

*Wednesday,
1st March, 1911*

ABSTRACT OF THE PROCEEDINGS

OF THE

Council of the Governor General of India,

LAWS AND REGULATIONS

Vol. XLIX

April 1910 - March 1911

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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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VOLUME XLIX



Published by Authority of the Governor General.



CALCUTTA :
OFFICE OF THE SUPERINTENDENT OF GOVERNMENT PRINTING, INDIA.

1911



GOVERNMENT OF INDIA.
LEGISLATIVE DEPARTMENT.

PROCEEDINGS OF THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA,
ASSEMBLED FOR THE PURPOSE OF MAKING LAWS AND REGULATIONS
UNDER THE PROVISIONS OF THE INDIAN COUNCILS ACTS, 1861 TO
1909 (24 & 25 VICT., c. 67, 55 & 56 VICT., c. 14, AND 9 EDW. VII, c. 4).

The Council met at Government House, Calcutta, on Wednesday, the 1st
March 1911.

PRESENT :

His Excellency BARON HARDINGE OF PENSHURST, P.C., G.C.B., G.C.M.G., G.C.V.O.,
G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*,
and 54 Members, of whom 48 were Additional Members.

OATH OF OFFICE.

The following Additional Members, before taking their seats, made the
prescribed oath of allegiance to the Crown :—

The Hon'ble Major General Grover.

The Hon'ble Sir Henry McMahon.

WATER-SUPPLY AND DRAINAGE WORKS.

The Hon'ble MR. BUTLER laid on the table a statement * giving inform-
ation as to the provision of filtered water-supply and efficient drainage-works,
in certain towns, which was asked for by the Hon'ble MR. GOKHALE at the
meeting of the Legislative Council held on the 24th January 1911.

QUESTIONS AND ANSWERS.

The Hon'ble MR. MADGE asked :—

“If the Military Depot at Landour, described as a sanitarium in the
Army List of January 1910, has ever been declared a cantonment since
November 18th, 1903, when it was officially stated ‘never to have been
gazetted a cantonment,’ or since February 4th, 1908, when it was officially
stated that ‘the Government of India had decided to notify Landour a canton-
ment,’ will the Government be so good as to give the number and date of the
declaratory order and the date of the Gazettes publishing it for general
information ?”

The Hon'ble MAJOR GENERAL GROVER replied :—

“The Military Depot at Landour has not been declared a cantonment
since November 18th, 1903, to the present time. A notification under section
3 (1) of the Cantonments Act, 1910 (Act XV of 1910), is not essential for
the constitution of a cantonment.”

* *Fide* Appendix A.

[Mr. Madge; Major General Grover; Mr. Subba Rao.] [1st MARCH 1911.]

The Hon'ble MR. MADGE asked :

“ Will the Government be so good as to state what compensation it purposes giving widows, orphans and other members of the domiciled community, whose proprietary rights in lands, as settled by authoritative documents, may be prejudicially affected should the Government have finally decided on subjecting private ownership in such lands in Landour to Cantonment Rules or on resuming them ?”

The Hon'ble MAJOR GENERAL GROVER replied :—

“ The rights of owners of estates holding authoritative official documents, that is, the ‘ Norman Guarantee,’ have been acknowledged, and the rights of property owners who produce other acknowledged authoritative documents will not be affected by the inclusion of their estates within the limits of the cantonment. Others have refused to produce documentary evidence in support of their claims to proprietary rights when called upon to do so. The question of compensation is not therefore involved.”

The Hon'ble MR. MADGE asked :—

“ Will the Government be pleased to state whether there is any legal or customary prescription defining a cantonment as a place containing a certain quantity and quality of military force, and whether Landour has ever possessed this qualification ?”

The Hon'ble MAJOR GENERAL GROVER replied :—

“ There is no legal or customary prescription defining a cantonment as a place containing a certain quantity and quality of military force. Any place *de facto* occupied permanently for the quarters of troops is a cantonment within the meaning of the Cantonments Act, 1910 (XV. of 1910), though no action may have been taken in respect of it under section 3 of that Act.”

The Hon'ble MR. MADGE asked :—

“ Will the Government be pleased to say whether it makes any, and, if so, what, distinctions between estates included under the Norman Guarantee and other estates held under the terms of the Wells Settlement, but not included in the Norman Guarantee, in respect of the private rights of proprietors ?”

The Hon'ble MAJOR GENERAL GROVER replied :—

“ It is probable that a distinction will be made between estates held under the ‘ Norman Guarantee ’ and other estates purporting to be held under the term of the Wells Settlement, but which are not included in the ‘ Norman Guarantee.’ In the former case Government have already acknowledged the rights of such owners. In the latter case I will refer to my reply to your second question.”

The Hon'ble MR. SUBBA RAO asked :—

“(a) Is it a fact that the principles on which the profits of Life Assurance Companies are determined for the purpose of assessment under the Income-tax Act vary in different Provinces and that they depart from the principles governing the assessment of income according to the Income-tax Act in England ?

“(b) Will Government be pleased to state how Life Assurance Companies are assessed under the Income-tax Act in different Provinces ?

“(c) Will Government be pleased to lay down rules in accordance with which such profits might be determined for purposes of assessment under the Income-tax Act ?”

[1st MARCH 1911.] [Sir G. Fleetwood Wilson; Mr. Sachchidananda Sinha; Major General Grover.]

The Hon'ble SIR G. FLEETWOOD WILSON replied :—

“ It is understood that the method of determining the profits for assessment to income-tax is not uniform in the different Provinces. As the administration of the Act vests in Local Governments, the Government of India do not lay down rules on this particular point for their guidance. But if the Hon'ble Member will indicate in what respect he considers that the existing method of assessment works inequitably, I shall be glad to look into the matter.”

The Hon'ble MR. SACHCHIDANANDA SINHA asked :—

“(a) Has the attention of the Government been drawn to the Circular issued by the Divisional Commander (Supply and Transport Corps), Lahore, published in the *Tribune* of 24th September 1910, regarding the clerical establishment of the Army?

“(b) Are the Government aware that in pursuance of the Circular trained and efficient apprentices and other hands have been discharged and replaced by untrained and inefficient men, on the alleged ground of adjusting class or religious balance?

“(c) Will the Government say whether they will direct that in attempts made to adjust class or religious balance in the clerical establishment of the Army, nothing should be done which would entail hardship on those who are either already in service or entitled to it by reason of their having served as qualified apprentices?”

The Hon'ble MAJOR GENERAL GROVER replied :—

“(a) Yes.

“(b) No. One temporary clerk ceased to be employed on the 17th October and one on the 28th November last and efficient Muhammadans have been employed in their places.

“(c) Instructions have been issued under the orders of His Excellency the Commander-in-Chief as regards the future recruitment of Indian clerical establishments in all departments of the Army. These instructions do not affect those who are already in the service. Apprentices (so called) who are permitted to attend offices purely in their own interests, have no claim to special consideration.”

The Hon'ble MR. SACHCHIDANANDA SINHA asked :—

“ In replying to a question put by me about the Afghan newspaper at the last meeting of the Council, the Hon'ble Mr. Jenkins said that ‘the Government of India have no information as to whether any articles in the newspaper in question had been calculated to operate in the manner suggested’ (namely, to embitter feelings between the Hindus and the Musalmans) and that ‘the amount of the subsidy is something like 800 rupees a year’ paid by the North-West Frontier Administration by way of subscription to the papers.”

“(a) Are the Government aware that public meetings were held at Dera Ismail Khan, Bannu and Hoshiarpur in November 1909, condemning the writings of the *Afghan*, and that representations were duly made by the presidents of these meetings to the North-West Frontier Administration on the subject?

“(b) Will the Government be pleased to state what orders, if any, have been passed by the Local Administration on these representations, and what action, if any, has been taken in consequence of them?

“(c) Since when have the North-West Frontier Administration been subsidising the *Afghan* by subscribing to copies of it, and how much money has so far been paid to that paper?

“(d) Is it true, as stated in the *Punjab Advocate* of Mianwali, and reproduced in the *Tribune* of November 13th, 1910, that the

[Mr. Sachchidananda Sinha; Mr. Jenkins; [1st MARCH 1911.]
Mr. Chitnavis; Mr. Carlyle.]

North-West Frontier Administration have entered into a contract with the 'Afghan Press' for printing all papers in connection with the census operations of that Province?

"(e) Will the Government be pleased to direct that the North-West Frontier Administration should discontinue subsidising the *Afghan* or patronising the 'Afghan Press'?"

