above figures is not so marked as the capital outlay, because several works at present under construction have not commenced to yield revenue.

“ I should not mention Civil Works, the figures and explanations concerning which are given so fully on page 90 of the Financial Statement, but a reference was made to this expenditure by the Hon'ble Pandit Madan Mohan Malaviya the other day. The Hon'ble Member, however, apparently referred to Provincial expenditure. I find that the average expenditure under Imperial (which includes expenditure in England) for the 3 years ending 1908-1909 was  $115\frac{1}{2}$  lakhs. In 1909-1910 a sum of about  $119\frac{1}{2}$  lakhs was provided, but later owing to the necessity for restricting expenditure in the current year as far as possible the allotments were reduced by about 17 lakhs of rupees. For the ensuing year the

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'provision amounts to slightly more than 111½ lakhs of rupees. Under this head reasonable economy is therefore being exercised."

The Hon'ble MR. DADABHOY said:—"At the outset I desire to make a slight modification in my resolution, in order that it may be perfectly clear what I am aiming at. The present budgeted expenditure on productive works is 170 lakhs, and what I ask in this Resolution is to increase that from 170 lakhs to 220 lakhs. As the resolution stands probably it may not convey that meaning, and I would like to add the words 'productive works' after the word 'irrigation.'

"I have heard with great interest what has fallen from the Hon'ble Mr. Jacob with regard to the proposed irrigation policy of Government. The Hon'ble Mr. Jacob has in a way anticipated me in many matters and has tried to raise issues which I propose to raise. However, as I shall presently shew, the arguments advanced by the Hon'ble Mr. Jacob do not carry us any further."

The Hon'ble MR. MILLER:—"Might I enquire how the resolution stands now? I am not quite clear about it."

The Hon'ble MR. DADABHOY:—"I wish to give the full 220 lakhs to productive works. The actual form of my resolution now is:—

'That this Council recommends to the Governor General in Council that the Imperial grant for expenditure on Irrigation during the next year be increased to the full average of 220 lakhs of rupees recommended by the Scott-Moncrieff Commission of 1901-03, and that the extra money required be made up by a proportionate curtailment of the Capital Expenditure on Railways.'

THE VICE-PRESIDENT:—"What are the exact words you wish to introduce into the resolution?"

The Hon'ble MR. DADABHOY:—"Productive works'. Under the rules I had to give notice of this resolution long before, immediately on the presentation of the Budget."

The Hon'ble MR. MILLER:—"I must object to the alteration in this form. I do not wish to hamper the Hon'ble Member, but the resolution is not now really correct. The Commission did not recommend that this amount should be spent on productive works."

The Hon'ble MR. DADABHOY:—"I leave out the words 'recommended by the Scott-Moncrieff Commission of 1901-03.'"

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*dent Mr. Dadabhoy ; Pandit Madan Mohan Malaviya.*]

The Hon'ble SIR GUY FLEETWOOD WILSON :—“ I beg to ask if it is in order to alter a resolution once it is on the paper ?”

The Hon'ble MR. MILLER :—“ I must point out that the resolution, even as it now stands, will not make sense. It reads, ‘ and that the Imperial grant for expenditure on Irrigation productive works during the next year be increased to the full average.’ What average ?”

The Hon'ble SIR GUY FLEETWOOD WILSON :—“ I am aware that there is no provision in the rules for altering a resolution, but there is a provision that two days' notice must be given of a resolution : this as altered has not had two days' notice.”

THE VICE-PRESIDENT :—“ There is no provision in the rules for amending a resolution, but if no Hon'ble Member objected to a proposed amendment being received, I should allow the amendment. As in the present case an objection has been taken, I shall have to rule that the resolution cannot be changed.”

The Hon'ble MR. DADABHOY :—“ Then I shall give notice of my resolution.”

The Hon'ble SIR GUY FLEETWOOD WILSON :—“ I did not object to it. I merely raised a point of order to be informed whether it would be in order.”

The Hon'ble PANDIT MADAN MOHAN MALAVIYA :—“ May I know, Sir, how the Hon'ble Member wishes the resolution to stand.”

The Hon'ble MR. DADABHOY again read the resolution as he wished it to run.

THE VICE-PRESIDENT :—“ I have ruled that you cannot alter the resolution.”

The Hon'ble MR. DADABHOY :—“ May I ask that notice be dispensed with in the present case ?”

THE VICE-PRESIDENT :—“ I cannot dispense with notice.”

The Hon'ble MR. DADABHOY :—“ I bow to your decision ; but I understand that the Hon'ble Members do not object.”

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The Hon'ble MR. MILLER :—“ I would much rather have the discussion at once than postpone it to a later date. I understand now that the resolution simply ends with the words ‘ the full average of 220 lakhs of rupees.’ ”

The Hon'ble MR. DADABHOY :—“ I beg to move that this Council recommends to the Governor General in Council that the Imperial grant for expenditure on Irrigation Productive Works during the next year be increased to 220 lakhs of rupees.”

THE VICE-PRESIDENT :—“ Have you any objection to the amendment ?”

The Hon'ble MR. MILLER :—“ No.”

THE VICE-PRESIDENT :—“ Then you may go on.”

The Hon'ble MR. DADABHOY : “ I must say that I propose to retain the words ‘ and that the extra money required be made up by a proportionate curtailment of the Capital Expenditure on Railways,’ at the end of the resolution. I am thankful to you, Sir, for giving me an opportunity of speaking on this most important and vital question of the day.

“ Sir, I beg to move that this Council recommends to the Governor General in Council that the Imperial grant for expenditure on Irrigation Productive Works during the next year be increased to 220 lakhs of rupees and that the extra money required be made up by a proportionate curtailment of the Capital Expenditure on Railways.

“ Sir, it may at first sight look as if I was going to attack the Irrigation policy of Government, and to support my demand for the full average grant of 220 lakhs of rupees by questioning its past action. I do not propose to do anything of the sort. It would obviously be ungenerous not to acknowledge with gratitude all that Government has done in the past to improve the irrigation system of the country. Far be it from me to charge Government with supineness or apathy in the matter. A Government which, not satisfied with the work already constructed or reconstructed, appointed a Commission to inquire into the possibilities of irrigation in India, cannot with justice or fairness be blamed for inaction. I readily admit also that the annual grants for Capital Expenditure on Irrigation have been determined by financial considerations, by the limitations to which a constructive Irrigation programme is always subject, and by a balancing of rival claims for financial help. I must in justice to the Hon'ble Mr. Miller, who administers the department with conspicuous ability and zeal, further acknowledge that the country will feel grateful to him for

the increase of 20 lakhs of rupees in the budgeted grant of next year, as also for the increased expenditure during the current year. It is to his wholesome influence and unwearied efforts that we all owe this increased activity in the department. If I press this resolution still, I do it from a sense of duty, and I hope my action will not be misunderstood.

“ While fully admitting the limitations attaching to Irrigation, I submit there is scope for the employment of more capital every year, and the labour difficulty referred to by the Hon'ble Mr. Miller in his luminous explanation last year need not be insuperable. In the first place, the observation of the Irrigation Commission that there is always scope for large extension of irrigation works was based upon evidence and careful local inspection. That opinion is entitled to consideration. It is true the Commission predicted ‘that the limits to the area which can be protected by State irrigation works at a cost which will not be prohibitive will,’ after a long series of years, ‘be within sight.’ But we have not come to that stage yet, and it will be long before the contingency contemplated happens. The present activity of the State will determine the final issue. For all practical purposes we may leave such contemplation aside, and proceed to work in frank recognition of the fact that there is large scope for extension.

“ In the next place, the large irrigation schemes known as Major works must be more or less complete. If some of them are not, they can surely be matured and completed within a reasonable time. Once they are finally settled, there remain three conditions still to be fulfilled before they can be carried out—funds, expert management, and labour supply. This last, in my humble opinion, can be counted on at many centres. Even if at any place the supply falls short of the requirement, the deficiency can be made up by reasonable offers to labourers living outside the particular area. At any rate, in a country like India, where wages are low, the labour difficulty cannot be an unsurmountable obstacle.

“ The second condition on which prompt and proper execution of Irrigation schemes depends is not a very difficult one. Expert supervision is undoubtedly essentially necessary for successful construction; and if there was ever any difficulty experienced by Government in providing for it, it could be satisfactorily solved, as I suggested last year, by getting the work done by engineering firms of established reputation. Sir, last year I had the misfortune to be misunderstood by so capable and sympathetic an officer as the Hon'ble Mr. Miller. I never meant to suggest then, nor do I suggest now, incapacity against the expert officers of Government. I do not for a moment contend



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that they are not quite up to the mark. I am not so ignorant of their engineering feats in India as to be deluded into the belief that they cannot do the work properly. The Trans-Gangetic Canal alone would dispel any fears on that head. It is a monument of skill and industry of which any country may be proud. My point was then, as it is now, that the total strength of the establishment might at times prove insufficient. Government engineers have to devote their attention to many things; their time is more or less preoccupied. It may therefore just happen that a scheme is hung up for want of officers to carry it through. This view receives support and corroboration from the remarks of the Irrigation Commission:—

‘In every province which we have visited, wherever we have taken evidence, and made or received any proposals for the extension of works, we have been uniformly met with the complaint of the lack of engineer-officers. We have reason to think that this complaint is well-founded.’

“What is the harm, Sir, if in such a contingency of insufficiency, the work is done by well-known contractors? That in no way means any disparagement to the Government staff. Not that I contend that in every case the scheme should be executed under a system of contract; but I do still contend that, if it should ever happen, as happen it may, that execution has to be put off for want of officers, instead of allowing the scheme to be hung up indefinitely, it should be carried out by first-rate contractors. Then there will never be any difficulty on the score of expert supervision.

“The third condition on which the success of Irrigation projects depends is capable of being fulfilled by Government by a more liberal annual grant. The supply of officers and labour premised, there could not be any serious difficulty to the prosecution of a vigorous Irrigation policy except funds. The main difficulty to a more plentiful supply of funds by Government appears to be an apprehension, as explained by the Hon’ble Mr. Miller, that more money “cannot be spent” with advantage. No doubt this is a perfectly legitimate attitude for the Government to assume, but I have submitted above that the three difficulties feared can be removed. If my arguments convince the Hon’ble Mr. Miller, I hope he will be pleased to claim a larger allotment under this head from Government. The issue to my mind is simple. The Irrigation Commission after mature consideration came to a distinct finding, and recommended a certain course of action. Is effect to be given to the recommendation? If so, what prevents Government providing for the average annual capital expenditure of 220 lakhs of rupees? Government has in a way undertaken to

spend 44 crores of rupees in 20 years on Irrigation works. We are so far behind the estimate, leaving aside the expenditure debited to the Famine Insurance. Will it not be prudent to keep up the annual capital expenditure to the average of 220 lakhs? There is need for extension of Irrigation works, and the money will have to be spent sooner or later. Even with the increased grant our budget for Capital expenditure for next year is short of the average of 220 lakhs by 50 lakhs. Is it too much to ask Government to make up the deficit, if necessary, by the curtailment of the Railway programme? I need not attack that programme in order to commend this resolution to the sympathetic consideration of this Council. Suffice it to say that the Railway grant is going to be considerably increased next year. The result cannot surely be serious and irreparable if it is reduced by 50 lakhs? I fear, in making this proposal, I incur the displeasure of my Hon'ble friend Sir T. R. Wynne, but, I venture to think, a slight curtailment in the Railway programme will not make any appreciable difference. The budgeted grant for expenditure on Railways is larger than the estimated expenditure in the current year by  $2\frac{1}{2}$  crores of rupees and than the actual expenditure last year by about  $1\frac{1}{2}$  crores of rupees.

"Sir, I know the resolution involves a larger issue of principle than would appear on the face of it. The real point is that in the present arrangement 'the financing of Protective works' is left, as the Hon'ble Mr. Miller himself pointed out last year, 'theoretically in a somewhat precarious position,' and in practice too expenditure on Protective works has been more or less *fitful*. These works are of great importance to the country, and unless they are vigorously pushed on the insurance against famine is small. The reasons for which the Commission recommended the abolition of the distinction between Productive and Protective works, if anything, have gained in force with time. The uncertainties of the initial stage, to which reference was made by the Hon'ble Mr. Miller, no longer exist, and experience has shown that Protective works do after a few years prove as productive as the most promising Major work. The classification is artificial and unsound, depending as it does upon the forecast of the return. If the estimate is less than  $3\frac{3}{4}$  per cent., be the actual result what it may, the work is styled Protective, and if it is to be carried through, it must be out of the revenue. This is highly unsatisfactory, in that projects under this head, necessary though in the interests of the country, have not unoften to be postponed for want of funds. The Tendula project of the Central Provinces for instance has not been provided for even next year. The remark in the memorandum is significant: 'The initiation of such new schemes as the Tendula has had to be deferred until better times.' The result

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is, large areas remain unprotected. And yet if the distinction between Productive and Protective works is removed from the accounts, the works come in at once for a share in the capital allotment according to their protective value, apart from considerations of productiveness. The Tendula project would then have been carried through, without having to wait for the offchance of a revenue surplus. This distinction is unknown to Railway finance, and yet there are Protective and Strategic railways. It is true that the Secretary of State has sanctioned a maximum expenditure on Protective irrigation works of 100 lakhs a year, but the condition attached makes the full allotment out of revenue impracticable except in a very prosperous year. With a falling opium revenue, it would be impolitic to expect prosperity budgets. The extra liberality shown by the Secretary of State becomes therefore in the result unreal. Unless there is a change in the Irrigation policy of the Government relating to the financing of Protective works, there is small hope of increased constructive activity in that line. The resolution in substance asks Government to allow on an average 220 lakhs of rupees a year for Capital expenditure on Irrigation works, and to do away with a classification which retards the progress of Protective works. This is the crux of the thing. The total shortage in actual expenditure is a comparatively smaller question. Representing as I do a province for which the programme for Protective works is a very moderate one, and to the prosperity and security against famine of which Protective works are absolutely necessary, I must implore Government with all the earnestness at my command, to place Irrigation finance on a more logical and satisfactory basis. I must also request the Hon'ble Mr. Miller, who must be expected to have still some attachment for his old charge, to provide at least for the construction of the Tendula project. The Central Provinces, although generally speaking the worse affected by famines, have not had an adequate supply of funds for the construction of Protective works. The Hon'ble Mr. Craddock, to whom the people of the Central Provinces owe so much for progressive administration, has, I understand, repeatedly claimed more liberal grants; but so far the hopes of the people remain unsatisfied.