The Hon'ble MR. JENKINS replied:—

"(a) and (b) The Local Administration has no information regarding any public meetings held at Bannu and Hoshiarpur, nor has it received any representation from persons who took part in any such meetings. In November 1909 a meeting was held at Dera Ismail Khan organised by the editor of a rival newspaper. No action was taken by the Local Administration as a result of that meeting, the meeting having been organised by a trade rival. It may be mentioned, however, that in April 1910 a warning was addressed by the Local Administration to the editor of the *Afghan* to mend the tone of his paper; and it is reported that since then he has not offended.

"(c) The Local Administration about two years ago encouraged the establishment of a newspaper which, it was hoped, would exercise a wholesome influence, by subscribing for a certain number of copies of it. The publication of the newspaper was commenced, and a sum of Rs. 1,200 was expended by the Local Administration on the purchase of copies for the two years ending October 1910. In that month the subscription was stopped by the Chief Commissioner, because the newspaper was found to have published controversial and sectarian matters, contrary to the conditions on which copies were subscribed for. It has now been reported that the newspaper in question has ceased to exist.

"(d) The Local Administration reports that no printing in connection with the census of the North-West Frontier Province has been entrusted to the *Afghan Press*.

"(e) In the circumstances explained under heads (c) and (d) it is unnecessary to give a reply to the last question."

The Hon'ble MR. CHITNAVIS asked:—

"(a) Is it not the fact that in the Central Provinces tenants' rents are fixed by Settlement-officers at every revision of settlement?

"(b) Is it not the fact that these rents form the basis on which revenue is based and for payment of which malguzars are responsible? Are malguzars consulted in the fixation of such rents?

"(c) Is Government aware that in reply to my question on 28th March 1895, the Hon'ble Sir Antony Macdonnell on behalf of Government was pleased to say that the Chief Commissioner will be asked to consider whether it would be practicable to consult him (malguzar) in the first instance also?

"(d) If so, whether any such inquiry was then made and with what results?

"(e) Will Government say whether it will reconsider the matter in the light of present circumstances and fix tenants' rents with the consent of, or in consultation with, the malguzars, who are responsible for collection and revenue?"

The Hon'ble MR. CARLYLE replied:—

"Clause (a).—The answer is 'Yes'.

"Clause (b).—The answer to the first part of this question is 'Yes'. The answer to the second portion is:—

'When first determining the assets which form the basis of the Government revenue the Settlement-officer does not ordinarily consult the malguzar

[1st MARCH 1911.] [Mr. Carlyle; Maharajadhiraja Bahadur of Burdwan; Mr. Butler; Major General Grover.]

regarding enhancements. But when announcing the rents the Settlement-officer may modify individual rents on cause being shown, and in making such modification the malguzar is always consulted'.

" Clause (c).—The reply is ' Yes '.

" Clause (d).—The reply is :—

' Such inquiry was made and the result was that it was considered that, although nothing should be done to prevent Settlement-officers from consulting as before any malguzars whose advice could be relied on, it was unnecessary and inexpedient to prescribe any general consultation of malguzars during the preliminary stages of assessment.'

" Clause (e).—The reply is :—

' Present circumstances do not in the opinion of Government justify a reconsideration of the decision arrived at in 1895 and referred to in the preceding reply '.

The Hon'ble MAHARAJADHIRAJA BAHADUR OF BURDWAN asked :—

" Will the Government be pleased to state the percentage of Muhammadan students reading in colleges affiliated to the Calcutta, Allahabad, Madras, Bombay and Punjab Universities respectively ?"

The Hon'ble MR. BUTLER replied :—

" The following figures show the percentage of Muhammadan students to the total number of scholars in colleges affiliated to the various Universities in India, other than those in Ceylon and in certain Native States which do not furnish returns to the Department :—

Madras University		1·7
Bombay	"	3·9
Calcutta	"	6·6
Allahabad	"	23·9
Punjab	"	21·6 "

The Hon'ble MAHARAJADHIRAJA BAHADUR OF BURDWAN asked :—

" Will the Government be pleased to lay on the table a statement showing the number of Kshattriyas (wrongly spoken of as Khattris) in the active service in the Native Army of India ?

" Will the Government be pleased to state the Provinces and districts from which the majority of such Kshattriya soldiers are recruited ?

" Will the Government be pleased to state the chief reasons why Kshattriyas (erroneously called Khattris) are not enlisted in the Native Army in larger numbers ?"

The Hon'ble MAJOR GENERAL GROVER replied :—

" The term 'Kshattriya' (Chattri or 'Chettri') is now used to describe themselves by only a portion of the recognised 'Kshattriya' classes enlisted in the Indian Army. As far as the Indian Army is concerned, the 'Kshattriya' classes include those that recognise themselves and are generally recognised by the term 'Rajput'.

[Major General Grover; Raja of Dighapatia; [1ST MARCH 1911.]
Mr. Butler.]

"In accordance with this interpretation of the term the following are the numbers of the 'Kshattriya' classes enlisted in the regular Army as combatants :—

Class.	District from which enlisted.	Number.
<i>Hindus.</i>		
Rajputs of the Dogra Country and of the Trans-Sutlej, Punjab.	Kangra, Jammu and Trans-Sutlej, Punjab	7,250
Gurkhas (Khas)	Nepal	2,222
Rajputs	Cis-Sutlej, Punjab	1,627
	United Provinces, Oudh and Behar	6,366
	Rajputana	3,384
	Central India	142
	Central Provinces	71
	Dekkhan	52
	Total Hindu Kshattriyas	21,114
<i>Musalman Rajputs.</i>		
	Trans-Sutlej Punjab	5,866
	Cis-Sutlej Punjab	3,610
	United Provinces and Oudh	635
	Rajputana and Central India	1,113
	Total Kshattriya Classes enlisted	32,338

"It is not known how many of the above classes call themselves 'Chattris' or 'Chettris'.

"Of the Punjab class which recognise themselves as 'Kshattris' there are 905* enlisted in the Indian Army.
* Many of these are Sikhs, or become so on enlistment.

"As above shown the total number of 'Kshattriyas' enlisted in the Indian Army is 32,338, which is considered by His Excellency the Commander-in-Chief a fair proportion of its total strength.

"The number of 'Kshattris' enlisted in the Army is not restricted. On the whole this class shows no great desire to come forward and enlist as soldiers. Kshattris for the most part being well off are quite content with their civil occupations."

The Hon'ble RAJA OF DIGHPATIA asked :—

"Will the Government be pleased to state the time when action is likely to be taken upon the recommendations of the Decentralisation Commission in the matter of the election of non-official Chairmen in a certain class of municipalities in the country ?

"Will the Government be pleased to state if it is also in contemplation to grant certain District Boards the right to elect their own Chairmen ?

"Has the Government any intention to broaden the existing constitution of the District Boards by throwing a larger number of seats open to election in each of them and reducing the present number of nominated members ?"

The Hon'ble MR. BUTLER replied :—

"The recommendations of the Decentralisation Commission on these points have been referred to Local Governments. The replies of all such Governments not having as yet been received the Government of India are unable to make any statement at present."

[1ST MARCH 1911.] [*Raja of Dighapatia; Sir G. Fleetwood Wilson; Mr. Jenkins.*]

The Hon'ble RAJA OF DIGHAPATIA asked :—

“Is it a fact that certain classes of public servants drawing salaries of Rs. 500 or over per month are allowed an extra house-allowance now-a-days in addition to their salaries, and, if so, is such allowance given to Europeans and Indians alike?”

The Hon'ble SIR G. FLEETWOOD WILSON replied :—

“House allowance schemes under which allowances are granted to officers who have their families residing with them have been sanctioned for Calcutta, Bombay and Rangoon. Their benefits are confined, roughly speaking, to officers whose pay is between Rs. 500-2,500 per mensem; no distinction is drawn between Indians and Europeans.”

The Hon'ble RAJA OF DIGHAPATIA asked :—

“Is it a fact that there are some newspapers which receive Government advertisements at rates higher than they charge the general public or higher than those charged by newspapers with much larger circulation?”

The Hon'ble MR. JENKINS replied :—

“The Government of India are not aware of any newspapers which receive Government advertisements at rates higher than those charged to the general public or higher than those charged by other newspapers with larger circulation.”

The Hon'ble RAJA OF DIGHAPATIA asked :—

“Is the Government aware that in several parts of the country Magistrates have asked proprietors of presses and newspapers to furnish security required under the Indian Press Act of 1910 merely on the ground of change of address or printer?”

“Will the Government be pleased to state whether it intends to issue a circular to all the Local Administrations to see that the provision of the Indian Press Act of 1910 regarding security is administered in every province in a uniform spirit and that no press or newspaper may be called in the future in any Province to furnish any security merely on the ground of change of address or the printer?”

The Hon'ble MR. JENKINS replied :—

“A similar question was put by the Hon'ble Mr. Bhupendranath Basu in the Council meeting of the 5th of August 1910, and the Hon'ble Member's attention is invited to the answer then given. The Government of India have already issued full instructions to Local Governments in regard to the administration of the Press Act, and advised them that security should not be demanded from the keepers of existing presses and publishers of existing newspapers which are well conducted, and they have no reason to think that the instructions issued are not being loyally observed.

“If the Hon'ble Member will bring any specific case of failure to observe the instructions to notice, it will receive the attention of Government.”

FINANCIAL STATEMENT.

“The Hon'ble SIR GUY FLEETWOOD WILSON said :—“I rise to present to the Council the Financial Statement for 1911-12. It has been prepared in the same form, and the procedure and facilities for discussing it will be in all essentials the same as they were a year ago. There is to be no debate to-day; but the detailed examination of the figures and the discussion of any resolutions that may be moved regarding them will begin on Tuesday, the 7th March, and to this stage of the work will be devoted such part of next week as may be necessary for its completion. I shall then withdraw the Financial Statement for whatever amendments our later information may suggest or the

[*Sir G. Fleetwood Wilson.*]

[1ST MARCH 1911.]

discussions in Council may necessitate. About a fortnight later—the 24th being the date which I understand Your Lordship intends to fix—I shall present the Budget in its final form, with all these amendments incorporated in it: and the usual winding-up debate will open on the following Monday.

“ 2. The statement which I present to-day is a much more cheerful statement than that which I had to lay before the Council a year ago. We were then on the threshold of what we hoped would be, in its trade and its agriculture, a year of normal prosperity; but two factors of a wholly exceptional character threatened to disturb the equilibrium on which we should otherwise have counted. On the one hand, the export of our opium to China was to be materially reduced; and, even if prices were to rise—as experts assured us they would—the result would only be a transient benefit which prudence forbade us to use for our ordinary and recurring needs. On the other hand, we had to provide an adequate financial equipment for the new province of Eastern Bengal and Assam, where the administration, starved at many points in the past, had recently been carried on with the help of doles from our surpluses or overdrafts on our general balances. The net result was that I found myself unable to equate the revenue and expenditure in our estimates for the current year without the help of extra taxation; and legislation was accordingly proposed, and accepted by this Council, for increasing certain stamp duties and for raising the customs tariff on silver, petroleum, tobacco, wine, beer and spirits. Standing as we now do in the last month of the year, we can see that the position has become more favourable than I then anticipated. The revenue has been in many respects better than the average, and our expenditure has been kept well in hand; so that the year closes far more favourably than I had anticipated. I must, however, warn the Council that we cannot now dispense with the additional strength which these new taxes have brought to our resources. In view of all that lies before us, the time, in my judgment, is not distant when the Government of India will require the substantial support from the broader basis of taxation which our new duties have provided. It is not our intention therefore to alter the Customs tariff again as a budget measure for the coming year, except by a small correction in our scale of tobacco duties which I shall have to propose in the hope of improving the yield of revenue from that particular source.

“ *Revised Estimate of 1910-1911.*”

“ 3. With these preliminary remarks, I proceed to compare the budget provisions for the current year with the actual figures which we now expect will be realized. My estimate for the year was framed, as I explained at the time, on the belief that, if the monsoon rains were adequate, the land revenue would be punctually collected, our customs receipts would rise, our railways would do well, although renewals and repairs might still be heavy, and most of our other heads of revenue would show an improvement. The result has not disappointed us. The rains, and the great agricultural operations which so vitally depend upon them, have been on the whole most satisfactory. The timely and well-distributed winter rainfall had brought fine crops to harvest in the spring of 1910. When the hot weather came on, conditions were normal, and the Bombay monsoon started on due date and spread with much vigour: so that the area affected by it was never in danger. Some anxiety, however, was caused by the behaviour of the Bay of Bengal current, which advanced into India much before its usual time, and then displayed considerable weakness. In the result, the rain in July was about 16 per cent. short of what it should have been, and the falls were extremely unequal. The deficiency was serious in the United Provinces, which obtained less than two-thirds of their proper supply, in Rajputana, the western portion of the Central Provinces, Malabar and Lower Burma. In other parts of India, particularly Madras, the average was exceeded, and at places the falls were abnormally heavy. Matters for a time were critical. From the United Provinces, in the middle of July, came reports that the crops were withering, sowings retarded, rain urgently needed, and anxiety prevailing over large areas. If bountiful rain had not fallen within the next few weeks, I should have

[1st MARCH 1911.] [Sir G. Fleetwood Wilson.]

had a very different story to tell the Council to-day. In August, however normal conditions again asserted themselves, and for the rest of the monsoon period the rain was ample and well distributed. The record of the recent winter showers has been generally satisfactory.

"4. In the narrative of our harvests we find these favourable conditions reflected. The spring crops which were coming to market at the beginning of the financial year were excellent: wheat yielding an outturn of 15 per cent. above the average, and oilseeds doing fully as well. Into the controversy about the jute crop I am not sufficiently daring to enter: but in most of the jute districts conditions were seasonable, and the departmental estimate was 90 per cent. of a normal outturn. Cotton was grown on a very large area; and although it suffered from the later rains, the yield was not far short of what had been obtained in the previous year. Rice in Bengal was affected by floods: but the Burma crop has been excellent, and it is estimated that 45 million cwts. of cleaned rice will be available for export. With the crops now in the ground, so far as our information goes, all is well; the area under wheat and seeds being unusually high and their condition generally good. All this has meant a year of reasonable comfort for the agricultural population; and though plague unhappily has not yet left us, public health has been good, and the spirit of the people has not been shaken by scarcity or other widespread calamity.

"Turn now to our external trade, in the success of which our harvests play so large a part. During the first nine months of the year, *i. e.*, up to the end of last December, the total value of our imports and exports on private account was 272 crores, a higher figure than they had ever reached in the same period of any previous year. I do not wish to make this prove too much, as the figures are for values, not volumes, and are thus affected by the high prices which prevailed, for example, for cotton and opium. There was also some stagnation in two of our important industries; but on the whole the figures show a decided revival in our general commerce. The large imports of gold and the heavy Council drawings at a strong exchange tell the same tale.

"5. Such being the conditions of the year which is approaching a close, their effect would naturally be an improvement upon the cautious estimate of revenue and expenditure which was presented to the Council in the Budget of last March. The measure of this improvement is that our Imperial surplus now seems likely to rise to £3,489,300. The increase, however, must be discriminated into that which is stable or normal, and that which is abnormal or transient. Our revenue has been increased roundly by £2,040,000 on account of the remarkably high prices for which our Bengal opium has sold; and of this amount two-thirds (or nearly 2 millions) have passed into our surplus under an arrangement which I shall subsequently explain. The true improvement in our surplus is thus about £1,150,000 due to better receipts under the great majority of our ordinary heads of revenue, and a small saving on our budget of expenditure.

" Opium revenue.

"6. It would be impossible to make the financial position clear without an account of our opium revenue in the current year, and of the events by which it has been influenced. The general situation at the beginning of 1910 was comparatively simple. We were then entering upon the third year, and the end of the first stage, of our agreement with China for the reduction of our opium exports. Under that agreement, our Bengal sales and Malwa exports combined were to be kept down to 51,700 chests during the calendar year 1910. Further reductions at the rate of 5,100 chests a year were to be contingent on China giving evidence of having concurrently diminished her own production of opium; and the question of raising the consolidated duty upon the import of opium into China remained in suspense pending the receipt of certain assurances for which we had asked the Chinese Government. The prospect of a falling supply had begun to agitate the market towards the end of 1909, and prices rose rapidly to a very high level in last

April. But a sharp reaction followed. We had known for some time that the Chinese authorities were attached to the idea of a heavy license duty, as one of the measures for the control and check of consumption. In May last, the idea came to fruition; and with effect from the 7th June 1910, the Viceroy of Canton imposed a tax of 30 cents per tael on all boiled opium (equivalent to about R400 a chest on our export opium), with a supplementary provision that raw opium bought from importers should be boiled within a fixed time—which was originally put at three days—after its purchase. Several of the more objectionable features of the scheme were modified as the result of diplomatic action: but the tax remains and has recently been raised to about R640 a chest, and the Chinese Government has not yet been induced to admit that it contravenes the spirit of the Chefoo Convention. It would be inexpedient for me at present to say more on this delicate subject. Technicalities apart, the main principle to which His Majesty's Government have adhered throughout the discussions on the Canton tax is that the regulations of the provincial authorities in China must not substantially and obviously abrogate the existing rights of British traders, or discriminate between native and foreign opium to the prejudice of the latter.