“ There is one other point: in the budget of next year, Sir, 5 lakhs of rupees are allotted for protective railways. I thought the Secretary of State had ruled that no part of the Famine Insurance should be devoted to the construction of new railways. That is the information I gather from the Report of the Irrigation Commission. Why then this allotment, small though it may be? The money could have been more usefully spent on irrigation works. At least, applied to irrigation, it would have increased the grant for

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protective works to the usual average of 75 lakhs of rupees. The division would be more in consonance with the principles laid down by the Secretary of State. I trust the Council will accept this resolution."

The Hon'ble MAHARAJADHIRAJA BAHADUR OF BURDWAN said:—"I wish to say a few words in connection with Mr. Dadabhoy's resolution. I think it is rather hard on the non-official Members to be asked to recommend the Council to accept a resolution to enhance the grant on the head of irrigation to 220 lakhs of rupees without knowing on what actual projects it is intended that this increased allotment is to be expended. I find that the Hon'ble Member mentions one scheme in the Central Provinces, the Tendula scheme. I think he might have spared us all this trouble if he had only mentioned the Tendula scheme, and not asked to support him for an increased grant of 220 lakhs of rupees without our being enlightened as to exactly on what projects we are to request to spend this money."

The Hon'ble MR. N. SUBBA RAO said:—"I have heard with much interest and gratification the remarks of the Hon'ble Mr. Jacob foreshadowing a liberal programme of Irrigation works in the coming years. It is also with gratification that I notice that the grant under the head of Productive Irrigation Works has been increased this year. At the same time I cannot help expressing my sympathy with the Hon'ble Mr. Dadabhoy in the complaint which he makes that the Irrigation Department is not so well favoured as the Railway. I am afraid that the Hon'ble Member in charge of Irrigation is rather unkind towards the province from which the Hon'ble mover of the proposition comes. I notice from the latest administration report for 1907-08 that the Central Provinces has the honour of standing last in the list of provinces on which money is expended for protective, productive, or minor works. In fact hardly any sum has been spent up to date on productive works in that province. The amount spent on productive works which are in operation comes up to only 36 lakhs of rupees. No doubt there are some protective works under construction which have cost about 13 lakhs; but as the Hon'ble Mr. Dadabhoy rightly complains, the Tendula project is hung up for want of funds. I think, therefore, the Hon'ble Member in charge of the Department may show a little more consideration and raise this province from its place at the bottom of the list a little higher up. I can well sympathize with the Hon'ble Mr. Dadabhoy, coming as I do from a part of the country which enjoys the blessings of great irrigation works designed and executed under the guiding genius of Sir Arthur Cotton. If we compare, for instance, what the district of Godavari was before the

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[*Mr. N. Subba Rao.*]

anicut was constructed and before the distributory channels were brought into existence with what it is now, we are forced to urge on the Government that as much money as possible should be spent for extending irrigation works throughout the country, as they would certainly add to its prosperity and food value, besides mitigating the horrors of famine. I may mention that before the anicut was constructed, this district, like several other districts which are not protected by irrigation works, was periodically subject to famine, and poverty practically brooded over the land. This is one of those districts in which the Permanent Settlement was introduced, and yet the greater portion of the district was sold for arrears of revenue and for want of bidders the Government became the purchaser. An estate which was purchased in those days for, say, Rs. 10,000 now yields a net return of Rs. 10,000; such is the productive value of the works which have been introduced under the guiding genius of Sir Arthur Cotton. After all the Government is no loser by extending irrigation works. Take again the instance of the Godavari delta; we find that it yields now to the Government, after defraying interest charges, a net profit of 17 per cent. on the capital outlay. So also the neighbouring delta, the Krishna delta, which gives a net return of 13.79 per cent. after paying interest. These two deltas have paid their capital outlay of nearly 300 lakhs as well the interest thereon during all these years and have yielded a net surplus to the Government of over 600 lakhs of rupees. If you take the Madras Presidency itself, it gives a net profit of nearly 9 per cent., and after deducting interest, nearly 6 per cent. Taking the whole of India even, including all productive and protective works, the outlay may roughly be put down at 50 crores of rupees and the net profit at  $3\frac{1}{2}$  crores and the interest at about 7 per cent. That immense benefit has been conferred on the country from these works is evident from the fact that the area irrigated including minor works for which no revenue accounts are kept, is more than 18 millions of acres. I do not take account of numerous private channels, tanks, etc., which irrigate nearly as large an area, if not more. I have gone into these details to show that the money spent on irrigation is repaid four-fold, and no loss whatever results therefrom. There is no excuse, therefore, for a niggardly policy in regard to irrigation.

“ Now one curious feature in connection with the monies spent on irrigation is this: that out of 50 crores spent on productive and protective works only  $2\frac{1}{2}$  crores have been spent on what are called protective works in operation and  $3\frac{1}{2}$  crores including works under construction. Out of over 18 millions of acres that are irrigated, only  $3\frac{1}{2}$  millions are protected under these protective works. The disparity between productive and protective works is indeed very great; and if there is any necessity anywhere for expanding irrigation, it is in those

tracts where irrigation is urgently required, tracts like the Deccan districts in the Madras Presidency, where scanty rainfall and chronic scarcity are the striking features of that part of the country. The Irrigation Commission recommended that out of the allotment of 220 lakhs two-thirds should go to Protective and one-third to Productive works. The Government has reversed this position, allotting only one-third to Protective works. No doubt it is stated that schemes for the latter have not been ready and money could not be spent on them. I trust, however, that henceforth more importance would be given to Protective works.

“ Side by side with the allotments for irrigation if we come to railways, we find that whereas the maximum allotment provided for irrigation is 220 lakhs, the maximum allotment for railways is 1,875 lakhs or £12½ millions sterling. Naturally the actual allotments are in the same proportion; one is nearly 7 or 8 times the other. Of course between these two competitors the Railway has always the upper hand. Railways are more easy to construct, the materials come from other countries, and India is bountiful in supplying earthwork; while as regards irrigation there is a good deal of trouble in investigating, a good deal of skill required in constructing, and there are numerous other difficulties. It has been pointed out by the Hon'ble Mr. Jacob that there are two important schemes costing nearly 12 crores which are intended to protect the Deccan districts, *i.e.*, the Tungabhadra project and the reservoir on the Kistna. These two schemes have been still under investigation and they have not reached the stage when funds can be allotted. All the more necessary, therefore, I submit, to resist temptation with regard to Railways and concentrate our attention on Irrigation.

“ Again, railways have only begun to pay a surplus during the last few years, whereas so far as irrigation works are concerned they have been paying a very handsome rate of interest all along notwithstanding many white elephants that have come into existence like the Kurnool-Cuddapah canal which results annually in a loss of nearly 6 lakhs, and some other projects which are a dead loss to the State. Taking these two departments, Railways have not been so successful as Irrigation and the loss on the former is immense. Considering all these circumstances, though we are grateful to the Hon'ble Member for the more liberal provision which he has made this year, I submit that systematic efforts should be made to allot and expend more money on Irrigation and not confine ourselves to the maximum allotment provided for by the Irrigation Commission, but as far as possible to exceed that limit and bring protection where it is most needed at present.”

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[Mr. Jacob.]

The Hon'ble MR. JACOB said :—“ In his resolution, as it now stands, Mr. Dadabhoy refers only to the question of expenditure on productive irrigation, and he apparently wishes that the sum we provided for next year should be increased from 170 to 220 lakhs. Now, I would ask, how does he arrive at this figure of 220 lakhs? Apart from the Tendula, which is a protective work, and therefore need not have been mentioned at all in any speech dealing with productive figures, he has mentioned no other projects. In recommending a grant of 220 lakhs for productive works, with no particular projects in his mind, the Hon'ble Member evidently refers to the figure which I myself quoted this morning as recommended by the Irrigation Commission as the average annual expenditure on all irrigation works combined. They recommended 220 lakhs for all irrigation works, productive and protective. These are the heads they give themselves,—productive, unproductive and intermediate. They included all productive works, they included all protective works, and I believe I am correct in saying they included some works which are called minor irrigation works. Now, I have already stated that for next year we have provided 170 lakhs for productive works, and I explained why we cannot spend any more even if we had it. Out of the 170 lakhs, we have to spend 112 lakhs in one Province and that Province cannot spend any more, it has not the labour, and the other Provinces are not sufficiently advanced with their new schemes, so that 170 lakhs is an adequate sum for productive works. Then I further explained that we have provided 70 lakhs for protective works. That makes a total of 240 lakhs against the 220 recommended by the Irrigation Commission, and I presume that the Hon'ble Mr. Dadabhoy does not want us to reduce our grant by 20 lakhs. In addition, there is the Imperial minor works grant of over  $33\frac{3}{4}$  lakhs, so that we are now well in advance of the sum mentioned by the Irrigation Commission. I think that disposes of what the Hon'ble Member says on the subject of the grant for next year.

“ In his speech, however he has alluded to some other points to which I may briefly refer. He asks whether, owing to the lack of engineer officers, some of the canal schemes should not be carried out by means of large contractors. In the first place, I should like to mention that the number of our permanent engineer officers has increased considerably since the year 1903, the date of the Irrigation Commission's report. In 1903, excluding Railways, we had 552 officers in the permanent service. We have now 700, so there is no longer the paucity of establishment to which the Irrigation Commission referred in their report; and apart from that, we have now a large staff of temporary engineers. A great many more temporary engineers are available in the country

and we are employing a great many more than was the case six or seven years ago. So far as officers are therefore concerned there is no longer any significant shortage for the purpose of the execution of our irrigation works. Turning now to the question of contractors, Government have had under consideration at different times the question of the employment of large contractors on irrigation projects, and have come to the conclusion that the system would be most undesirable. Contractors of standing can be and are employed at large centres in connection with building projects, but the same conditions do not apply to irrigation schemes. At large centres, contractors are in a position to employ an expert staff which has specialised in the subject and there may then be a saving in Public Works establishment. Few contractors have, however, any experience whatever of canal works scattered over a large area in deserts and jungles, and the only agency which has been developed for the execution of irrigation works is the petty Indian contractor. I speak as a practical irrigation officer of long service, and the only efficient agency for work of this kind is the petty contractor. I have been employed on many irrigation projects including that most profitable irrigation scheme in the world, the Chenab. Every bit of the Chenab canal work was done by small Indian contractors and done well, and we succeeded in effecting a saving of about 20 lakhs on a project estimate which is now yielding a return of about 24 per cent. When large contractors enter the field they require far higher rates than do the petty contractors, and when they obtain the work they merely sublet to those very petty contractors that we would otherwise employ, and the same amount of Public Works establishment for supervision would be required. Our experience of employing large contractors on irrigation works has not in the past been fortunate.

“In his speech, although his resolution refers solely to productive works, Mr. Dadabhoj alludes mainly to works of the protective class, and I should not perhaps say much on the subject of the latter as irrelevant to the resolution; but I should like to say a few words. For instance, in referring especially to protective works, the Hon'ble Mr. Dadabhoj remarked that ‘experience has shown that protective works after a few years prove as productive as the most promising major works’. I cannot imagine where the Hon'ble Member derived this information, but it is not correct. There are at the present time 17 protective works in operation, they have cost 282 lakhs of rupees and bring in a net revenue of about 2 lakhs, which is equivalent to a return of 0.72 per cent. We hope for better returns in future, but none of these works at present fulfils the conditions of a productive work. I think the protective work which pays most at the present time is the Nira Canal in the Bombay Deccan which pays something over 3, but



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some of them pay nothing and others about 1 per cent. The only instance in which a work classed as protective has ever been remunerative, was the Lower Swat Canal, which has since been transferred to the productive class. But the Lower Swat Canal is no case in point. At the time this project was originally framed, the engineers thought it would prove productive, but inasmuch as there were some uncertainties regarding a work in that border part of the country, Government considered it would be advisable to accept a more cautious forecast and it was decided to classify the project as a protective one. But the Swat Canal is in no sense protective as the term would be understood at the present day; its intentions were political, and it was classified in that way solely as a matter of convenience; for our purposes it is not a case in point.

“ On the subject of financing protective works, our system has been to spend on such works just so much of one-half of the famine insurance grant as is not required for famine relief and for protective railways. The system has theoretically been open to the objection of uncertainty, but up to the present this objection has not been operative. The progress of our protective works has not been hampered in the past because the funds required have not been large and the financial position on recent occasions of famine has not been so unfavourable as to necessitate reduction of expenditure on works in progress. The conditions have now so far changed that the demands can no longer be met from the 75 lakhs per annum available from the famine insurance grant, and it was to meet this situation that it was decided to incur an expenditure of 100 lakhs under certain conditions. Mr. Dadabhoy has pointed out that the conditions are liable to make the full allotment impracticable except in prosperous years, and Government have now under consideration other arrangements by which it is hoped the necessary funds can be made available in all ordinary years.”

The Hon'ble MR. GOKHALE said :—“ Sir, I am sure the Council has listened with great interest and with sincere pleasure to the statement which the Hon'ble Mr. Jacob has just now made in reply to Mr. Dadabhoy's speech. He certainly has thrown a good deal of light on points which required explanation. There are, however, one or two things which still puzzle me, and I would like therefore to ask for a little further explanation.”

“ In the first place, as regards the question of contract agency. It is quite true, as the Hon'ble Member has said, that contract work may prove more costly, but, on the other hand, the construction of irrigation works would be more rapid under that system. As a matter of fact, I have read of large irrigation works being constructed mainly by contract agency in Egypt during Lord Cromer's time,

[*Mr. Gokhale; Mr. Graham; Pandit Madan Mohan Malaviya.*] [9TH MARCH 1910.]

and I do not know why, if the thing was found practicable there, it should not be found equally practicable here. I recognise that probably it will cost more, but there is a margin for additional expenditure because we find that the net return for irrigation works, especially major irrigation works—these are the figures for 1907-1908—the net return for irrigation works is about 7·1 as against under 6 per cent, for railways. Therefore, even if the cost is a little more, the return would not still be less than what you have for railways. There is no doubt that in the past irrigation and railways have been treated rather differently. I have got figures here which show that in 1883, 30 per cent. of the total expenditure on public works was on irrigation. I find that by that year about 23 crores had been spent on irrigation by the State as against 54 crores on railways. At the present moment only 15 per cent. of the total outlay is on irrigation, that is, the proportion has dropped from 30 to 15. The Hon'ble the Maharaja of Burdwan wanted specific schemes to be laid before this Council. I think Mr. Dadabhoy might well refer the Maharaja to the Irrigation Commission's Report. There the Commission have recommended schemes costing about 44 crores of rupees, and they have asked that the schemes should be spread over twenty years, because as things are going at present, the works being constructed by departmental agency, they saw no prospect of their being constructed sooner. But, surely when there are all these works mentioned there, there should be no difficulty as to what projects might be taken in hand. I really think that though the Commission have recommended 220 lakhs on an average, still if the system of constructing works by contract agency were introduced by Government, the Government might be able to increase the grant for irrigation. The disproportion between the expenditure on railways and irrigation is just now very considerable."

The Hon'ble MR. GRAHAM said :—" It strikes me that, from the commercial point of view, seeing that the Hon'ble Mr. Dadabhoy has used the words ' Productive Works ' in his resolution, that irrigation and railway construction go very much hand in hand, and therefore it would be entirely wrong to try and benefit the one at the expense of the other. To be really productive, irrigation works must be coupled with railway works, and I cannot see that we can really get the full benefit of their productiveness unless they have their own railway communications."

The Hon'ble PANDIT MADAN MOHAN MALAVIYA said :—" With reference to the remarks which have fallen from the last speaker, I beg the Council to

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remember that there is another aspect of the question than the commercial one. No doubt, from the commercial point of view, irrigation and railways might very well go close together, but there is no measure more directly preventive of famine than irrigation, and it was, I imagine, from that point of view that the two Famine Commissions appointed by the Government of India recommended that Government should spend a great deal more money on irrigation than it has been spending. The resolution which my friend Mr. Dadabhoy has brought before the Council does nothing more than draw the attention of Government to the desirability, to the necessity, of carrying out the recommendations of the Commission appointed by the Government. We all acknowledge with gratitude what the Irrigation Department, have done. I think any one who studies the figures of the work done by the Irrigation Department must feel deeply thankful for what has been done, but the need for doing much more is strongly urged by the agricultural conditions of the country, and it is stimulated by the very success which has been achieved by the Department. It is strongly stimulated by the knowledge that there are vast tracts still in the country in which the rigours of famine might become very much diminished if irrigation works were pushed on better. I submit, Sir, that in a country where famines occur with the frequency with which they have occurred in this country, irrigation demands more earnest attention and a larger measure of support than railways. Railways have undoubtedly contributed to mitigate the horrors of famine. Some of them have enabled the Government to carry grain from one part of the country to another where distress has prevailed; but they have not been an unmixed blessing; may they have also brought in a new calamity, namely, that the level of prices is raised to nearly the same level all over the country, and prices have gone up very much by reason largely of the railways which have been spread in the country. I do not mean to say therefore that the construction of railways should be stopped. What I submit is that the comparative merits of irrigation works and railways deserve a fairer consideration. It ought to be recognised that railways are not needed for the purpose of preventing famines, and that not many fresh lines are needed for even mitigating the calamities which fall on the people in the days of famine, but that irrigation works are needed in a larger measure to prevent those dreaded famines. For that reason I strongly commend the resolution which Mr. Dadabhoy has moved to the consideration of the Council, and I hope the Government will be pleased to see its way to accept it."

The Hon'ble MR. DADABHOY:—"Sir, I do not propose to take up the time of this Council by making any long reply to the criticisms on my resolution, as I know that there are several other resolutions on the agenda paper today, and we are pressed for time; but there are a few observations which I shall with your permission reply to as briefly as possible. The Maharaja of BIRDWAN has very kindly taken me to task for attacking the general irrigation policy of the

Government without placing before this Council any practical schemes on which money could be spent. My friend the Hon'ble Mr. Gokhale has relieved me of the task of replying to that portion of his argument by referring the Hon'ble Member to the report of the Irrigation Commission. That will suffice for the purpose. I am extremely indebted to the Hon'ble Mr. Jacob for throwing considerable light on many of the important points with which I have dealt. He has very kindly drawn the attention of this Council to the fact, which must be well-known to Hon'ble Members, that the Irrigation Commission recommended an expenditure—aggregate expenditure—of 220 lakhs of rupees. That was the maximum which they recommended should be spent, and that maximum, as he has explained to this Council, included expenditure also on all works—protective, productive and minor. He has omitted, however, to point out to this Council, and I shall now mention it, that in the past, since the report of the Irrigation Commission was published, the Government have not spent the full maximum amount of 220 lakhs of rupees. In the past there has been an accumulation of arrears in this respect. If I ask now that the expenditure should be increased from 170 lakhs to Rs. 220 lakhs, I submit I am not asking this Council to do anything which is either extravagant or improper, because in the past, as I have said, we have fallen considerably short of the total amount recommended by the Irrigation Commission. The Hon'ble Mr. Jacob has also referred to the engineering staff of the Government, and he has stated that since the publication of the report of the Irrigation Commission, they have now got the full complement of engineer-officers. I congratulate the Hon'ble Mr. Jacob on that statement; I congratulate the Public Works Department also on having the full complement of officers; but I ought to say this, if my memory serves me rightly, that it was pleaded on behalf of Government last year in this Council that it was the want of a sufficient staff of engineer officers that in a way prevented the Government from undertaking the expenditure to the extent of 220 lakhs recommended by the Irrigation Commission. Then again Mr. Jacob has referred to the difficulty of Government in getting irrigation work done by contractors. I am afraid I am unable to agree with him in that respect. He has pointed out that if we leave irrigation work to contractors, the contractors will sub-let the contract to other people, and the Government officials will certainly have to do their part of the work in supervising. Well, Sir, the same conditions, I beg leave to point out, prevail in the execution of the railway policy of the Government. We are spending on railways considerably more than what we are spending on irrigation projects; and how is the railway policy of Government carried out? It is done extensively and almost wholly by contractors. The same contracts are sub-let

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[*Mr. Dadabhoy.*]

by contractors to other people, and no inconvenience follows. My Hon'ble friend Sir T. R. Wynne, than whom there is no better authority on railways and railway administration, will assure this Council that the railway administration does not in any way suffer by the sub-leasing of contracts. The Hon'ble Mr. Jacob has also challenged my statement that the protective works would eventually turn out productive. Well, the one instance of the Swat Canal which he has given proves the truth of my remark abundantly. But apart from that, permit me, Sir, to point out that the irrigation policy of Government is not familiar to the people. You have to teach them, and eventually the result will be that the Government will find irrigation more productive than railways. My friend the Hon'ble Mr. Gokhale only the other day pointed out to you what these railways pay. After all we have spent something like Rs. 260 millions on railways. We have not received 5 or 6 millions as profits, and only during the past few years the railways have come to pay their way. Of late there has been a setback in railway income. So if we compare irrigation with railways, I do think the advantage is all on the side of irrigation. My friend the Hon'ble Mr. Graham has also taken me to task for having asked this Council to curtail expenditure under one head and to give the saving to the other. He contends they are both public works, and it is not right on my part to suggest railways to be starved for the furtherance of irrigation projects. It is far from my mind. I am one of those men who believe in railway projects. I am at one with the Government as regards the better equipment of the existing lines. All I say is that in the past as regards railway policy we have gone very fast. Let us have a slight abatement in our vigour now. I don't want railways to be stopped. On the contrary, I want to see better railways in this country. I at the same time want a slackening in the constructive vigour of Government. Let us not go so fast with regard to railway extension when there are other works such as irrigation, sanitation, education, which require the attention of this Government. These are calls equally important, and as vital as the railways. I should not therefore be misunderstood with reference to my remarks. Now what has happened practically? I protested from my place in the Council last year as regards the railway policy of Government; I made remarks to that effect. We find that a crore-and-half of rupees has been allotted more to the railways than last year. Protest has resulted in extra grant. I say, as I have said so often, let us proceed more slowly with railway projects, and give our best attention for some time to other projects till the past deficiency in the other important departments is made up. With these words I ask you Hon'ble Members to give your earnest support to my resolution. The prosperity of India largely depends on the success

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of its irrigation policy. We want more irrigation in this country. We want the poor raiyat to be insured against famine years. We want the cultivator to have a stable income, and I appeal therefore to you to give your earnest attention and pass this resolution and ask for a further grant. We must ask for more money. We must steadily ask for more money. Unless we ask like *Oliver Twist* we will never get it. I protested from my place last year, and the Hon'ble Mr. Miller has been good enough to find 20 lakhs of rupees more. One effect of my resolution will be that, even if it fails, I shall see the Hon'ble Mr. Miller, with his broad sympathies, provide more liberally next year for irrigation works."

The Hon'ble MR. MILLER: "Sir, before I come to the exact terms of this resolution, I should like to say, with reference to some remarks that fell from my Hon'ble friend as to what he said last year in Council, that I am very glad that he has dissociated himself from any intention on that occasion of reflecting on the work done by the long series of engineers to whom irrigation in India owes so much. I may have misunderstood him last year, but I do not think that I misunderstood the impression which would have been produced if his remarks, which appeared to give voice to certain depreciatory comparisons that had been made elsewhere between the progress of irrigation in this and other countries, had been allowed to pass altogether unchallenged. It was simply for that reason that I took the matter up last year. I believe I was supposed to have criticised the Hon'ble Member rather severely; certainly that was not my intention. But it explains another point and that is why I mention it. I feel that I cannot escape some responsibility for the exceedingly irrelevant discussion here, for the time of the Council has been taken up to a great extent with matters that are irrelevant to the resolution that has been put before it though I think probably most Hon'ble Members will feel that the discussion has not by any means been an uninteresting one. My share of responsibility is that I did not like to press the objection which was taken to the Hon'ble Member's proposal to alter his resolution at the last moment; I wished his discussion to be allowed: and the only intention of my intervention was to try to get the resolution into a definite form so that we should know exactly what it was. Well, what has been the result? The result has been that the Hon'ble Member after giving notice of one resolution has proposed a second, and has made a speech which is very largely devoted to something which is neither the one nor the other. He has put me in particular in a very difficult position. I came here, as he says himself, full of broad sympathies. I wanted to tell him how very much I should like to assist and how thoroughly interested I was in doing something for the Central Provinces. My Hon'ble friend Mr. Subba Rao also appealed to me on behalf of the Central Provinces. I was most willing to answer that

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[*Mr. Miller.*]

appeal. Nothing could possibly give me greater pleasure than to be able to induce my Hon'ble Financial Colleague to give some money for the one great project which the Central Provinces have at last brought to maturity. My Hon'ble friend, by changing the resolution, has absolutely deprived me of all opportunity of saying anything on this subject. The whole of this becomes irrelevant. We have nothing to do with the Tendula scheme or any similar matters of which we have heard so much today. The resolution before the Council is that this Council recommends to the Governor General that the Imperial grant for expenditure on irrigation productive works during the next year be increased to 220 lakhs. Now I think I am right in saying that this is not the resolution that my Hon'ble friend really meant to move; I will mention however how the position stands. The budget for next year, as the Hon'ble Mr. Jacob has explained—but I will repeat it briefly—provides 170 lakhs for productive works and 70 lakhs for protective works, or a total of 240 lakhs, the largest provision that has ever been made. The Hon'ble Mr. Dadabhoj proposed originally that we should provide 220 lakhs. His original resolution therefore would have no doubt involved a reduction of expenditure by 20 lakhs of rupees, but it would have given an opportunity of explaining the position and discussing the claims of protective works. He altered it however so as to read that we should spend 220 lakhs on productive works alone. I think from my Hon'ble friend's speech, and from the general tenor of the discussion, that what he really wanted to propose was that we should increase the amount of 70 lakhs for protective works. Now that would have been an exceedingly laudable motion to put before the Council, even if it could not be accepted, but it is not the motion that is now before the Council. The matter before the Council is this; that the grant for productive works should be raised from 170 to 220 lakhs of rupees. Well I do not think, gentlemen, that this is really a business proposition. We have never had such a grant for productive works as 170 lakhs of rupees, and I am not going to repeat all the arguments that have been placed before the Council at different times as to the impossibility of suddenly expanding your irrigation expenditure by lakhs of rupees. It cannot be done. The Hon'ble Mr. Gokhale says that the projects are ready in the Irrigation Commission's Report. That is quite a mistake. The projects are mentioned there; they are all suggested; but they are not worked out. The Hon'ble Mr. Jacob referred to one of those projects, the great Tungabhadra project, which is to cost us 6 crores. Well that has been investigated for years, and no satisfactory method of carrying it out has yet been discovered, and it is the same with others. The resolution now asks the Council to give an additional grant of 50 lakhs on the top of the very large grant which has been already given

[*Mr. Miller; Sir Harvey Adamson; Rao Bahadur R. N. Mudholkar.* 9TH MARCH 1910.]

for productive works this year. That is hardly a proposal to commend itself to practical men, and I doubt if my Hon'ble friend ought to press his resolution as altered at the very last moment, but if he wishes to do so, I am afraid I must ask the Council not to accept it. There are some very interesting matters raised today, for instance, the comparative merits of canals and railways, and the question of construction by contractors, on which there is a great deal to be said. They are not however strictly relevant to the point I am dealing with, and I do not propose to take up any more of the time of the Council in discussing them."

The resolution was withdrawn.

[*At this stage the VICE-PRESIDENT left the Chair, which was then taken by the Hon'ble MR. MILLER, being the Member appointed by the Governor General to preside in his place.*]

The Hon'ble SIR HARVEY ADAMSON said :—" The budget heads which it falls to me to introduce are, Registration, General Administration, Courts of Law, Jails, Police, Education and Medical. I find that a very full and clear explanation of the figures relating to these heads is given in the Financial Statement, and I doubt whether I could say anything that would be really useful in further explanation of them. On this occasion, when the time that has been allotted for the discussion of the second stage has been reduced from three days to one, and at this late hour when there are still five resolutions that remain for discussion during the day, I think I would not be justified in occupying the time of the Council and probably blocking the resolutions, by making explanations which if given would necessarily be very lengthy and after all would be merely an elaboration of what has already very clearly been stated in the Financial Statement. I therefore propose to follow the example of my Hon'ble friend the Finance Minister.

"There is only one point I should like to mention as it may be of personal interest to Hon'ble Members. The charges on account of the Governor General's Legislative Council are estimated at Rs. 2,01,000. This shows an increase of Rs. 88,000 over the accounts of 1908-1909. That figure Rs. 88,000 may, therefore, be taken as approximately the cost of enlarging the Council."

#### EDUCATION.

The Hon'ble RAO BAHADUR R. N. MUDHOLKAR moved the resolution that "This Council recommends that the expenditure on account of education in the Central Provinces be increased by Rs. 2,00,000 (two lakhs)." He said :—"I trust that no apology is needed for bringing before



[9TH MARCH 1910.] [*Rao Bahadur R. N. Mudholkar.*]

the Council what may be called a purely local question. This Council is the only place where persons interested in the Central Provinces and Berar can bring forward suggestions for administrative improvements required there and for the adoption of measures needed to meet the wants and wishes of the people. Besides, the questions with which this resolution and the next which I have to move deal with are matters of more than local application. There is no part of India which does not feel the necessity of developing education and improving sanitation. Many of the grounds on which claim is made for greater contribution by Government to purposes of education and sanitation in the Central Provinces and Berar, can be urged in regard to other provinces as well. Taking the resolution in regard to Education, what I propose is, that over and above the amount of Rs. 17,40,000 provided in the Financial Statement for expenditure in regard to education in the Central Provinces and Berar, 2 lakhs more should be assigned for purpose of general education, one lakh for the Central Provinces proper and one lakh for Berar.