" 7. I referred a moment ago to the obligation which lies upon China to reduce her own cultivation of the poppy *pari passu* with our reduction of our exports. To produce statistical evidence of her diminished production, was admitted by the Chinese delegates at the Shanghai Commission to be impossible. It was therefore decided that local enquiries should be undertaken, as a basis for a comparative record of the growth of the poppy in the different provinces. For this purpose, Sir Alexander Hosie, the experienced commercial attaché to the British Legation, was appointed to tour through China and estimate the progress which she has made in her reforms. The area to be covered is enormous; and pending the completion of the enquiry we have agreed to carry on the reduction in our exports to the end of 1911; so that in the present calendar year we intend to sell 31,440 chests of Bengal opium and to permit the export of 16,160 chests of Malwa. What will happen after 1911 depends on the agreement which is now being negotiated at Peking. Regarding the pending negotiations I am obviously not in a position to make any announcement. I can only ask the Council to believe two things. One is that we have great sympathy with the desire of those genuine patriots in China who are striving to free their country from the evils of excess in opium, and that we are prepared to make real sacrifices to help them. The other is that vigilance must go hand in hand with our sympathy. We cannot consent that India should suffer losses which will bring no corresponding benefit to the cause of China's reforms; and we shall safeguard the legitimate interests of our trade so long as the trade remains.

" 8. There is one point at which we have in some measure anticipated the result of the Peking negotiations, and I am glad to have this opportunity of explaining it in detail. When our first agreement was made with China in 1908, it was based on the fact that the consignments of our opium to China before that year had averaged 51,000 chests, while 16,000 chests had been our average supply to Singapore and other markets outside China. Two courses were open to the Chinese Government in getting these figures reduced. They could either, with the consent of all the Treaty Powers, restrict their imports: or they could arrange with us, at once and without any other intervention, that we should restrict our exports. China deliberately accepted the latter course, and we have scrupulously adhered to a reduction of 5,100 chests every year, being one-tenth of the average of our China shipments in previous years. China, however, has found that her imports have not been falling in the same ratio, mainly because the high prices which her people are now prepared to pay for our opium are attracting supplies which would otherwise have been consumed in Singapore and elsewhere. His Majesty's Government were accordingly approached by China with a request that we should help her to make the reduction in her imports as effective as the reduction in our exports; in other words, that we should co-operate in preventing any part of the 16,000 chests which used to go to Singapore and elsewhere from finding its way into China. It is obvious of course that nothing would conclusively affect

[1ST MARCH 1911.] [Sir G. Fleetwood Wilson.]

this purpose except a definite restriction at the ports in China which are open to foreign trade; and this in turn would require not only an agreement with Great Britain, as representing India, but the concurrence of the other Treaty Powers. To secure their consent will take time; and due notice will also have to be given to the trade before a change of such importance can be enforced. In the meanwhile, however, we have begun to sell and export under special certificates the precise number of chests which, if the proposal is confirmed, will be the purely China supply. I wish it to be very clearly understood that this 'earmarking'—as it is called—has been decided upon as a spontaneous proof of our good-will towards China and our desire to help her. We were under no obligation whatsoever to undertake it in the absence of the renewed agreement which is now being negotiated, and, if a satisfactory agreement is not concluded, we are under no obligation whatsoever to continue it.

" 9. It now remains to show how the events of the year have reacted upon our opium revenue. In February and March of 1910, in response to the excitement in the China markets, our Bengal opium sold for prices which I described at the time as unprecedented for half a century. But even these faded into comparative insignificance before the price of Rs 3,827 a chest which was reached in April last. The Chinese connoisseurs were supposed to be ready to pay fanciful prices for a drug which was every year becoming a less attainable luxury. In May came the news of the license tax at Canton; a large quantity of the Indian opium goes into the Kwang provinces; and the price at our July sale dropped to the neighbourhood of Rs 2,000 a chest. As the position cleared and the harsher features of the Canton monopoly were withdrawn, the market slowly improved again, and the sales of last month (all being 'earmarked' opium) fetched Rs 3,439 a chest. The net result of these striking fluctuations is that we now estimate for an average rate of Rs 2,925 on the year as a whole. Compared with the budget figure of Rs 1,750 a chest, this gives us a very large surplus revenue; and I have next to tell the Council how we propose to employ the windfall. Revenue which is so wholly exceptional in character and amount is clearly not revenue which may properly be put into our general resources to meet our permanent and recurring expenditure. Our first care therefore, when prices began to move, was to prepare an estimate of what would be our normal receipts, year by year, on the basis of normal prices and on the assumption that the cumulative restriction on our exports to China will continue. On these data we have carefully worked out a scale of diminishing revenue; and we have decided, with the full approval of the Secretary of State, that the whole amount by which, in any year, the actual receipts may exceed our hypothetical or standard figure will be kept apart from our ordinary revenues. It will not be funded: but it will be employed in each year on services for which the ordinary revenue of the year would not usually be available. We believe that this is the only prudent course to pursue, and we are confident that it will have the approval of the Council, as it was foreshadowed more than once in the course of the Budget debates last year.

" 10. Under the scheme which I have now outlined, our standard figure for the current year is 7 crores of rupees. Our estimated receipts being 11,416,4 crores, we have thus to dispose of 4,416,4 crores or £2,944,300 in some special manner. What we mean to do is to remit two-thirds of the excess to England, for the discharge of temporary debt. There is clearly no purpose to which a sudden influx of non-recurring revenue can more appropriately be devoted than to reducing our capital liabilities, easing our interest charges, and strengthening our national credit. I need hardly remind the Council that as a consequence of our serious losses of revenue in 1908-1909, we were unhappily obliged to increase our floating debt; and it is extremely desirable to take the earliest opportunity of redeeming, either directly or indirectly, the temporary obligations which we then incurred. The remaining one-third of our windfall will be distributed in the form of grants for the initial or capital expenditure on large schemes of educa-

[Sir G. Fleetwood Wilson.] [1ST MARCH 1911.]

tional and sanitary progress. In pursuance of this policy we propose to make the following grants to the different provinces:—

Provinces.	FOR CAPITAL EXPENDITURE ON	
	Education.	Sanitation.
	£	£
Central Provinces	26,700	13,800
Burma	53,300	46,700
Eastern Bengal and Assam	74,500	60,000
Bengal	163,300	66,700
United Provinces	106,100	70,000
Punjab	60,000	66,700
Madras	43,800	28,300
Bombay	73,500	28,300
TOTAL	601,200	380,000

“Those Local Governments which have provincial settlements will carry the money to their balances until its expenditure is required on schemes sanctioned by proper authority. I will leave it to my Honourable Colleague in charge of the Education Department to explain the principles upon which these allotments have been made.

“ Ordinary Revenue.

“ 11. The ground has now been cleared of the opium receipts and of the effect which they have had in inflating our surplus. For all other heads of revenue, our budget estimate was £70,803,800. We now hope to realise £72,297,300; and to this improvement three groups of revenue-producing services have contributed. The first group consists of those heads of revenue which respond directly to good harvests and agricultural prosperity:—Land Revenue and Irrigation, with a betterness of £26,500 over the budget; Excise, where the yield has risen by £138,400; and Stamps, where it is better by £71,500. Second comes the group of services which are connected more immediately with trade and whose earnings rise with the revival of commercial activity. Chief among these is Railways, which I believe will be better than the budget by £1,176,100 net; then follow Customs, £478,700 better; Posts and Telegraphs £80,200 better, and Forests £58,600 better. The third group comprises what I may call the financial services, which move in sympathy with the other groups. I refer to Interest, £303,600 higher than our original estimate; Exchange, £62,600; and Mint, £46,400 in the same direction.

“ 12. Such has been the general trend of the year's revenue as a whole. But in this Council it is the Imperial surplus with which we are chiefly concerned; and I propose now, dropping all minor corrections in our estimates, to describe the chief outstanding features in that surplus. Broadly speaking, the great improvement which it shows has been the resultant of four large variations in our figures:—Railways, Customs and Interest have turned out very much better than the Budget; Salt considerably worse. It is on these four heads alone that I shall dwell for a moment.

“ 13. Our Railways have again assumed their pride of place as the dominant factor in our ordinary finances. I had budgeted, with no small hesitation, for gross receipts of 29½ millions from State railways,—a higher figure than we had ever realized before and nearly a million in excess of the very large earnings of the previous year. Business, however, has steadily improved upon our forecast. The movement of cotton and oilseeds has been especially active; and a notable feature of the year is the great increase in coaching traffic, attributed in part of the marriages and pilgrimages of an auspicious and prosperous year. Along with all this, there has been a gratifying fall in working expenses, indicative, I hope, of the closer control now exercised by the

[1ST MARCH 1911.] [Sir G. Fleetwood Wilson.]