“ This increased grant should be applied :—

(1) in Berar —

- (a) for establishing an Arts College,
- (b) for establishing two High Schools, one in the District of Buldana and the other in the Yeotmal District,
- (c) for establishing two Middle Class Schools for girls for teaching English,
- (d) for increasing the number of Primary Schools and making the improvements found necessary in the existing ones ;

(2) in the Central Provinces—

- (a) for further strengthening the Morris College, so as to place it on a level with first grade Government Colleges in the other Provinces of India,
- (b) to provide High Schools for those districts which do not possess a Government High School,
- (c) to increase the number of Middle Class Schools for girls for teaching English,

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- (d) to increase the number of Primary Schools and make the improvements advocated by educational authorities as necessary in the existing schools.

“The need for increased expenditure on higher education, on secondary education for boys and girls and on primary education, is admitted by educational authorities of the Province and by the head of the administration. The resolution of the Hon'ble the Chief Commissioner of the Central Provinces issued in November last, on the report of the Director of Public Instruction on the state and progress of education for 1908-09, says :—

‘Requests are constantly preferred for the opening of new schools and for raising the grade of existing schools. Particularly there is a marked increase in the fervour with which primary education is now received in rural tracts.’ \* \* \* \* ‘The aspirations of the population in this respect are worthy of encouragement, and nothing can be more desirable to the Administration.’

“Later on, it is stated ‘there is much to be done’ in regard to education.

“The resolution draws attention to the hopeless overcrowding to be met with in most of the schools of Berar and admits that there is still much to be done for the improvement of existing schools, especially in the direction of providing them with a sufficient competent and adequately paid teaching staff.

“Taking up collegiate education first, there are in the territories under the Central Provinces Government only three colleges giving instruction in the entire Arts Course, and one College of Science. Of the three Arts Colleges one only is a Government College. The other two are aided ones. Berar has no College. This provision is not at all adequate for a population of 13½ millions, while the claim of Berar is entirely disregarded.

“The two High Schools of Amraoti and Akola are overcrowded. In Berar and in the Central Provinces there are districts which have no High School.

“There is no School in Berar for teaching English to Indian girls and in the whole Central Provinces there are only three with about 150 scholars. The resolution above-mentioned refers to the demands of important villages for the establishment of Girls’ Schools in the villages and says ‘it is difficult to meet their requirements to the full extent owing to financial exigencies.’ I shall give a few figures to show how utterly insufficient is the grant which is made from the general revenues to purposes of education, in my province.

“The Budget for the next year proposes to allot to these provinces Rs. 17,40,000 for education. The proposed grant shows, I thankfully admit, an

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increase over the current-year's allotment ; and I do not deny that for some time past there have been every year small increases made in the expenditure on education. But when we compare the expenditure on education to what the people contribute to the general revenues, and bear in mind how urgent is the need for education, the insignificance of the amount becomes apparent. Out of three crores and 11 lakhs raised from the people only 17·4 lakhs are devoted to education. As a matter of fact, the actual Government contribution will be smaller than Rs. 17,40,000. The receipts from fees, etc., which come to about a lakh, ought to be deducted. This will make the real grant from General Revenues only one of 16 $\frac{1}{8}$  lakhs.

“The case of Berar is peculiarly hard. Taking the year 1903-04, which is the latest one for which separate statistics for Berar were available to me here, out of 1 crore and 27 lakhs raised in the province as General Revenues, only Rs. 94,000, that is, only one rupee out of Rs. 135, was spent on all kinds of educational institutions. Out of the 16 lakhs now proposed to be given, ‘Direction’ and ‘Inspection’ absorb nearly 5 lakhs and a half ; the actual expenditure from Provincial and Imperial revenues on educational institutions was last year a little less than 10 lakhs. How unsatisfactory is the state of things and what leeway has to be made will appear from these facts. According to the last quinquennial report on education there are only 20 students per million of the population who received University Education in the combined Provinces during that period as against 121 in Madras, 108 in Bombay, 95 in Bengal, 47 in the United Provinces, 74 in the Punjab. There is only one province which is more backward, and that is Burma.

“In 1906-1907 the pupils in the Arts Colleges in Central Province and Berar were 274 as against 4,687 in Madras, 5,119 in Bengal, 2,747 in Bombay, 2,241 in the United Provinces, 2,508 in the Punjab, 1,197 in Eastern Bengal and Assam. The number of students in the Arts Colleges, though increasing, is still less than  $\frac{4}{10}$ ths of what the last province had three years ago. In Secondary Education we had 12,662 out of a total number of 468,464. Only 13·4 per cent. of the children of school-going age receive instruction. For primary education there is one school for an area of 45 square miles in the Central Provinces and Berar, while Bengal has one to every 3·7 square miles, Eastern Bengal and Assam to 5·7 square miles, Madras to 6·6 square miles. It cannot be said that the local bodies or the people are not giving enough to educational purposes. Here again I shall quote what the head of the local administration says :—

‘Local funds are taxed for education to their utmost capacity.’

[*Rao Bahadur R. N. Mudholkar; Mr. Phillips.*] [9TH MARCH 1910]

"The District Boards spent last year Rs. 11,73,885. Out of nearly 28 lakhs spent on educational institutions nearly 18 lakhs came from local funds, fees and other sources. Almost the entire cost of primary education for boys is borne by local bodies. Out of nearly 8 lakhs spent on these schools the contribution from provincial revenues was only 27½ thousands. I have shown enough to justify the demand of the people for larger expenditure out of the general revenues. It is an eminently just and equitable claim and is supported by the highest considerations, political, economic and moral.

"One of the chief causes to which agricultural indebtedness is attributed is the ignorance of the rayat. Only a little while ago, special officers were deputed to compound the debts of cultivators. More necessary than a temporary palliative of that kind is the removal of the ignorance which is the parent of poverty and misery.

"The Budget proposes to increase the expenditure on education by about 29½ lakhs. But the Central Provinces receive only 82 thousand rupees, out of this increased allotment to education. Most provinces have received 3 lakhs. One is given 10 lakhs and another 6 lakhs. I don't wish that they should be deprived of what is proposed to be given to them, for they like us are in want. But I do say less than justice has been done to the Central Provinces and Berar. As much ought to be given to us as is given to Eastern Bengal and Assam. The increase asked for will not necessitate resort to a loan or produce disturbance of grants to other purposes. There is first of all the Budget surplus out of which 2 lakhs can be easily spared. Secondly the revenue realised will in all likelihood be considerably in excess of the present too cautious estimates. I earnestly ask Government to do to the people of the Central Provinces and Berar that justice to which they are entitled."

The Hon'ble MR. PHILLIPS said:—"I venture to rise, Sir, to break through the silence which I have hitherto maintained in this Council as the occasion seems to be one on which perhaps I ought to speak. The very nature of the resolution which has been moved by the Hon'ble Mr. Mudholkar appears, for reasons which I shall endeavour briefly to indicate, to throw on me the obligation of making some reply to the very earnest and carefully considered speech which he has delivered in support of his motion. The resolution relates solely to the Central Provinces. Had it related to any of the other Provinces which have official representatives in this Council, I take it that under the rules it would at once have been disallowed on the ground that obviously it was one which should be discussed in the Provincial Legislative Council. But in the

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[*Mr. Phillips.*]

Central Provinces there is no Legislative Council, and therefore the discussion of this resolution here is permissible and regular. Still, Sir, this accident cannot and does not make the subject one of direct or immediate concern to the Government of India. It still remains one essentially for consideration by the Central Provinces Administration. As I have the honour to be the official representative from the Central Provinces, I propose to say a few words on the subject. I may mention also that it so happens that the Provincial Resolution on education from which my Hon'ble friend has so extensively quoted was issued during the time when I had the honour of being temporarily in charge of that Province.

“Now, Sir, my Hon'ble friend, while he urges the necessity for increased expenditure on education in the immediate future, has not stated the amount actually expended on it in the past. He has merely mentioned the sums entered in the budgets for this year and the next year for education. I think, perhaps, it will be instructive if I place before the Council a few figures relating to the past few years. The total Provincial expenditure on education in the Central Provinces in the year 1906-1907 was Rs. 13,51,000, in 1907-1908 it was Rs. 14,19,000, in 1908-1909 it was Rs. 15,89,000, in the revised estimate for 1909-1910 Rs. 16,58,000 have been provided, and in the budget estimate for 1910-1911 Rs. 17,40,000. It will thus be seen that there has been a steady rise in the expenditure from year to year, with the result that in the course of five years it will have increased by nearly five lakhs. My Hon'ble friend has mentioned the sum of two lakhs as the sum which he would now wish to be added. Well I think, Sir, these figures will show that the subject is receiving the close and constant attention of the Local Administration.

“My Hon'ble friend considers that the case of Berar is peculiarly hard. He thinks that more of the total amount spent on education should have been spent in Berar, and he has pointed out that in 1903-1904, the latest year for which he has been able to obtain figures, the sum so spent there was only Rs. 94,000. I have been able to obtain figures for later years. In 1906-1907 the expenditure from the Provincial revenues on account of education in Berar was Rs. 3,17,000, in 1907-1908 Rs. 3,29,000, and in 1908-1909 Rs. 3,60,000. I regret that I have not succeeded in getting the estimated figures for the past and the coming year. But from the figures which I have laid before the Council it will be evident that the requirements of Berar have not been neglected and that it has been sharing proportionately with the rest of the Province in the steadily increasing expenditure on education.

“My Hon'ble friend has complained that the proportion of the total revenue spent on education is so small. Well I am afraid I cannot enter into a detailed

[*Mr. Phillips; Mr. Chitnavis.*] [9TH MARCH 1910.]

discussion on that point. I am sorry to say, in the first place, that in the short time at my disposal I have not been able to arm myself with all the figures necessary for such a discussion. In the next place, even if I had all the figures ready, I should hardly be justified in taking up the time of this Council in discussing details of a Provincial Budget. I may however say generally that my Hon'ble friend may rest assured that all the various needs—and they are numerous—of the administration have been closely and carefully considered, and that only after careful and close consideration have the allotments to the various heads of administration been made, and there is no doubt that greater expenditure on education could not have been provided for. But my Hon'ble friend, I understand, complains chiefly that whatever may have been the expenditure on education, it ought to be a great deal higher. In that view he will find that not only I but the Central Provinces Administration are in entire agreement. He has enumerated various projects which he thinks ought to be undertaken in the matter of education and he asks for funds. I can only say that his list does not include nearly all the projects which the Central Provinces Administration is now contemplating. There are various others that I could mention which would add materially to the list, but I do not wish to take up the time of the Council by enumerating them. But the fact remains that all these projects require money, and my Hon'ble friend has not suggested in the whole course of his speech where the money is to come from. He has indeed, thrown out a hint at the end of his speech that it should be provided by the Government of India. Well, Sir, here he has strayed into paths whither I am precluded from following him. There is no doubt that, as the resolution stands, it is for the Provincial Government to provide the money, and the problem is how it is to be provided. I presume the only way he could suggest is that other heads of expenditure should be curtailed. Well, I am afraid that is quite impossible. There is a homely proverb which says we must cut our coat according to the cloth, and if the educational coat in the Central Provinces is to be shorter and altogether more skimpy than we should like, unfortunately there is no help for it. But we hope that better times are coming, and all I can say just now is that, if in the near future or the future at any time funds are available—in fact, as soon as the state of the finances allows—there will certainly be a very considerable expansion of Provincial expenditure on education, and in determining the precise directions in which the increased expenditure will be incurred, the projects which my Hon'ble friend has put forward will receive the fullest and most careful consideration."

The Hon'ble MR. CHITNAVIS: "Sir, I had intended to make a few observations on this question, so far as it related to the Central Provinces, but from

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what has fallen from the official representative, the Hon'ble Mr. Phillips, I am glad to find that the disposition on the part of Government is to spend more money for the support of education in the province as finances improve. I think after that kind assurance no remarks are necessary."

The Hon'ble MR. HOLMS said:—"Sir, the few remarks which I have to make are purely introductory to a comparison, but I venture to think the Council will consider them strictly relevant to the resolution before it. In considering the claims of one province in the matter of education to a further share of assistance from the Imperial revenues the claims of other provinces must also be considered. The Hon'ble Member who has moved this resolution has challenged comparison, and I accept the challenge so far as the United Provinces are concerned.

"The claims and needs of the United Provinces in the matter of education have been urged before this Council in season and possibly out of season. In a year like the present it is not for me to press the claims of that province. The door at which we have been knocking is more tightly closed than ever; at least that is what we learnt from the remarks of the Hon'ble and vigilant keeper of the door, in the speech which he made in introducing the Financial Statement.

"I have extracted for the satisfaction of my own curiosity and not for infliction on this Council certain figures comparing the net expenditure on education per million of people in each of the large provinces in India, and two of these figures are so remarkable that I cannot refrain from bringing them to the notice of the Council.

"Taking the budget figures for the coming year, the net expenditure budgeted for education in the Central Provinces is Rs. 1,36,000 per million of population. The similar figures, that is to say, the net expenditure per million of population for the United Provinces is only Rs. 69,000 as against Rs. 1,36,000. In considering figures of this kind, there are of course numerous adjustments and qualifications that must be taken into account before you get an adequate comparison, and this is not the time to make such adjustments and qualifications. A fair basis of comparison is the population in the province, and this is the most important factor in the case. When we see that the United Provinces are able to provide from the resources supplied by the Government of India only half the amount for education per head which is provided in the Central Provinces, I venture to think that these figures are worth consideration and I leave the Council to draw its own conclusions."

[*Rao Bahadur R. N. Mudholkar ; the Presiding Member.*] [9TH MARCH 1910.]