Railway Board over that campaign of special renewals and repairs which helped to embarrass our finances two years ago. The year will close with gross receipts not far short of £800,000 in excess of what I anticipated, while the saving in working expenses has exceeded £100,000.

"14. As a reflex of our external commerce, the Customs receipts have been equally satisfactory. I had estimated them at roughly 6 millions, including very nearly 1 million as the result of our new taxation. They will actually be at least 6½ millions; the rise occurring chiefly under sugar, piece-goods, metals and manufactured articles generally. The new taxes have given us fully the million which we counted upon. Our estimate was approximately correct for beer, wines, spirits and petroleum: but we had not made sufficient allowance for the effect of the new tobacco duties upon the import of the cheapest cigarettes. Any shortage on this account, however, has been more than covered by the increase in receipts from silver. We had put the probable income from the four anna silver duty at a crore of rupees; this was essentially a cautious estimate, because other considerations were involved than the rise in duty, about which in itself we were never nervous. But all has gone well, and our realized revenue will probably be about 1½ crores. It is to me a genuine pleasure that a tax about which some of my Hon'ble friends expressed the gloomiest apprehensions last year has worked so smoothly, has caused no hardship to anyone, and has established itself as a powerful yet inoffensive auxiliary to our general resources. It has not depressed the price of silver, or turned the China exchanges against us, or had—so far as I am aware—any of the other ill-effects which were feared. There have been some remarkable ups and downs in the silver market during the year: but no one who knows the facts—and I have reason to believe that the facts are tolerably well known in Bombay—will attribute them in any way to our taxation.

"15. The third big lump increase in our revenue is an improvement of more than a quarter of a million under Interest. For this we are mainly indebted to the skilful handling by the Secretary of State in Council of the ample cash balances which we have been able to hold during the year in London, pending their employment on capital outlay and the redemption of temporary debt.

"16. Our Salt revenue provides the last of the four large departures from our estimates, inasmuch as it is shown at £232,100 below the budget figure. This is in part, however, a postponement of revenue and not a real loss. The increase in the consumption of salt, it is true, has been curiously slow since our last remission of duty, and has disappointed those who maintained that the use of salt by the people would be greatly stimulated by low duties. In the current year, there has even been a slight drop, though not enough in ordinary course to have seriously affected our revenue. The reason why the latter has declined so appreciably is that the trade in Bengal has at last discovered the capabilities of its new privilege of clearing salt on credit. Under this system, we shall probably have duty outstanding on over 2 millions of maunds at the end of the year in Bengal alone, and our current revenue is to that extent reduced by a carry-forward to next year.

"17. The combined effect of these four large changes in our figures has been an improvement of £1,726,300 in the revenue. A number of other heads of revenue have given me smaller contributions which would have brought the total for the year to nearly two millions better than we had anticipated. Part of this, however, has been absorbed by a large reduction in our Imperial share of the Land Revenue (including the portion of it which is credited under Irrigation). It is by waiving our rightful proportion of the income from this source that we make the provincial exchequers participants in our good fortune; and on the present occasion we are in the happy position of being able to provide funds for a number of important projects which, a year ago, I saw very little chance of being able to help. The chief grants which we propose to allot out of the surplus in our normal revenues are the following:—

£166,700 to Burma, to enable that province to make its promised contribution of 25 lakhs to the Rangoon harbour without

[Sir G. Fleetwood Wilson.] [1st MARCH 1911.]

impoverishing the allotments for much-needed improvements in its other public works.

£183,600 to Eastern Bengal and Assam for the initial expenditure on two large schemes for the re-organization of its subordinate police generally, and for the establishment of an efficient river police in particular.

£66,700 to the Punjab as a contribution to the Medical College and Hospital at Lahore, which are intended to be the provincial memorial to His late Majesty King Edward VII.

£123,300 to Madras under an old-standing promise that we should assist in the initial expenditure (now estimated at roughly £250,000) on the Meyer scheme for the re-arrangement of a number of unwieldy districts and sub-divisions in that province.

£333,300 to Bombay, as a subsidy towards the great work in Bombay City upon which its Improvement Trust is now engaged.

"18. A full list of our proposed new grants is given in the explanatory memorandum attached to the estimates; but I have indicated the more important, and I am confident that the distribution will have the Council's approval. We have endeavoured to select projects of the clearest public utility which would have claims upon us for assistance sooner or later,—claims which we should gain nothing by postponing, as they might only fall upon us when we were less able to do them justice. These grants are all non-recurring, and it will of course be understood that they are quite independent of the allotments which we have made from our opium receipts.

" Expenditure.

"19. On this side of the account I have fortunately an uneventful tale to tell. Our Budget estimate of expenditure was £75,700,800; we now expect the actual outlay to be £75,227,600 or £473,000 less. About three-fourths of the saving occurs in provincial expenditure, and is a welcome sign of the co-operation which we have been receiving from local Governments in our task of checking the growth of expenditure. The saving on the Imperial budget grants is £123,100.

"Under Military services, a considerable reduction (£223,500) has been effected partly in India and partly in England; and the main reasons underlying it are the fall in the prices of food and forage, smaller purchases of ordnance and other stores, and the economical management of our operations for the suppression of the arms traffic in the Persian Gulf. In the Railway revenue account there has been a saving of £217,600 mainly under interest charges; the result, on one side, of smaller capital expenditure than we had provided for and, on the other, of smaller borrowings by two of the leading Companies. Telegraphs show a lapse of £51,500. The budget grant for Stationery and Printing—a subject which attracted special attention in Council last year—has not been spent by £35,700; and the efforts which have been made to eliminate avoidable outlay under this head seem now to be bearing tangible fruit.

"20. With two exceptions—and one of these is largely nominal—there have been no excess of any importance over our budget figures. The only service for which our provision really ran short was the payment to our opium cultivators. Owing to the propitious character of the seasons, the last poppy crop yielded opium of an unusually fine consistence, and the price that had to be paid for it was consequently higher than the normal rate on which we had based our estimate. Under Opium expenditure therefore an additional grant of £153,200 has been necessary. The only other substantial excess occurs under Political, and is chiefly due to our having charged off and transferred from ordinary balances to a separate account the whole of the arrears of the subsidy due to His Majesty the Amir, with a view to preventing in future the disturbance of estimates and accounts which at present follows from the wide and wholly unforeseen fluctuations in his actual drawings.

[1ST MARCH 1911.]

[Sir G. Fleetwood Wilson.]

"Budget Estimate for 1911-1912.

"21. My Lord, I now turn over the leaf of another year. In laying out our financial plan of campaign for the coming twelve months, my first thought has naturally been, how far may we safely count upon a continuance of existing conditions. Is it reasonable to assume that the rains will again be timely, and the harvests fruitful; that industry and trade will extend their borders; that our international commerce will continue to develop; that the money market will be steady; and that famine, plague and war will pass by our doors? Or have we reason to fear the reverse and to temper our estimates accordingly? I confess that, in Indian budgeting, the only reasonable rule of conduct that I can see is to assume that a period of prosperity, once it is established, will continue until we have some clear warning of impending change. So far as we can scan the horizon, there is no danger signal in sight at present; and I am accordingly placing estimates before the Council which are based on the hypothesis of normal harvests, a good export season, and steady progress in our trade and industries. The resultant figures, in their simplest form, are as follows:—

Revenue	£77,927,600
Expenditure (after Provincial adjustments)	£77,183,800
Surplus	
{ Ordinary	£563,400
{ Special, from Opium	£180,400

The "Ordinary" surplus is somewhat smaller than it is our tradition to aim at; but a part of the spare revenue which would otherwise have been at our disposal has been set aside for the reception of Their Majesties in India and for the cost of the Durbar which the King-Emperor intends to hold at Delhi.

"Revenue.

"22. If we take our revenue figures as a whole, omitting Opium for the moment, it will be seen that we anticipate a moderate all-round advance in the classes of receipts which are directly affected by the agricultural conditions of the country. Land revenue, Salt, Excise and Irrigation all display a slight improvement over the year before; Stamps alone showing a fall, which is wholly due to the abnormal revenue that accrued this year in certain provinces from the operation of section 31 of our new Limitation Act. Our commercial departments—Railways, Posts and Telegraphs—reflect the same movement in moderation; a part of their increase being also due to the additional business which they expect from the Royal visit. I need not, however, trouble the Council with any details except in so far as they influence the Imperial section of the account. In describing the Imperial figures, both for revenue and for expenditure, I find considerable difficulty in separating the normal movements of the figures from the complicated provincial adjustments which I shall allude to shortly; and rather than weary the Council with minute reservations, I must for once sacrifice in a few of the following passages the statistical precision which has always been the pride of these annual Statements.

"23. Our total Imperial revenue is shown as being considerably below the figure which we expect in 1910-11. The decrease occurs, as you at once detect, under Opium; and I had better begin my narrative by disposing of that restless and baffling head of revenue. The difficulties of framing a satisfactory estimate for it have been extraordinary. As I explained a few minutes ago, we have promised to restrict our sales and exports in 1911 to 46,000 chests. Out of these, presumably the whole Bombay export of 15,160 chests, along with 15,440 chests of the Bengal sales, will be certified for the China market; leaving 16,000 chests for our other customers. Most of the Malwa opium has already paid its pass-duty in advance, so that for revenue purposes it is negligible. The prices which our Bengal sales for China may yield, will depend very largely on the terms of our new agreement, on any alteration in the import duties, and on any domestic measures which China may adopt for the control

[Sir G. Fleetwood Wilson.] [1ST MARCH 1911.]

and taxation of the retail use of the drug. The revenue to be obtained from our sales for other markets, or what I may call for short our 'Singapore' opium, is an entirely unknown quantity, as we have never before sold opium under the peculiar conditions which are now being imposed. The factors of calculation for the remaining nine months of 1911 are thus sufficiently puzzling; but the uncertainties become still greater when we turn to the last three months of the financial year which overflow into 1912. For we have no means of judging what our prices or our exports may be in 1912. We have to await the results of Sir Alexander Hosie's inquiry and of the negotiations now in progress at Peking. We have also to introduce, some time during the year, a new system of selecting the opium which it will be permissible to export from Bombay; the effect of the change upon our revenue is problematical, and the date of its introduction is not yet decided. This statement of the problem will indicate the difficulty of estimating. Making the best forecast we can, however, we put the probable sales of Bengal opium at 30,210 chests for the financial year, of which 10,210 will be certified for China; and we take the probable average prices at R2,500 a chest for China opium and R1,500 for Singapore opium. We also estimate that 5,338 chests of Malwa opium, which have a deferred right to priority of export in 1912, will pay us *pas-duty* of R800 a chest; while it is possible that 600 chests of Baroda opium will issue at the old rate of duty. Our total Opium revenue, including the usual miscellaneous items, will thus be 642 lakhs. Under the scheme of diminishing returns which I have already mentioned, we shall treat only 615 lakhs or £4,100,000 as ordinary current revenue, and whatever excess over that figure may be actually realised will be earmarked for capital and non-recurring expenditure. It is for this reason that I showed £180,400 of our budget surplus as special and separate. I hope the figure will be larger; but, so long as there is a figure at all, it will not affect our normal provision for the year.

" 24. Apart from the Opium receipts, the increase in our Imperial revenue would nominally be £1,431,900. But it must be remembered that, as compared with the current year's figures, our share of the Land Revenue is improved by the absence of the special non-recurring grants which we are making to provinces in 1910-11. Furthermore a number of the heads of revenue have been upset by the new provincial adjustment; and, all things considered, I do not think I can give a closer approximation than to say that the true measure of the expected improvement in revenue is roughly £300,000. Apart from a moderate general rise in Excise and Land Revenue, due to promising agricultural conditions, this may be taken broadly as made up of an increase of £157,900 under Railways, of £179,400 under Posts and Telegraphs, of £128,800 under Salt, and of a number of minor improvements counterbalanced by a decline of £303,000 in Customs and £228,900 under Interest. It is to these heads that I shall confine the few remarks that I have to make.

" 25. In our estimate of Railway earnings we have moved with what seems justifiable caution. If 1911-12 is even a moderately good year, there ought to be no serious set back. Wheat may be held up by the lower prices which are foreshadowed; and it is possible that the cotton crop may not be so plentiful as it has been this year; but the movement of jute can hardly be worse and some revival in piece-goods seems probable. Our estimates are easily upset by the fluctuations of a single great system like the North-Western Railway. But on the whole there seems no good reason why we should not secure roughly the same net receipts as in the current year, with a small addition for the Durbar traffic and the increase in open mileage. I have accepted the figure for working expenses which the Railway Board assures us is necessary to carry the extra traffic and keep the lines efficient; and for gross profits I have made a comparatively small and fairly evenly distributed addition to the probable figure of the current year. The resulting rise in net receipts is only £73,400, which I think is safe. The rest of the improvement under Railways means smaller payments of surplus profits, etc.

" 26. For Salt we have been conservative in estimating the actual consumption, but there is unlikely to be the same increase in sales on credit in Bengal

[1ST MARCH 1911.] [Sir G. Fleetwood Wilson.]

as overtook us this year. Postal and Telegraph receipts promise the usual improvement which accompanies trade activity. The Miscellaneous head of revenue benefits by £54,700 which the Calcutta Port Commissioners are going to pay us in April for certain Mint lands; and there are a number of smaller increases which it would be tedious to enumerate.

" 27. The only important defaulters, as I have said, are Interest and Customs. The former has been put lower in the expectation that our cash balances in London will not be so fruitful in short loans, as large payments will be required on capital account and in redemption of debt. Under Customs the decline occurs wholly in the yield of the silver duty, and represents nothing more than pure and simple caution. There is no apparent reason why prices should go up so long as China is a backward buyer; and the private imports of the current year, though we have heard a great deal about them, are by no means so high as they were even in the two previous years. Nevertheless they are believed to have been in excess of the immediate requirements of the local market, and it is understood that considerable stocks are available for next year's normal off-take. After the activity in our absorption since 1908, therefore, it seems wise to budget for a lull, and we have put our estimate of duty down to a crore of rupees. Under all the other classes of imported goods we assume a steady improvement; but I have been chary of raising the rice duties above the high record of the current year.

" 28. In discussing the yield of the new taxes which were imposed last year, I mentioned that we had been disappointed in our estimate for tobacco. The sudden rise in duties dislocated the import trade for a time, though it is possible that business would gradually have adapted itself to the new conditions. But we are informed that the rates which we selected have hit severely those particular forms of the tobacco industry in India which depend on an admixture of the foreign with the indigenous leaf. We are also doubtful whether our experiment has given us rates which are likely to combine the maximum of revenue with the minimum of hardship. It has been decided therefore to propose a reduction in the duties of about one-third all round, and a Bill to give effect to this change will be introduced to-day. On the assumption that it will become law, I have raised the yield of our tobacco duties by about 5 lakhs in the Budget.

" 29. Such then are the outstanding differences between the revenue we expect next year and that which we are collecting this year; but any one who runs his eye down the figured tables will see a number of other heads under which the Imperial share seems to have been largely increased or diminished. This is a result of the important readjustment of our Provincial settlements to which I have already alluded. It accounts for a large nominal reduction under Excise and Forests and a small nominal drop under Irrigation; with a *per contra*, though not an equivalent, adjustment of the Land Revenue which gives the Imperial account a larger and the Provincial accounts a smaller share of those receipts than formerly. On the other hand the provinces have benefited by the following grants, which have been handed over to them in the shape of a recurring increase in their share of the Land Revenue, *viz.* :—

£58,000 to the Central Provinces, the United Provinces and Bombay, for the completion of the grants which we promised in aid of the Police Commission's reforms:

£20,000 to Eastern Bengal and Assam, as an instalment of the recurring cost of the two police schemes already mentioned; and

£59,000 for the relief of municipalities and town areas from police charges in the United Provinces, and the Punjab; these being the only provinces where this concession has not yet been granted.

" Details of two other small grants will be found in the explanatory memorandum.

" Expenditure.

" 30. Our total proposed expenditure in 1911-12 is composed of £51,024,600 in the Imperial and £27,615,600 in the Provincial account. It is in the former figure alone that we are directly interested. As compared with our estimate of Imperial expenditure in the current year, it is ostensibly £846,900 higher;

[*Sir G. Fleetwood Wilson.*] [1ST MARCH 1911.]

the true increase is obscured, however, by the provincial adjustments which relieve the Imperial account of considerable expenditure—particularly under Forests—that formerly belonged to it. The real rise in Imperial expenditure is approximately £1,400,000; but I may at once ease the mind of the Council by explaining that £940,000 of this is reserved for the Royal visit next December and the ceremonials by which it will be marked. We have not yet found it possible to obtain detailed estimates for the cost of the gathering at Delhi for the Coronation Durbar, or for the military concentration which will accompany it or for a number of the minor episodes in the Royal progress. But we have provisionally entered in the Budget a sum of £633,300 for the civil and of £306,700 for the military expenditure, and I trust that the Council will not consider the figures to be higher than the people of India would wish to provide for the becoming celebration of a great historic event.