The Hon'ble MR. MUDHOLKAR said :—" I shall be very brief in my reply, Sir. It has been said that there has been an increase in the expenditure on education in the Central Provinces and Berar and that it has been steadily rising. I myself admit all that, but my contention all along has been that it is a very inadequate grant, and that though things are not so unsatisfactory as they were some years ago, we are still very badly off. In a way it is admitted by the Hon'ble Mr. Phillips that our educational needs are even more than what I have represented them to be. I am glad to have obtained this admission from one who was at one time Head of our Administration, and who will probably again occupy that position before long. Then it is said, whence are the funds to come? Well, in regard to that I would point out first of all that there would be some surplus in the provincial revenues. With the very cautious estimates of the provincial revenues which have been made, the provincial finances can very well afford, if not two lakhs, at least a substantial portion, say half of that amount. However, the Hon'ble Mr. Phillips has given us the assurance that if not in the following year, at least as soon after that as possible, the interests of the province, especially of Berar, will be taken into consideration, and with that assurance from him I do not think it necessary to press my resolution to a division. But I cannot afford to overlook certain remarks which were made by the Hon'ble Mr. Holms. It is no answer to a hungry man to tell him 'You are not the only' hungry man; I am hungry also.' In that case both of us would have to cry. I did not mean to say that the United Provinces and other provinces were receiving the treatment they ought to; the great cry is that more money is wanted for the educational needs of the various provinces. I do not wish to say anything further, and I do not wish to press my resolution to a division."

THE PRESIDING MEMBER: "I understand that the resolution is withdrawn."

#### SANITATION.

The Hon'ble RAO BAHADUR R. N. MUDHOLKAR said :—" The resolution which I now beg to move is 'That this Council recommends that the expenditure on account of Sanitation in the Central Provinces and Berar (head 24—Medical) be increased by 4 lakhs.'

"I had to refer the other day to the urgent need of increasing the expenditure on sanitary works in the Central Provinces and Berar and to the great difficulty of carrying out the most necessary projects of sanitary improvements for lack of funds. The rate of mortality has been steadily rising since 1898.



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From 23·4 in 1898 it has gone up to 41·7. One year it went up as high as 57·82. There are only two provinces which show higher mortality—the United Provinces and the Punjab. It is true that much of this increase is attributable to the plague. But the mortality returns show that there are not only the large number of deaths from plague but also increases in those from other disease. The chief medical authority in India told us the other day that the plague has nothing to do with general insanitary conditions, and I am not controverting that position. But there are other diseases which either arise from or are aggravated by insanitary conditions; and it is the duty of the State to take effective steps for putting these down and mitigating misery and suffering. The Malaria Conference a few months ago made recommendations which involve the expenditure of large sums of money. In the resolution issued some four years ago by the Chief Commissioner of the Central Provinces on the report of the Sanitary Commissioner attention is drawn to the great increase of sickness which has arisen in towns which have increased their water-supply without the same time constructing and maintaining good drains. But several of these drainage schemes are estimated to cost lakhs and are beyond the means of the Municipalities concerned. In one annual report the Sanitary Commissioner of our Province has frankly stated that owing to the heavy expenditure on plague measures and other pressing things several of the Municipalities were almost at the end of their resources and were not in a position to carry out drainage schemes from their funds. The Provincial Revenue must come to the aid of these local bodies if the people are to be saved from much preventible suffering and the death roll is to look less ghastly. There is one form of expenditure which Municipal Committees are called upon to bear which ought to be entirely borne by Provincial Revenues. To induce people to leave plague-infected localities pecuniary assistance is often necessary to be given to persons too poor to construct huts at their own expense. There are also various kinds of plague measures costing large sums which are required to be carried out. This is an expenditure which ought really to be borne by the General Revenues, and a considerable portion is so defrayed. But Municipal Committees are also required to bear a share of the cost of the plague measures, and this demand has made them less able to carry out sanitary improvements. Nearly 43 per cent, of Municipal Revenues are spent on sanitary work—original and recurring—and it cannot be said that they are not doing their duty in this respect.

“ I therefore request this Council to make the recommendation that the expenditure, provided for in the Budget under head Medical be increased by 4 lakhs of rupees to be distributed half and half between Berar and the Central Provinces for necessary sanitary works in urban and rural areas. ”

The Hon'ble MR. PHILLIPS said:—"As the line that I shall have to take on this resolution, which has been brought forward by my Hon'ble friend, is much the same as the line which I have just taken on the other resolution moved by him, I need not make any lengthy remarks on it. I may, however, say, with respect to this question of sanitation, that here the case against the resolution established by the figures of increasing expenditure from year to year is even stronger than it was in the matter of education. The figures for the past five years are as follows:—

in 1906-1907 the Provincial expenditure on sanitation was Rs. 13,000,

in 1907-1908 it was Rs. 6,000,

in 1908-1909 it was Rs. 81,000,

in 1909-1910, according to the figures of the Revised Budget, it will be Rs. 2,28,000, and

in 1910-1911 it will according to the Budget Estimate be Rs. 2,86,000.

So that we have gone up from a few thousand rupees to nearly three lakhs in the course of five years. I again submit, Sir, that these figures are an indication that the subject is at any rate receiving attention. Here, too, I entirely agree with my Hon'ble friend about the advisability of spending considerable further sums on sanitation, but here, too, unfortunately, the resources of the Province are insufficient to allow of any further allotment being made for the purpose.

"I should perhaps have mentioned in speaking on the former resolution—I should have brought to the notice of my Hon'ble friend—that, as appears from the Financial Statement, it has become necessary for the Government of India to make a subvention of over 7 lakhs of rupees to the finances of the Province, because its resources have been very greatly crippled owing to the expenditure necessitated by the failure of crops and the consequent distress following on the drought of 1907. But even so, the Province is now working to a minimum balance and therefore it is perfectly impossible to find funds for any objects other than those which have been entered in the Budget. I sincerely wish that it were possible to add very largely to the sum provided for sanitation. For of course no one is for a moment disposed to underrate the importance of this object.

"I will refer to one more fact, Sir, and that is that quite recently, within the past three or four months, a separate Sanitary Commissioner has been appointed for the Central Provinces. Up to the time of his appointment the office of Sanitary Commissioner was combined with that of Inspector General of Civil Hospitals, with the result of course that to matters purely sanitary very little time and attention could be devoted. In the future it may be hoped that sanitary matters will receive more consideration, and at any rate we shall get

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rid of this difficulty, which we have experienced in the past, namely, that new projects could not be brought forward in a satisfactory form for want of adequate consideration and want of scientific advice. This defect we shall now remedy, and I hope that this circumstance in itself will lead to economical expenditure and will set free more funds to devote to this important purpose."

The Hon'ble Mr. CHITNAVIS :—" Sir, there is great need for improved sanitation in the Central Provinces, as the Administration Report for the year 1907-08 observes : ' There is still much room for improvement in municipal sanitation, and there are no less than nine towns in the province where the birth-rate is either less than or only slightly exceeds the death-rate. Overcrowding and want of drainage are the principal causes for this unsatisfactory position'. Plague is making havoc in the province, in spite of the most strenuous efforts of the local authorities. More money is urgently required, not only for the suppression of plague, but for sanitary improvements generally both in towns and in rural areas. I am glad the Hon'ble Mr. Phillips supports me in this view. His powerful advocacy of the Central Provinces cause fills me with hope that the Imperial Government will in future see its way to allow more liberal grants to the Local Government for the purpose of sanitary improvement. I thankfully admit that the Government expenditure on this account has been progressive in the past, but much remains to be done; and it would obviously be to the public advantage to allow liberal grants to the Local Government which will be glad to strengthen the hands of the local bodies—Municipalities and District Councils—with substantial financial help. These are my reasons for supporting the Resolution moved by my friend the Hon'ble Mr. Mudholkar."

The Hon'ble MR. MESTON said :—" I have no desire to traverse the ground already covered by the Hon'ble Mr. Phillips, but certain remarks have fallen from speakers in the course of the debate on this as well as on the last resolution which seemed to indicate that there is a prevalent idea that the Government of India in its financial capacity has something to do with the narrowness of the grants which are available for this deserving purpose. The desire for increased expenditure on education or on sanitation or on medical help for the poor and helpless is a point which touches very closely the most generous instincts of the Council, both individually and collectively. But, Sir, it is a point which is sometimes pressed home with such fervour and such eloquence that the outsider may often be disposed to think that there are on this Council two opposing forces : that on the one hand you have the voice of the people as expressed by its representatives on this Council putting up a persistent and pathetic appeal for more education, for more sanitation, for better medical aid, and for many other

deserving objects ; and that on the other hand you have an unsympathetic and obstructive Government which is always refusing funds and blocking these beneficial schemes and showing itself deaf to the claims of humanity. I do not for a moment suggest that the Hon'ble Mr. Mudholkar shares these misconceptions ; but there are misconceptions of this kind abroad, both in this Council and outside, and it is surely desirable to lay aside sentiment and consider the matter—as we have to do in this Council—from an entirely business point of view.

“ Now as regards the Central Provinces, Sir, the Hon'ble Mr. Phillips has shown that neither education nor sanitation has been starved. The grant for medical aid in the Central Provinces four years ago was  $5\frac{1}{2}$  lakhs and for next year the Budget provision is 9 lakhs. There is no sign of starving here, and I am quite sure that there is no intention of starving sanitation or any other deserving object. It must be considered however what is the position of the Chief Commissioner in providing these grants. His position is such that it would be absolutely impossible for him to provide the funds, which I am sure he would gladly allot for these and many other deserving purposes, without landing his province in a state of bankruptcy. Mr. Craddock, I am sure, has chosen the wiser course. He recognises—and of course the Council will also recognise—how directly the difficulties of a province re-act upon the Imperial revenues. We saw last week how easily a province's needs may lead to the necessity for increased taxation, which falls not upon that province exclusively, but upon the whole Indian community. Now what has led to the difficulty in the Central Provinces ? In 1907 the province was an extremely prosperous one : it had balances of close on 58 lakhs, and its expenditure was well within its current needs. The failure of the monsoon in the autumn of that year entirely altered the whole position. The province is now, at the present moment, in the possession of a balance of something like 13 lakhs, and it has only been able, with difficulty and with assistance from the Government of India, to budget next year for the prescribed minimum balance of 10 lakhs or thereabouts. Now this is altogether the result of what might have been a very protracted, a very disastrous, and a very costly famine. Skilful dispositions have averted the worst manifestation of that calamity, but the cost was heavy, and it has to be recognised that for next year a great crowd of demands must force themselves upon the Chief Commissioner's resources. Roads have been neglected during the recent scarcity, public buildings have had to be abandoned or postponed : he has had administrative needs in several directions to be deferred and put aside in the face of the imperative duty of relieving distress and saving life. It is the restoration of these administrative utilities which are now pressing their

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Mr. Robertson.]

claims upon him. The adjustment of his resources to all these many growing necessities is his task. It is a task of delicacy and great difficulty, and I submit that this Council should entrust him with full discretion in entering upon this task, armed as he is with a full and intimate knowledge of the best interests of the people of the province over which he rules."

The Hon'ble MR. MUDHOLKAR said :—"After what has fallen from the Hon'ble Mr. Phillips as to the administration being quite prepared when they are in a better position to spend more money, I do not wish to press my resolution. But there is one thing which of course I would like to say, and that is that I am quite sure that I never gave any reason for any misconception as to what my views about the action of Government in regard to this matter are. I have always admitted what is being done, what has been done all these years, but at the same time it is utterly inadequate in the Central Provinces and Berar. What I must say, Sir, is this. We do feel that our province does not get for its own purposes a sufficient amount out of the revenues found by it. That is a thing into which I cannot go at this time and I do not wish to waste the time of the Council; but I hope I have been able to show that we do not get an adequate return for what we contribute to the finances of the country."

THE PRESIDING MEMBER: "I understand that the Resolution is withdrawn?"

The Hon'ble MR. MUDHOLKAR: "Yes."

[At this stage the Hon'ble SIR HARVEY ADAMSON resumed the chair.]

CUSTOMS; POST OFFICE; TELEGRAPHS; STATIONERY AND  
PRINTING.

The Hon'ble MR. ROBERTSON said :—"I have to introduce the heads of Customs, the Post Office, Telegraphs, and Stationery and Printing. I shall ask you, Sir, to permit the Hon'ble Mr. Stewart-Wilson to introduce the head 'Post Office', and the Hon'ble Mr. Dempster the head 'Telegraphs'.

"With regard to the two remaining heads, I have not got very much to say. As to Customs, I would point out that all that we can discuss in this Council is the expenditure side of the Budget; and in view of certain remarks which fell from the Hon'ble Mr. Gokhale, I think on Friday last, as to the growth of expenditure in Civil Departments, I propose to allude to the fact that in the Budget for

[*Mr. Robertson.*]

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next year we estimate the Customs charges at 36 lakhs of rupees as compared with 32½ lakhs of rupees in the revised estimate of the present year. Practically the whole of this money is spent on establishments, and as this is one of the points which I understand the Hon'ble Member took up, I think that some explanation is required. The explanation is really this. In the past ten years the duties collected at the various ports have risen from 494 lakhs of rupees to 694 lakhs of rupees. During all that time the Customs establishments had remained practically untouched, and about a year ago the question came up for consideration from nearly all the chief ports of having a fuller and better establishment to deal with the increased work. At the same time the question was raised of giving better pay because of the greatly enhanced cost of living. So that this increased charge in respect of Customs is entirely due to the fact that the work has largely increased, and at the same time we had to do something for the subordinates of the collecting establishments who had certainly begun to suffer because of the increased cost of living.

“With regard to Stationery and Printing, in view of the Resolution which stands in the Hon'ble Mr. Gokhale's name, I had intended to go in some detail into the figures, but as it is now getting late, I propose merely to say that the continued growth in the charges for both Stationery and Printing had already attracted the attention of the Government of India. During the last 8 or 9 months we have taken steps to try to reduce these very high charges on account of Stationery and Printing. The proposals which we have been considering have not yet all been given effect to, but a certain number of them have been introduced, and the result is that for the eleven months of the present year ending in February the decrease on Stationery is something like 4 lakhs, as compared with the expenditure in the corresponding eleven months of last year. In typewriters alone, which is a very costly item in all Government offices, the Stationery Department has been able to make a saving of no less than Rs. 1,60,000, due to the efforts that have been made all round to try to keep down expenditure.

“With regard to Printing, the item with which we are mainly concerned is the expenditure on the Imperial presses, and that is a very large item indeed; but it is obvious that you must have a big bill for the printing work of a great administration like that of India. And I may say in passing that the demands of this Council have, I understand, added very considerably during the past month to the bill, not perhaps altogether on account of the amount of work required but of the extraordinary urgency with which it is called for. As regards the printing presses we have been trying in various ways to reduce expenditure, so much

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so that we have been receiving complaints, to which we have given very little attention, that we are starving them. However that may be, we quite recognise that expenditure must be kept down and we are doing everything that we possibly can to achieve that end, and I trust that before long still further economies will be effected."

The Hon'ble MR. STEWART-WILSON said :—" Mr. Vice-President, I beg to introduce the consideration of the heads XIII Post Office and 15 Post Office, and, in doing so, I do not propose to take up more than a few minutes of the time of Council. The small but substantial surplus which for many years past the Post Office has regularly shown has, for the time, become a small deficit. This has been due to an unfortunate combination of peculiarly unfavourable circumstances. In October 1907 India was given the benefit of the cheapest rates of postage in the world, though the distances over which our mails have to be carried are far longer and more difficult than in most other countries. Naturally, the sweeping reduction in our rates of postage has led to a large reduction in receipts, for it takes time even in normal periods for the immediate loss to be made up by increased correspondence. We have not yet had this normal period. In its place we have had a period of depression in trade throughout the world and famine in India, from the effects of which we have yet to recover. Not only has this prevented our income from asserting its elasticity as soon as we had hoped, but, in spite of the most rigid economy, it has thrown on us largely increased expenditure of a temporary nature. The net result of the coincidence of greatly reduced rates with a period of hard times has been that a deficit has taken the place of our accustomed surplus. We may now, however, reasonably hope that the worst is past and that something better is in store for us in 1910-11 in the shape of such an increase in income and reduction in unusual demands as will bring our balance back to the right side. The work of the Post Office has, I am glad to say, gone on expanding satisfactorily, while we have been able to continue the task of gradually improving the pay and prospects of postal officials, more especially those of the humbler grades, which we have systematically persevered in for some years past."

The Hon'ble MR. DEMPSTER said :—" In introducing heads XIV and XVI Telegraphs, there are one or two points on which a few words of explanation may be of interest. The revised figures for the year 1909-1910 show a decrease of Rs. 7,20,000 under message revenue as compared with the Budget Estimate.

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This decrease is due entirely to State traffic and may be attributed to the orders which have recently been issued prescribing the use of the ordinary class as much as possible. The average value of a State message has fallen from Rs. 1.67 in July 1908 to Re. .87 in October 1909. Since the Financial Statement was prepared further figures regarding the average value of a private message have become available, and it would appear from these that the average value has fallen slightly. It was Re. .545 in July 1908, it rose to Re. .56 in April 1909, and fell in October last to Re. .54. In our estimate for 1910-1911 no increase of revenue from State messages has been provided and only three lakhs under Revenue from Private. The large increase in revenue expenditure in 1909-1910 over the previous year is due principally to the cost of the reorganization of the signalling establishment. The expenditure against Capital during 1909-1910 was smaller than usual owing to a large number of Railway works not being carried out. The proposed expenditure against Capital for 1910-1911 is chiefly for lines along railways and canals. We do not propose to do much construction for purely departmental purposes. The minus figures shewn against 'Net Revenue' are due to Capital expenditure as well as Revenue expenditure being shown against Revenue receipts. The Revenue receipts exceed the purely Revenue expenditure by £22,900. These figures do not include the Indo-European ones. The estimated expenditure for 1910-1911 has been very closely scrutinised, and the figures budgetted for are the lowest possible compatible with efficiency."

The Hon'ble Mr. GOKHALE said :—“I beg to move the following Resolution :—

‘That this Council recommends that the provision for expenditure on Telegraphs for next year should be reduced by £20,000.’

“Sir, my object in moving this Resolution is only to ask for information and not to offer any criticism. I would like to know what has been the financial effect of the changes that were carried out in the Telegraph Department last year. We were told then that those changes would result in a considerable saving. As a matter of fact their immediate effect has been the very reverse, as I find from the figures which have been supplied to us by the Finance Department. Whereas in 1906-1907 there was a net excess of receipts over expenditure of 30 lakhs excluding the capital outlay on telegraph wires, for the current year such excess is only three-quarters of a lakh, and for next year it is going to be only one lakh. The immediate effect therefore has been the very reverse of what we were led to expect. I quite recognise however that the changes that were carried out last



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year must take some time before they produce their full and real effect. Also it must be remembered that a revision of salaries of the establishment that has been carried out recently in all grades must be responsible for a considerable part of this increase. I would like to know how much such revision has cost. I would also like to point out that the practice of spending a considerable amount out of telegraph revenue as capital outlay on wires seems to be open to criticism, because it handicaps the department in making improvements, and it also handicaps the department in giving the public the benefit of growth of revenue. Moreover I find that there is no fixed principle which regulates this capital outlay on telegraph wires. The capital outlay has risen during the last six or seven years, though during the last two years it has been reduced. On this point I would like to make one suggestion, and that is, that this, capital outlay should be limited to the actual excess of revenue over expenditure. That would save the department from throwing an unfair burden on the ordinary resources of the country.

“Then, Sir, I would like to draw the attention of this Council very briefly to two complaints of which we heard so much last year. One was about the insufficiency of address: that has been more or less remedied, but I fear it has not been wholly remedied. The second one is still there, and that is the extra full charge that is made for redirecting a message; and this operates sometimes very harshly. I hope the department will see its way to set that right. I do not think the old practice was so very expensive. If there is a redirection to be made, the department should do it, as it used to do it, without any extra charge.

“There is one more thing which I would like to urge and then I will conclude. I think it would be desirable if the department could revert to the four-anna telegram. I know the analogy of the English telegram of sixpence was principally responsible for the six-anna telegram. But in England sixpence is a small, handy silver coin, and in India the coin corresponding to that is our four-anna bit. The six-anna telegram appears to be a little more costly than it should be. Of course I recognise that when we exceed 12 words, for every subsequent word the charge is less than what it used to be before. If the department could see its way to provide for a four-anna telegram of, say, 8 words, I do not think that will cause any loss of revenue. I understand the six-anna telegram has not been much of a success, whereas the four-anna telegram was, and will be again. This is all that I wanted to say.”

The Hon'ble MR. ROBERTSON said :—“ I wish to make a few remarks with reference to what the Hon'ble Mr. Gokhale has said. He has spoken in the first place about getting some further information as to the net results of the

changes that have been carried out since last year. If my Hon'ble friend will allow me to ask him to do so, he might perhaps wait for a year before I make any such statement. The reason is that we are not yet very sure as to the allocation of the returns from postage stamps. Postage stamps are now used for telegrams as well as for letters, and as the division between the two departments of the proceeds from the sale of stamps is still somewhat doubtful, we cannot until we have settled that matter give anything more than an approximation to the telegraph revenue.

"With regard to the expenditure on the improvement of pay both in the superior and inferior ranks of the Department, Mr. Gokhale has asked if I can state approximately what this comes to. The total cost of raising the pay all round of the telegraphists in the signal offices was  $5\frac{1}{2}$  lakhs of rupees, and the scheme of reorganisation which has just been carried out for the superior officers of the Department, combined also with a scheme of decentralization, is to cost about Rs. 1,20,000. These measures have added very considerably to the outgoings of the Department. But in that connection I would mention that, as the result of the enquiries which were made last year, it has been found that the staff of the Department is over strength in the subordinate grades. We hope eventually to have the staff adjusted to the work to be done in the telegraph offices, and when that is finally worked out we fully expect that we shall be able to show some reduction in the cost of the establishment.

"With regard to one or two other points that Mr. Gokhale has touched on, I think he may take it that the question of telegraphic addresses has been settled; at any rate I can say that for several months past we have had no complaints regarding this matter. Another subject he mentioned was the charge for redirection of a telegram. The new rule is, I am aware, objected to, but it has been introduced on the analogy of the English practice, and I believe the same rule obtains throughout the Continent of Europe; that is, if you send a telegram from A to B and you want it to be redirected to C, then you have got to pay an extra charge. Here in India, however, if the two telegraph offices, that is B, and C, are in the same town, we make no extra charge, whereas in London, if a telegram is sent to Charing Cross and it is redirected to Kensington, you have to pay six pence. I see no prospect of Government going back to the practice of free retransmission which formerly obtained. I do not think there is anything further I need say on the Hon'ble Member's remarks. I do not quite understand whether he wishes to press his resolution."

The resolution was withdrawn.

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## STATIONERY AND PRINTING.

The Hon'ble MR. GOKHALE said:—"I beg to move the following resolution:—

'That this Council recommends that the provision for expenditure on Stationery and Printing for next year should be reduced by two lakhs of rupees.'

"I really do not know that it was necessary for me to move this resolution after the remarks that were made by the Hon'ble Mr. Robertson when he introduced these heads. He has practically admitted the correctness of all the contentions which I wanted to submit to the Council, and therefore I really have not much more to say. Since, however, I have moved this resolution, I may as well mention one or two facts. Taking the Imperial section of expenditure for the last five years, we find that the increase has been from under 15 lakhs to over 20 lakhs. That means an increase of 25 per cent. in five years. This is really a very large increase. Again this morning I consulted the figures for the last 12 years and I find—the figures of the Imperial section alone were not available to me—the cost of stationery and printing of the whole country during the last 12 years has risen from under half a million to over three-quarters of a million sterling, which means an increase of more than 60 per cent. in 12 years. Now, Sir, we were all told that during Lord Curzon's time there was a great reduction in correspondence and report writing. One would have therefore expected that that reduction would have resulted in a reduction in the cost of printing and stationery. As a matter of fact, however, we find that this cost is going up by leaps and bounds. However, it is satisfactory to note that the matter has already attracted the attention of Government and that steps are being taken to bring about a reduction in these charges."

The resolution was withdrawn.

## RAILWAYS.

The Hon'ble SIR T. R. WYNNE:—"Sir, the Financial Statement which has been placed before Council clearly indicates the broad financial results of railway working for the year 1909-1910 and the estimated figures for the year 1910-1911, but it may be of use and interest to the Members of this Council if I touch upon some points of detail in connection with them.

"The first point I should like to draw attention to, under the head of capital expenditure, is the very large proportion of the funds available which have been

devoted to open line works during 1909-1910 and which have been allotted to the same class of expenditure for 1910-1911.

“The importance of this class of expenditure from the financial point of view is that it is expenditure which does not necessarily return the same interest as if the capital used was spent on constructing new lines of railways. Some five years ago it was realized that sufficient money was not being spent on open lines to enable them to meet the steady development of trade that had been going on. The demand of trade for ready and better transport had increased beyond the capacity of the Railways to deal with it, and there was a great outcry as to the shortage of rolling stock. The difficulties however that had arisen in meeting the demands of trade were not entirely due to shortness of rolling stock but were largely the result of inadequate facilities to enable rolling stock to be fully used or in other words more open line works were required.

“Open line works, it may be useful to explain, comprise additional rolling stock, doubling of lines, remodelling station yards, strengthening permanent-way and bridges to take heavier loads, staff quarters and all improvements and developments of a line, the cost of which is debitable either wholly or partly to capital.

“It is clear that such expenditure, however necessary it may be to enable a railway to deal with increased traffic, is not always of a very productive character at least immediately, and this has had its effect on the net financial results of working State Railways.

“I think, however, that this class of expenditure will tend to diminish appreciably at no distant date, and it will be possible to devote more money to the construction of new lines in the future.

“My reason for saying so is that when you spend money on improving the facilities of a railway you cannot provide only the precise addition you require to meet the existing needs of traffic; you must provide something more. It would be economically unsound to do otherwise. Take for instance a single line of railway. You have brought it up to a standard which will enable heavy locomotives to run and big loads to be hauled over it and you have put in as many crossing stations as you can, and yet the line cannot satisfactorily deal with the traffic offering. The only thing then to do is to double it. When it is double the capacity of the double line is very many times greater than the single

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fine and you have provided a facility that will not require to be added to for years.

“Take another case, that of remodelling a big junction where the accommodation is so limited as to delay the marshalling and despatch of through trains. Here again a scheme has to be provided which is in excess of immediate requirements and which will not require to be added to for some years being capable of dealing with a steadily increasing traffic.

“Railways have also been short of staff quarters, the proper housing of staff being an important matter to keep men contented, and considerable additional quarters have been and are still being provided.

“The expenditure of large sums on open lines during the last few years has enabled many facilities to be provided which will be sufficient for many years to come and has largely increased the capacity of railways to deal with the traffic to be carried so that a decrease in such expenditure should automatically occur.

“For these reasons I think that in a few years it will be possible to allot a substantially larger share of the capital available to the purpose of building new lines, the allotments to open line works being proportionately reduced.

#### *Revenue Account.*

“Turning now to Revenue expenditure. You have before you the financial results for the current year of the working of the Railways of India in which the State is interested. They present a very much more favourable appearance than the figures for the year 1908-1909.

“Comparing the two years 1908-1909 and 1909-1910 the figures show that during the year 1909-10 the gross receipts have increased by Rs. 2,72,48,000, while working expenses were less by Rs. 1,15,63,000; the loss of Rs. 1,80,71,520 on the working of 1908-1909 being converted into a profit, after meeting all charges of Rs. 1,29,15,000 for the year 1909-10.

“A consideration of these figures naturally suggests the question as to what has been the cause of this satisfactory improvement. There are two reasons. The first is that during 1909-1910 there has been a marked recovery from the depression in trade which occurred during the year 1908-1909 and which most seriously reduced the receipts of Indian Railways, and the second is that for the year 1909-1910 the Railway Board have insisted on more economical methods

of working being adopted, a more moderate programme of works of improvements and renewals being carried out and a more efficient though broad control over expenditure being introduced.

“ Arising out of the first reason the criticism may be made that if gross receipts were falling off so much in 1908-1909 why were not working expenses reduced in proportion. The answer is that railway expenditure in working is not susceptible of wholesale reductions at short notice. By the time the trade outlook for a year from the railway point of view declares itself the financial year is well advanced and commitments have been entered into both in India and in England for stores and materials. The line and works must be maintained and the rolling stock kept in working order.

“ Practically a railway has a big figure of ‘fixed charges’ which it must incur though its traffic varies between a maximum and a minimum. At the same time the large sums spent by Railways in working expenses in excess of sanctions during 1908-1909 in face of heavily falling receipts indicated that railway administrations were not fully alive to making such economies as might have been possible and that there was room for improvement in the audit control of expenditure to prevent unauthorized expenditure being entered into and expenditure over sanctions being incurred.

“ The Railway Board, therefore, issued instructions which the results of this year's working have shown to be well adapted to the purpose for which they were designed, *viz.*, to keep the Revenue expenditure of each Railway within the provision allotted to it and to prevent expenditure on unsanctioned works. The carrying out of these orders has not impaired the efficient working and maintenance of either the State or Company-worked Railways, the proper maintenance and good order of which for the year 1909-1910 has been duly certified to by the responsible officers of each Railway administration and by the Government Inspectors.

“ This action of the Railway Board has been the subject of attack by some of the Boards of Directors of Indian Railway Companies in London at recent shareholders' meetings. At these meetings the Railway Board have been charged with issuing orders which would deprive the Boards of Companies of all control in managing their affairs and make it impossible to efficiently administer the Railways entrusted to their care, the deduction being that shareholders' interests were being very much prejudiced.