“ 31. The net increase in expenditure of the ordinary type is thus roughly £400,000. If we want to estimate the true normal measure of growth for the year, we should in fairness eliminate the effect of the special treatment of the Amir's subsidy in 1910-11. This would raise the figure to about £650,000, the result of a large number of minor and mostly unimportant variations. Railways account for about £285,000, composed entirely of growing interest charges; and Post and Telegraphs for about £125,000 more than covered by additional revenue from those services. Special interest attaches to a newly opened head of expenditure, which provides £120,000 as funds for protective irrigation works, over and above the amount allotted as usual from the famine insurance grant. The expansion of protective works in the past has been financed from the half million which in normal years is available from the famine grant; and up to the present the funds thus obtained have in practice been sufficient. But the time has now come when the further work which the Irrigation Department are ready to undertake would be hampered by the limitations and the uncertainty of the famine grant. Uncertainty we can never eliminate, I am afraid, as protective irrigation, like any other service which draws on our current revenues, must be prepared to take its share of short commons in bad years. But, when all is going well with us, we hope to be able to help the work from our general resources and supplement the limited provision to which it has hitherto been restricted. For next year accordingly we allot 78 lakhs, of which £400,000 appears in the famine grant and the balance outside it.

“ Of the other increases in expenditure there are none that call for special mention. Taken as a whole, they are roughly counterbalanced by reductions under two heads, Army and Opium. The total military charges are shown as £181,500 in excess of the current year; but when we remember that the grants include £306,700 for the movement of troops in connection with the Royal visit, it will be seen that we anticipate a genuine net diminution in Army expenditure. The expected saving under Opium is a natural consequence of the curtailment of our Bengal sales: we have amalgamated our two agencies into one, and we shall license a considerably smaller area of poppy cultivation for the next winter.

“ 32. So ends my general narrative of the Budget for 1911-12. The financial outlook for the time is satisfactory. If India is blessed with favourable seasons, the provinces should be in a strong position, and the Imperial exchequer should enjoy a short breathing space before it has to face the new responsibilities that lie ahead of it. In spite of a decline of £566,700 in that part of the Opium revenue which we treat as available for general purposes, and of an estimated drop (on grounds of caution) of £303,000 in our Customs revenue, we look forward to being able to meet all the reasonable needs of the administration without undue parsimony, to provide in no ungenerous fashion for the suitable reception of the King-Emperor, and to close the year with a surplus of fully half a million sterling. I cannot say that the future is free from anxiety. Amid the cheerfulness of returning prosperity, it would be foolish to forget the lessons of the period of depression from which we have now emerged, or to close our eyes to the difficulties that are in front of us. But I trust that those difficulties will be met by a careful husbanding of our resources and by a jealous watchfulness over expenditure in good years and in bad years alike.

[1st MARCH 1911.]

[Sir G. Fleetwood Wilson.]

"Military Services.

"33. Under Military Services the expenditure for five years is shown in the following table:—

	Gross.				Total.	Net. All Military heads.
	Army.	Marine.	Military Works.	Special Defences.		
	£	£	£	£	£	£
1907-1908	18,617,533	485,024	1,169,943	116,287	20,415,787	19,248,354
1908-1909	19,177,266	476,957	907,362	29,041	20,650,629	19,602,988
1909-1910	18,301,181	461,157	858,342	28,604	20,249,284	19,112,323
1910-1911 (Budget)	19,488,500	484,300	879,600	1,500	20,853,900	19,796,500
1910-1911 (Revised)	19,225,700	475,500	910,600	3,600	20,630,400	19,456,200
1911-1912 (Budget)	19,444,300	436,300	924,400	6,900	20,811,900	19,563,900

"34. When the budget for the current year was under preparation, the rates for food supplies were still at a comparatively high level, and we were faced with the necessity of providing for expenditure to the extent of £173,500 in connection with the Arms Traffic Operations in the Persian Gulf. 'Schedule' expenditure was placed at £452,700. By this expression I mean the provision for new schemes costing more than £3,300, a limit which brings within the Schedule all outlay on objects of a special nature such as the introduction of new armament and other major improvements in the direction of efficiency. The net budget figure for 1910-11 was eventually placed at £53,500 more than that of the previous year.

"35. Our estimate of the probable actuals of the current year indicates that the provision made was unduly large, and the net military expenditure of 1910-11 is now expected to be £250,300 less than the original budget estimate. Prices dropped at the beginning of the year, and the fall has been progressive. Contract rates have been more effectively controlled, and the extension of military grass farms is relieving us under the head of Compensation charges. We have thus returned to the standard of expenditure on food supplies which obtained in the year 1906-07. Ordnance charges have continued to decline, and the special provision for additional railway charges was only partly utilised. Various economies have also contributed to the anticipated saving, among which I may instance the abolition of two pony cart train cadres and of the experimental balloon section, the closing of the mounted infantry schools, and the retention of Army Head Quarters at Simla during the winter months. When reviewing the situation in November we thus found ourselves able to advise the Secretary of State that, to relieve the coming year's budget, a portion of next year's supply of military stores might be purchased at once, and in India we have similarly anticipated future requirements to some extent, as for example, by the purchase of transport animals the cost of which would otherwise have fallen on the estimates of 1911-12.

"36. Among the more important measures towards which special funds have been allotted I would mention the purchase of arms, entrenching tools and rifle carrying equipment, the reconstitution of the reserve of artillery horses, and the replacement of aged horses in British Cavalry regiments. Progress has also been made in the construction of a better type of lines for Indian Infantry and additional buildings are being proceeded with at Quetta, Jubbulpore, Ahmednagar and Risalpur to provide for the redistribution of troops.

"37. The Arms Traffic Operations which commenced in 1909-10 are now estimated to cost, to the end of the current year, a sum of £224,600 and for next year we have included an allotment of £133,300 for the same object. We are also in the coming year providing £306,700 for Indian military expenditure in connection with His Majesty's visit to India. Among other items in our Schedule of special measures, for which we have allotted £602,000 in the aggregate, I would allude to the provision of £100,000 for the rearmament of a number of Field and Mountain batteries. The Schedule also includes further allotments towards the purchase of rifles and the reconstitution of the artillery reserve and to replace aged animals in the British Cavalry regiments. A substantial advance will also be made in the reconstruction of the Indian

[Sir G. Flectwood Wilson.] [1st MARCH 1911.]

Infantry lines which was taken in hand at the end of last year, and in the building of the new lines near Darjeeling and at Dacca.

" 38. It will be seen that by making partial use of the savings obtained this year in the manner already described we have been able to provide for the exceptional outlay in connection with His Majesty's visit to India, while keeping the military budget substantially below the figure allotted in the estimates of the current year, the actual difference between the net provision for all military services in 1911-12 and that made in 1910-11 being £142,600.

" Railways.

" 39. It has become customary to bring together in this part of the Financial Statement the figures of capital expenditure on railways during the last five years and the similar estimate for 1911-12. I accordingly present the table as usual; it includes all capital outlay, whether incurred by the State or through the agency of guaranteed or assisted Companies.

	1906-1907.	1907-1908.	1908-1909.	1909-1910.	1910-1911 (Revised).	1911-1912 (Budget).
	£	£	£	£	£	£
Open lines including rolling stock	5,948,067	7,325,000	8,532,741	6,632,441	5,724,400	6,357,400
Lines under construction—						
(a) Started in previous years.	3,520,066	3,006,600	1,366,200	1,482,962	2,197,000	2,382,600
(b) Started in current year.	176,667	...	146,130	369,291	408,700	700,000
	9,660,800	10,331,600	10,045,071	8,984,694	8,325,100	9,500,000

" 40. On the 31st March 1910, the total length of open lines was 31,614·35 miles classified according to gauge as follows:—

5' 6" gauge	16,340·96
Metre	13,398·54
Special gauges (2' 6" and 2')	1,874·85
TOTAL	31,614·35

" During the current year we have added to these approximately the following mileage:—

5' 6" gauge	410·98
Metre	350·45
Special gauges (2' 6" and 2')	162·84
TOTAL	924·27

During the ensuing year it is intended to increase this length by 710·72 miles.

" 41. In the current year the return on the capital at charge amounts to 4·66 per cent., as compared with 4·48 in 1909-10, 3·60 per cent. in 1908-09 and 4·75 per cent. in 1907-08. The rate of interest which we have taken for the year on the debt chargeable to railways is 3·358 per cent.