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"I deny the accuracy of these charges and the possibility of the results anticipated cannot be substantiated by detailed reference to the orders the Railway Board have issued.

"In the matter of economical Railway working the interests of shareholders and the Government of India are identical, and this opinion has been recently admitted by one of the largest Indian Railway Companies in a recent letter to Government.

"Government holds a predominant share of the capital of practically every Indian Railway Company and is consequently very largely interested in the net receipts earned. In deciding on any measures, therefore, necessary to secure sound working and improved net receipts the Government of India approaches the question from the same standpoint as the shareholders and is not likely to take action prejudicial to a shareholder's interest.

"The main demand made by the Railway Board is that each Railway administration should prepare estimates showing the amount required to be spent on the working expenses of a railway for the financial year and insisting, after the Railway Board have approved of a lump sum figure based on details left entirely to each Company, that no expenditure shall be incurred in excess of this figure without their sanction, leaving entire freedom to each Company to spend the lump sum amount so sanctioned according to the detailed estimate each railway administration had itself proposed.

"The orders issued by the Railway Board are strictly in accordance with the provisions of the Companies' contracts, and judging by their expenditure on working expenses during 1908-1909, when these orders were not in force, they appear to have been very necessary.

"Taking now the estimated figures for 1910-1911 it will be seen that the net results anticipated are less than have been earned for the year 1909-1910.

"Larger gross receipts have been estimated for, but working expenses are higher. With regard to gross receipts the experience of 1908-1909 has shown the large variation possible and a cautious estimate seems advisable.

"Rains have been good and prospects are promising, but produce does not seem to be moving as it should. The reason for this it is difficult to ascertain. Railway Managers say the year 1910-1911 should be a good one and Railways should now be doing a large business, but traffic is not as brisk as could be

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worked. For this reason gross receipts have been estimated lower than perhaps the favourable rains might appear to justify.

“With regard to expenditure, in addition to funds required for works of the nature of improvements partly debitable to Revenue, provision has been made for more ‘renewals’. ‘Renewals’, it may be explained, fulfil two purposes; the first is the replacement of rolling stock and works which are not capable of further economical use, and the second is in the direction of betterment.

“The amount that is spent annually on renewals is not based on any hard-and-fast lines and varies according to circumstances. The provision of a reduced figure of renewals for a year is not an uncommon occurrence in railway working and companies have been permitted from time to time to adopt this course when circumstances justified it, the leading consideration being that to ensure that a line is being properly maintained reductions in renewals may be made occasionally but should not be made for any long continued period.

“These items, together with the additional expenditure required to earn the increased gross receipts anticipated, account for a major part of the increased expenditure provided for.

“In his speech, when submitting the Financial Statement, the Hon’ble Finance Member urged the financial danger of appeals by this Council for additional funds which the finances of India cannot produce without casting additional burden upon her people. I earnestly hope that this advice will be accepted, as it will result in Railway matters being treated by this Council on the basis that Railways, both State and Companies, should be worked as commercial propositions and not as philanthropic institutions. As indicating the large interest held by Government in co-worked lines, taking the six largest Indian Railways worked by Companies and excluding debentures, the capital subscribed by shareholders is 20 millions as against 100 millions held by Government.”

The Hon’ble MR. GOKHALE :—“Sir, I beg to move that ‘this Council recommends that the provision for the working expenses of State Railways for the next year should be reduced by one crore of rupees.’ Sir, I wish it had been possible for me to act on the suggestion which was just now thrown out by the Hon’ble Sir T. R. Wynne, namely, that I should withdraw this resolution as I have done in the case of the two preceding ones. Unfortunately, I am unable to do so. Indeed, so far from withdrawing it, I fear I shall have to ask the Council to divide on it.



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“In moving this resolution, Sir, I beg leave to express, if I may presume to do so, my sympathy with the Railway Board for the fact that they seem to stand between two fires. Judging from the speech of the Hon'ble Member, I find that the railway administrations as represented by their Boards in London are complaining about the control exercised by the Railway Board. We on the other hand, in this Council, some of us at any rate, are inclined to complain of the manner in which the working expenses have been allowed to go up. Of course I am a mere outsider and a layman. I cannot go into the technical portions of this railway administration; but I can look at railway finance in a general way; and looking at railway finance in a general way, I have come to certain conclusions which I would like to lay before this Council. There is no doubt that this railway finance has been responsible during the last three or four years for the deterioration in the country's financial position. We find that in the year 1906-1907 the net profit from railways which the country derived was about £2½ millions; in 1907-1908 it was about £1½ millions. In 1908-1909, instead of a net profit, there was actually a deficit of £1½ millions; during the current year there was a gain of about £860,000; and during the next year probably under half a million is expected to be realized as profit. The position, therefore, in five years has come down from £2½ millions to about half a million profits, and that naturally must set us thinking. I have looked into the figures somewhat closely on that account, and I find that there are certain things which require explanation. The first thing that strikes one looking into these figures is the extraordinary growth of working expenses during the last five years, *i.e.*, since the Railway Board came into existence. The Railway Board came into existence in 1905 and the working expenses have been going up steadily from that year. I have consulted the figures for 15 years from 1890 to 1905, *i.e.*, up to the date the Railway Board came into existence. The working expenses during that period were between 46 and 48 per cent. of the gross receipts uniformly. There was only one year in which the proportion was 49. Otherwise, throughout, the proportion was 46, 46½, 47 and up to 48. From the time that the Railway Board however came into existence—from its very first year,—this proportion has been going up. After the proportion had been stationary for 15 years we find in 1906 the proportion rose to 50; from 47 or 47½ it went up to 50; in 1907-1908 it went up to 57·5; in 1908-1909 it went up to 62 per cent.—that was a year of deficit. In 1910, the current year, it is 55·3, and for the next year it is expected to be 56·6. Now, I cannot understand why if for 15 years they were satisfied with 47 or 48 per cent. of gross receipts for working expenses, suddenly there should have been this increase, and they should now ask for 7 or 8 to 12 per cent. more according as you take the year. This certainly requires an

explanation. Of course I am quite sure that the money is being well spent, that the money is being spent on improvements, and the Hon'ble Member will no doubt justify this in the name of efficiency. Well we have often heard in this Council of efficiency—we used to hear of it from various quarters during the last five or six years. There has been so much more spent on the Army, also on Civil Departments, all in the name of efficiency. I quite admit that efficiency is desirable, but there must be a limit, even to efficiency. As Lord Salisbury once said 'all efficiency must be relative,' that is, it must take into account not merely the requirements but also the resources of the people for whom you are going to secure that efficiency; and considering that India is a poor country, I think that the Railway Board might be satisfied with a lower standard of efficiency than what it is evidently aiming at. I think there should be a definite proportion beyond which they should not go in the matter of working expenses. If the railway administrations of this country were satisfied with 47 to 48 per cent. for 15 years, I do not see why the Railway Board should not impose a similar limit upon itself. It may go a little higher if necessary, but I think beyond 50 per cent. the working expenses should not be allowed to go in any particular year. If anything like that were to be done from next year, as you estimate your revenue at 44 crores, your expenditure would be 22 crores or somewhere there, and you would have about 3 crores for the Finance Minister; and I am quite sure that he would not have put upon us the extra taxation that he did the other day. Then there is another point to which I want to draw the attention of this Council, and that is this; that for the last four years the Board or those who are responsible—because I am afraid it is the railway administrations that are, carrying out unauthorised works, who are really responsible—in any case we have to hold the Board responsible in this Council, and the Board will hold the administrations responsible in its turn—but for the last four years we find that the budget is being systematically exceeded in the matter of working expenses. In the first year it was only a slight excess. In 1906-1907 it was only an excess of 10 lakhs; in 1907-1908 the excess was  $2\frac{1}{4}$  crores; in 1908-1909 it was  $2\frac{1}{2}$  crores over the budget allotment for working expenses. This year, owing to the great row that was made, there has been of course a great decrease in this excess, but still there is an excess of 11 lakhs. Now I think that this is a thing to which exception must be taken. I think it is most objectionable that the budget allotment should be exceeded in this manner. I think in this matter I could not do better than quote the words which were employed last year by His Honour Sir Edward Baker in speaking of this question, namely, that the Railway Board had been exceeding its budget in the matter of working expenses. This is what

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His Honour said. Possibly he used sharp language because his own budget had been upset. I will read the language that he used :—

‘ I am constrained to say that the explanation presented in the memorandum of the Railway Board seems singularly inadequate. Something is doubtless due to the cost of coal, though we are not told what it amounts to. Grain compensation is said to amount to 23½ lakhs or £157,000, *i. e.*, less than 1/10th of the total excess. Floods on the North Western Railway are called in to account for some unspecified part of the remainder ; but I seem to remember hearing of similar floods for several years before on that line. A great deal is attributed to repairs and renewals and we are told that commitments have been entered into which could not be stopped. I will not stop to consider the question whether any railway administration is at liberty to enter into commitments of this kind which cannot be modified or contracted if the ensuing year is one of deficit. But I do affirm without hesitation that any administration which contemplates doing so is bound, by all the canons of finance and commonsense, to provide for the corresponding expenditure in its estimates, and in the present instance we have to face the plain fact that the working expenses, in spite of a heavy reduction in the traffic carried, have exceeded the estimates by not much less than a million and a half.’

“ This is strong language, but it is not mine ; it was used by one who had been Finance Minister for four years, and I am quite content to leave the question as it is there between Sir Edward Baker and the Hon’ble Sir T. R. Wynne.

“ I think that, just as there must be a certain definite proportion beyond which working expenses should not be allowed to go, so also it must be definitely and distinctly laid down that under no circumstances whatever should the budget allotment for working expenses be exceeded. I think that the Finance Department has a right to expect that, and that the Council, as interested in economy, has also a right to expect it.

“ Having made these two complaints, I would now like to make a suggestion, and that is that I think it would be very desirable if State railways were managed by the State instead of their being managed by Companies. I know this is a question about which there is a difference of opinion, but apart from other things—whether the thing would be immediately more costly or less costly, on that I have heard two opinions—there is one distinct advantage which I claim for this, and that is that in the end State management will be more economical. You compare the ordinary public works list—the personnel of the Public Works officers with the personnel of railway officers. Throughout you will find a practical—exclusion of Indians from the higher ranks of the railway service. Whereas in the Public Works Department a considerable proportion consists of

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Indians, in the railway service it is only here and there that you find an Indian : for the most part Indians are carefully shut out. Now, if all these railways were managed by the Government, the Government would in the first place be more sympathetic with our aspirations than Boards sitting in London, and secondly the Government would be more responsive to any pressure of opinion put upon it. The Boards being in London, we may say what we like, they go on doing what they please, and the agents here must obey their directors there. Therefore, as long as the management is in the hands of Companies, the exclusion of Indians from the higher ranks of the railway service must continue, whereas if the management were to pass over to the Government, there would be a more steady employment of Indians in the higher ranks of the service, and this in due course is bound to lead to greater economy in the management of railways. I move the resolution which stands in my name."

The Hon'ble SIR T. R. WYNNE said :—" Mr. President, the Hon'ble Member has put before this Council his reasons why a reduction should be made of one crore of rupees in the estimate of working expenses of railways for next year. With your permission I will now give my reasons why this reduction should not be made. The smaller net surplus of this year compared with the results of previous years is not due to extravagant management, and an unjustifiable increase in working expenses.

"The reduction in net surplus is due to quite another cause, *viz.*, the large expenditure that has been incurred in improving open lines of railway so that they might be able to deal with the traffic they had to carry in a more reliable and expeditious manner. Capital spent on such expenditure is slow in returning a fair interest on its investment, and it is mainly the interest on this capital and the proportionate share of expenditure debitable to Revenue as working expenses on account of these improvements which had reduced the net surplus to its present figures.

"To enable this Council to understand this more clearly I would refer you to the Railway Revenue Account on page 81 of the Financial Statement and draw your attention to the two net results given therein, *viz.*, Net Revenue and Net Results. Net Revenue is arrived at by deducting working expenses from gross receipts.

"From the figures I have referred to you will see that the Net Revenue earned for the year 1909-1910 is practically the same as was earned for the year

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1906-1907, *viz.*, 12½ millions of pounds; at the same time the Net Surplus Result after meeting all charges besides working expenses is £900,000 as against two millions for 1907-1908.

“ Now, when you compare the Net Result for the two years and dive into the items included in the Net Surplus Result you see at once where the money has gone.

“ The net result is arrived at by deducting from the Net Revenue the cost of redemption of capital, interest on debt and advances and sinking funds, and it is the increase under these heads that has produced the lower surplus for 1910-1911 as compared with past years and not an enormous increase in working expenses.

“ Comparing the figures for 1909-1910 with the actuals of 1907-1908 you will see that annuity payments account for an increased expenditure of about half a million, the balance being interest on debt. The cause of this increase in interest without a commensurate increase in gross receipts is, as I have stated, because capital spent in improving open lines of railways is slow to return its full interest and does not respond in the same way as capital spent on new lines.

“ Previous to 1900 the greater part of the capital funds available under the programme were spent in building new lines of railways and little was spent on open lines in the way of additional facilities to enable them to deal with increasing traffic, and in 1900 the Secretary of State ordered that a larger provision should be made for open lines. This was done, but it was not sufficient to enable railways to keep pace with trade. A few years ago the service railways were giving was so unsatisfactory that Mr. Robertson was brought out from England in 1901 to report on the whole question of the management and working of Indian Railways.

“ In his report made in 1903 he stated that—

‘ Notwithstanding the increase in the grant for improvements, all the railways of India without exception are in some respect or other very much behindhand in the provision of adequate protection and facilities for their traffic ’ ;

and again—

‘ The fact of the matter is that railways were so seriously limited in funds during many years while traffic was increasing that they are seriously behindhand, and a very large outlay will be necessary for some years to come if they are to even keep pace with their business.’

“These opinions were endorsed by the Mackay Finance Committee’s report in 1908.

“The Board from their own personal knowledge held the same opinion, and whereas before they were instituted the grant for open line works was only 5 crores per annum, they provided:—

in 1906-1907	.	.	.	.	.	9 crores.
„ 1907-1908	.	.	.	.	.	10 „
„ 1908-1909	.	.	.	.	.	11½ „
„ 1909-1910	.	.	.	.	.	13 „
and propose for 1910-1911	.	.	.	.	.	12 „

“Taking the expenditure during the year 1908-1909 and 1909-1910 on these works, the interest on this amount comes to a crore of rupees a year. A very large part of the earlier expenditure on open lines was invested in rolling stock which is quicker to return interest in its course, whereas the later expenditure has been on works and renewals which are slow to return interest on their cost.

“When the Railway Board were first instituted during the busy time of a year they used to be inundated with complaints from all sides of merchants being unable to keep their engagements owing to the delay in the transport of merchandise of all kinds to destination. I think I am justified in stating that the capacity of open lines has been enormously improved. Railways, as they now exist, are in a very much better condition for meeting the demands on them, and the former complaints to the Railway Board are now very seldom received.

“Although the reduced surplus is, as I have shown, not due to exaggerated ‘working expenses,’ it would be useful to make some remarks about them generally.

“When money is being spent on improving a railway the whole cost does not fall on capital as Revenue has to bear a considerable share of the cost of improvements as working expenses.

“Working expenses are divided into two distinct heads, *viz.*, ‘operating’ expenses and improvements which include renewals and which are generally termed ‘betterments’.

“Operating expenses have tended to increase inasmuch as the cost of labour and wages have risen, the use of continuous brakes is becoming more extended, interlocking has become more necessary, and generally a better

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service has to be given to the public including much greater comfort for the third class passengers which has to be paid for. I do not see how heavy reductions can be made under this head. If heavy reductions were made, a large proportion would probably fall on the staff. Now, Indian Railways employ some 525,000 men, of whom 508,000 are Indians, and the practical result of the adoption of the Hon'ble Member's resolution would be at once to throw out of employment a large number of his countrymen, and in light of this unexpected contingency the Hon'ble Member may, perhaps, wish to withdraw his resolution.

“ It is under the head of betterments that the great part of the increase has occurred, and this rise was foreseen by the Railway Board. In 1905 they pointed out there would be a rise in working expenses and gave their reasons for this opinion, *viz.*, the necessity for improving railways so as to give better service to the public.

“ They have reiterated their opinion every year since 1905, and their statements can be found in the annual note they presented on the working of Indian Railways which was published with the annual Financial Statement and is also printed in the Railway Board's Annual Administration Report.

“ In light of these remarks, Mr. President, I submit that there has been no serious rise in working expenses that can be attributed to extravagance in operating expenses, that the cause of the smaller surplus in net results of Indian railway working is due to the cost of bringing railways up to the standard now necessary in order to enable them to satisfactorily carry on the trade of the country, and that if a larger surplus of net results is required it can only be secured by stopping expenditure on improving Indian railways and not by reducing operating expenses.

“ The point, therefore, on which this Council has to decide in order to deal with the resolution is whether they prefer the railways of India to be made fit to deal with the traffic of the country or prefer that difficulties and delays in the transport of goods with its consequent loss to merchants should continue indefinitely.

“ Railways are now working at a profit after paying all working expenses, interest on debt, and capital redemption charges. From the point of view of trade, it seems to me there is every reason why the policy of improving existing lines so

[*Sir T. R. Wynne; Malik Umar Hyat Khan; Pandit* [9TH MARCH 1910.]  
*Madan Mohan Malaviya.*]

that they should be able to meet all demands on them should receive the support of this Council.

“I move, therefore, that the resolution be not accepted.”

The Hon'ble MALIK UMAR HYAT KHAN said :—“First when I thought that my Hon'ble friend Mr. Gokhale was going to withdraw the resolution I was so pleased, but now that he is pressing it I feel it my duty to say something on it. Punjab is a country where we have got any amount of surplus grain which must be shifted. If we cannot sell it, we cannot do anything with it. We keep sufficient to eat, but the rest we have to send to some other country to get money, and that money of course we have to pay to Government as our revenue. Of course rolling stock is one of the things that will take our grain off from the country, and if we have not got rolling stock it will be a great difficulty for us. There are lots of colonies springing up and of course directly the land is irrigated and ploughed, etc., it has got a yield and that yield ought to be sent to another Province where it is needed, for this rolling stock is required. In a country which yields all this grain of course there it cannot all be consumed, and if rolling stock was not kept, it would be very bad for the Punjab, in particular. So I am sorry that I have to oppose this resolution, because if we do not send the grain at once, there is a sort of little insect which eats it up. We cannot store it; we have not got godowns; we have not got any place to put it; and we have to give notice to the merchants to buy it, and they won't come because they do not get rolling stock from the railway, and that is the cause that they do not take it.”

The Hon'ble PANDIT MADAN MOHAN MALAVIYA said :—“I did not wish to say anything in connection with the resolution before us, because the Hon'ble Mr. Gokhale has made out such a clear and strong case as to render further discussion in support of the resolution unnecessary; but the remarks made by the last speaker compel me to say a few words. Now, Sir, no suggestion has been made that there should not be railways enough in the country to enable people who want to export their grain to do so. Nor has any suggestion been made that there should be a stop put to the construction of railways. The whole point is whether the expenditure which is being incurred on them, whether the working expenses is not too much, whether the proportion of it to the net profits earned is justifiable or not. There is a large body of opinion which holds that it is not. It may perhaps be conceded by the Hon'ble Member who spoke last that, besides those who have to export grain, there are a lot of other people in this country who have to bear the burden of taxation, and who are concerned in the expenditure that is incurred, who ought to have a voice in this matter, and it is in their interest that the expenditure on railways should be cut down. Efficiency, as my



[9TH MARCH 1910.] [*Pandit Madan Mohan Malaviya; Mr. Gokhale.*]

'esteemed friend the Hon'ble the mover of the resolution has pointed out, might be purchased at too heavy a cost, and I feel that there is reason for an inquiry being instituted, a close inquiry being instituted as to whether the amount of expenditure that is being incurred at present is necessary or justifiable. The working expenses of the railways have been increasing at too high a rate, and they ought not to continue to increase. With these few words I support the resolution which has been moved by the Hon'ble Mr. Gokhale."

The Hon'ble MR. GOKHALE said:—"I would like, Sir, to make a brief reply to the observations that have fallen from the Hon'ble Sir T. Wynne. He pointed out that in 1909 the net earning under Revenue, as it is called here, was 12'43 millions, which was virtually the same figure as what you have in the accounts of 1906-1907, namely, 12'52. Now that is quite true. But the Hon'ble Member should not have left out of consideration the fact that between those years a large amount had come to be spent as capital outlay on railways, and there must be interest on that capital expenditure. Therefore, the very least that the year 1909 should have shown to be regarded as equal to 1906 was to show the same net amount of revenue as 1906, plus the interest on the capital expenditure during the three years. Well, I find, looking at the amount of interest on debt, that in 1906 the interest on debt was 5 millions, whereas in 1909 the interest is 5'67; that is, two-thirds of a million roughly represents the interest on the additional amount that had come to be expended as railway capital. Now, if only these railways had earned this two-thirds of a million more, under the net earnings, instead of having only £760,000 as our profit last year, we should have had nearly a million and a half. Therefore, I do not think that point really helps the Railway Board very much. The Hon'ble Member also said, if you want improvement, you must pay for it. We no doubt want improvement, but not at this rapid pace. We shall be quite content with a slower pace of improvement provided it does not cost us so much. Of course, if double the revenue that the Hon'ble Member gets at present were placed at his disposal, I have no doubt he would employ it easily, and we should have a most perfect system of railways. The question is whether the country can afford it. The Hon'ble Member also said that, if this resolution were pressed, it would be necessary to reduce the operative part of the expenses, and that might mean the dismissal of a number of my countrymen. Well, I am not really frightened by that. I find on looking up the lists here, that most of the men in the higher branches at any rate are the Hon'ble Member's countrymen and not mine, and if he were only to dismiss my countrymen, well, he would not get

[*Mr. Gokhale; Sir T. R. Wynne.* [9TH MARCH 1910.]

much out of that. If he wants to make a substantial reduction, he will have to get rid of some of his own countrymen.

"I will say only one thing more, and that is with regard to what the Hon'ble Malik Umar Hyat Khan said. The Hon'ble Member's faith in everything that the Government does is most touching: he stands by the Government even where the Hon'ble Sir Edward Baker criticises it. Nobody ever said that the grain in the Punjab should not be carried; the question is whether the expenditure which the Railway Board is incurring, whether all this increased expenditure, was required. I have already pointed out that since the Railway Board came into existence the working expenses have steadily risen, and no reply has been given to that. Of course improvements I understand are required, but why should these improvements have suddenly become necessary on this scale during the last five years, when we had gone on without them for the last half century? I am sorry I must say that I am not convinced by what the Hon'ble Member has said, and I must therefore ask that this resolution be put to the vote."

The Hon'ble SIR T. R. WYNNE said:—"It is precisely because working expenses have been so low in former years that the percentage has risen during the last five years, the increase being due to the money that is being spent in improving Railways up to modern requirements.

"Trade during the last few years has enormously developed and railways under low working expenses were not keeping pace with trade expansion and had been starved. I have been endeavouring in my former remarks to explain this, but do not appear to have been understood. I gave quotations from Mr. Robertson's report and also showed by reference to a report just received from the English Board of Trade that the position of India in this respect was not an exceptional one, the Railways of Austria and Hungary having fallen behind trade requirements and requiring to be improved and brought up to date in the same way as Indian Railways.

"The Hon'ble Member made a point about the Railway Board fixing the high standard up to which railways were to be improved.

"The Railway Board does not fix the standard. It is the public and trade of the country who fix it. The passenger, especially the third class passenger, is always wanting better accommodation. He wants more trains and a faster service. The

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merchant wants his goods rapidly delivered to save demurrage on his ships. The up-country dealer wants wagons at once so that he can get his goods consigned and fulfil his contracts to shippers and draw on them for his money.

“ A famine occurs ; the Local Government demand immediate transport of grain from one part of India to another ; and if any delay arises the Railway Board are held to blame for it. With the high prices obtainable also in such cases the grain dealer wants immediate transport and joins in the demand.

“ I can assure you that the Railway Board do not go about saying they would like this and that done, because it would be nice to have it. They do nothing of the sort. It is the public which fixes the standard and which has obliged the Railway Board to spend more money in working expenses.

“ Constant references are made in the newspapers of the disgraceful way in which delays occur in transporting goods or to sufficient accommodation not being provided and to the want of a better service, for all of which the Railway Board are held responsible. Demands for improvement having been made, the Railway Board is expected to provide the remedy quite irrespective of course of the money that has to be spent.

“ Take the case of the third class passengers being carried in covered wagons which is a perennial grievance and had caused the building of a lot of carriages seldom used. Personally, I think a covered goods wagon has several points in its favour as passengers can lie down and sleep and there is plenty of room for their things. Now, perhaps the Hon'ble Mr. Gokhale will move a Resolution that no third class passenger is ever to be carried in a covered goods van any more. Well, that would mean the Railway Board would have to spend some crores of rupees to build enough third class carriages sufficient to deal with the transport of the hundreds of thousands who attend some of the big melas. The result would be that the majority of these carriages would be only used for at most a month in the year, the interest on their cost being a permanent charge under the head of interest and seriously affect the net result of working Indian Railways.

“ The Hon'ble Member has pointed out that the net revenue return for 1910-11 ought to have been higher than for 1907-08 as so much more capital had been spent on which interest was earned.

“ I have already endeavoured to explain what a large amount of capital has had to be spent on improving open lines and laid stress on the fact that capital so spent is slow in returning a good interest.

“ Take Howrah station for instance. Seventy lakhs have been spent on it. It was absolutely necessary to build it, but where is a good return on this expenditure to come from? Again, larger and better waiting sheds are being demanded, new workshops are being built, and numberless instances can be given of expenditure that must be incurred but which is slow in returning its interest.

“ If the Railway Board are to cut down working expenses to the level of the past as desired by the Hon'ble Member, this Council will be inundated with questions regarding the inefficient service railways are giving the country and resolutions demanding improvements will be passed.

“ The Hon'ble Mr. Gokhale has advocated the working of railways by the State instead of by Companies. I cannot now enter into that question. It is a big question all over the world. But I would remark that Railway Companies have long contracts with the Secretary of State, and however much you might desire to carry out such a change, there would be practical difficulties in the way of doing so.”

**The Council divided :—**

*Ayes—11.*

The Hon'ble Pandit Madan Mohan Malaviya.  
 The Hon'ble Raja Sir Ali Muhammad Khan.  
 The Hon'ble Mr. Sachchidananda Sinha.  
 The Hon'ble Mr. M. Mazharul Haque.  
 The Hon'ble M. R. Ry. Nyapathy Subba Rao.  
 The Hon'ble Mr. G. K. Gokhale.  
 The Hon'ble Rao Bahadur R. N. Mudholkar.  
 The Hon'ble Mr. M. B. Dadabhoy.  
 The Hon'ble Mr. G. M. Chitnavis.  
 The Hon'ble Raja Pramada Nath Ray of Dighapatia.  
 The Hon'ble Mr. Mahomed Ali Jinnah.

*Noes—34.*

The Hon'ble Mr. J. O. Miller.  
 The Hon'ble Sir Guy Fleetwood Wilson.  
 The Hon'ble Mr. S. P. Sinha.  
 The Hon'ble Major General R. I. Scallon.  
 The Hon'ble Mr. R. W. Carlyle.  
 The Hon'ble Mr. L. M. Jacob.  
 The Hon'ble Mr. B. Robertson.  
 The Hon'ble Mr. J. S. Meston.  
 The Hon'ble Mr. J. B. Brunyate.  
 The Hon'ble Sir H. A. Stuart.  
 The Hon'ble Mr. S. H. Butler.  
 The Hon'ble Malik Umar Hyat Khan.  
 The Hon'ble Zulfikar Ali Khan.  
 The Hon'ble Mr. M. W. Fenton.  
 The Hon'ble Mr. F. A. Slacke.  
 The Hon'ble Mr. J. M. Holms.

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[*Sir T. R. Wynne.*]*Ayes—11.**Noes—34.*

The Hon'ble Mr. C. H. Kesteven.  
 The Hon'ble Mr. C. G. Todhunter.  
 The Hon'ble Surgeon General C. P. Lukis.  
 The Hon'ble Mr. H. W. Orange.  
 The Hon'ble Mr. J. M. Macpherson.  
 The Hon'ble Mr. J. Andrew.  
 The Hon'ble Mr. H. O. Quin.  
 The Hon'ble Kanwar Sir Ranbir Singh.  
 The Hon'ble Mr. W. C. Madge.  
 The Hon'ble Sir Sassoon David.  
 The Hon'ble Mr. F. A. Th. Phillips.  
 The Hon'ble Mr. F. C. Gates.  
 The Hon'ble Maung Bah Too.  
 The Hon'ble Mr. P. C. Lyon.  
 The Hon'ble Mr. C. Stewart-Wilson.  
 The Hon'ble Mr. F. E. Dempster.  
 The Hon'ble Sir T. R. Wynne.  
 The Hon'ble Colonel F. B. Longe.

So the resolution was rejected.

The Council adjourned to Friday, the 18th March 1910.

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

CALCUTTA;  
*The 23rd March 1910.*