" The current year has been more favourable than last year and the traffic returns show that there will be a large improvement over the Budget estimates. The improvement is largely due to the acceptance by the railway administrations of the reasonable limitations imposed by budget provision. The grants for working expenses, etc., are likely to be smaller than the Budget estimate by £418,960. If we take the railway revenue account as a whole, and set the interest charges, the annuities and sinking fund payments, and the minor debits (cost of land, etc.), against the net earnings, we find a surplus of £1,954,400 which accrues to general revenues. Last year there was a net gain to the State of £824,900.

" 42. In the Budget of next year provision has been made for an increase in the gross receipts over the current year in view of the prospects of favourable crops

[1st MARCH 1911.]

[Sir G. Fleetwood Wilson.]

and of the extra traffic expected in connection with the Coronation Durbar and from the opening of new lines and branches. Provision for working expenses has also been put up a little higher on account of improvements in permanent-way, rolling-stock and bridges. It is expected that the net surplus after providing for interest charges, which show an increase on account of growth of capital, will be £1,840,800.

" Irrigation.

"43. The financial position of our great Irrigation undertakings may be gathered at a glance from the following table, which carries on and brings up to date the information that it has been customary to give in previous Financial Statements :—

	1907-1908.	1908-1909.	1909-1910.	1910-1911. Revised.	1911-1912. Budget.
<i>Productive Works.</i>	£	£	£	£	£
Capital outlay to end of year	20,078,016	28,002,898	29,145,119	30,370,637	31,052,994
Direct receipts	2,160,389	2,213,644	2,240,011	2,248,581	2,257,100
Land Revenue due to Irrigation	1,035,088	1,084,773	1,111,153	1,188,300	1,199,367
TOTAL	3,195,477	3,298,417	3,350,169	3,436,881	3,456,467
Working Expenses	981,804	1,011,140	1,065,481	1,085,898	1,062,780
Interest	905,857	980,708	960,829	1,001,851	1,045,170
TOTAL	1,887,661	1,941,848	2,026,310	2,087,749	2,107,950
NET PROFIT	1,307,786	1,356,569	1,323,859	1,349,132	1,348,517
<i>Protective Works.</i>					
Outlay on construction to end of year	2,832,055	2,730,094	3,112,121	3,466,121	3,944,851
Direct receipts	47,025	33,980	58,066	48,919	63,700
Land Revenue due to Irrigation	5,445	6,271	6,230	11,000	11,733
TOTAL	53,070	40,251	64,296	59,919	75,433
Working Expenses	22,205	25,149	28,730	29,702	36,020
Interest	75,025	80,619	97,982	110,449	124,430
TOTAL	97,230	112,068	126,612	140,151	160,450
NET LOSS	44,160	71,817	62,316	80,232	85,017
<i>Minor Works and Navigation.</i>					
Direct receipts	232,045	219,334	235,691	236,300	245,200
Expenditure	838,728	879,339	889,435	907,982	938,143
NET LOSS	606,683	660,005	653,744	671,682	692,943

"44. On the 31st March 1910, 55,274 miles of main and branch canals and distributaries had been constructed, commanding nearly 47 million acres of culturable land, the area irrigated in 1909-10 being 21,976,846 acres. The

productive works during that year yielded a net return of 7·87 per cent. on the capital outlay of £29 millions after paying all charges exclusive of interest. The net profit to the State was £1,334,000. The Revised estimate for 1910-11 shows a net profit of £1,349,000 on productive works and a net return on capital outlay of 7·74 per cent.

" 45. On the 31st March 1911 we expect to have 55,857 miles of main and branch canals and distributaries constructed to command 49,829,700 acres of culturable land. It is expected that an area of 21½ million acres will be irrigated during the year. In addition to the canals in operation, there are altogether 51 projects which are either under construction, awaiting sanction or being examined by the professional advisers of the Government. Of these 22 are productive and 23 protective. They are designed to irrigate 7 million acres, and 2·24 million acres, respectively, at a total capital cost of about 34 and 16 crores, respectively. The former are expected to yield a net return of 7·31 per cent. on the outlay.

" 46. Although no very important works were sanctioned during the year, a number of schemes of the first magnitude have been under the consideration of the Government of India. Satisfactory progress continues to be made in the construction of the three canals comprised in the Triple canal project in the Punjab. As foreshadowed in last year's financial statement, the original estimate of cost has been seriously exceeded, the excess amounting to ₹264 lakhs or 32·5 per cent. over the original estimate. This large excess was due in some measure to the want of adequate provision for certain necessary requirements, but principally to a marked change in the economic conditions of the Punjab which raised the labour rate by about 50 per cent. This was due mainly to the great diminution of the population as the result of the ravages of plague, but other causes which affected the labour rate were the absorption of large numbers of the agricultural classes in tracts opened out to cultivation on the lately completed canals, and the keen demand for labour for agricultural operations, railway construction, etc. Mr. Renouf, Director of Agriculture, Punjab, who investigated the subject a year ago, came to the conclusion that the labour rate had doubled in the preceding 20 years, that the greater portion of the advance occurred in the last 10 years, and that the rise was most marked in the last 5 years of that period. The probable years of opening of the three canals are as follows :—

Upper Chenab canal	1918-14.
Upper Jhelum canal	} 1914-15.
Lower Bari Doab canal	

" 47. The execution of the Upper Swat canal in the North-West Frontier Province is proceeding satisfactorily. The tunnel through the Malakand range of hills will be about 10,000 feet in length and some 1,430 feet have now been excavated. The drilling is effected by power derived from a hydro-electric installation on the Swat River. Irrigation will probably be commenced on completion of the tunnel on which the average rate of progress is 7 feet a day. The additional storage reservoir at Dhukwan on the Betwa canal, United Provinces, and the Shwebo canal in Burma were finished during the year. Work on the Pahari Dam on the Dhassan river, the Pahuj storage reservoir, both in the United Provinces, and the Mōn canal system in Burma is far advanced.

" 48. The following important projects have been received and are now before the Government of India :—

Province.	Name of project.	Estimated cost (direct and indirect).	Classification as proposed by local Government.
		₹	
Madras	Cauvery reservoir project	3,85,00,000	} Productive.
Bombay	Sukkur Barrage	2,19,34,767	
	Rohri Left Bank canal	4,49,75,788	
United Provinces	Ghaggar canal	35,01,454	
Burma	Twante canal (Navigation canal)	72,80,973	
Central Provinces	Mahanadi canal	99,30,217	
	Weinganga canal	38,03,204	

[1ST MARCH 1911.] [Sir G. Fleetwood Wilson.]

"Of these the Twante canal scheme, which is designed to improve an important trade route in Lower Burma, has been submitted for the sanction of the Secretary of State.

"The important scheme for the introduction of perennial irrigation in Sind, of which the Sukkur Barrage will be the pivot, has already been alluded to in previous Financial Statements. The project is now being examined by the Inspector General of Irrigation.

"The Cauvery reservoir project contemplates the construction of an immense dam of dimensions not approached in any other similar work in the world. The dam will attain a maximum height of 201 feet and an average height of 113 feet. It will impound sufficient supplies to irrigate an area of 4,73,000 acres, and will bring into existence a vast artificial lake having a water spread of 58 square miles.

"Provincial Finance.

"49. In the realms of financial administration, by far the most important event of the coming year will be a notable change in the financial relations between the Local Governments and the Government of India; and I must now ask the indulgence of the Council while I describe this change in some detail. To an audience like the present, it would be superfluous to explain how the financial powers of the Local Governments are based upon what are known as the provincial settlements. Opinions may differ as to whether our settlement system is the ideal method of dividing the public revenues of India between the central Government and the administrations of the different provinces. For good or ill, however, the settlement system is with us: it has been developed and improved by long experience; and there cannot now be any question of throwing it over and searching for some alternative means of providing the provincial Governments with the resources which are necessary for the duties entrusted to their care. It is the provincial settlement therefore that we are using as the vehicle for the important reform which I am about to describe.

"50. Dating from Lord Mayo's Viceroyalty four decades ago, the settlements for many years were quinquennial contracts, and their periodical revision was a fertile cause of friction and improvidence and waste. In 1904 Sir Edward Law succeeded in investing them with greater permanence. They were no longer to be quinquennial; and although the Government of India reserved the power of revision, that power was to be exercised only when a settlement had become unfair to the central Government or to other provinces or to the province itself, or when the Imperial Government was faced with the alternative of levying benevolences or increasing taxation. The Local Governments were thus to be given a permanent interest in the revenue and expenditure under their control. Their share of the growing revenues was to be somewhat smaller than before; but it was to be so calculated that each province separately, and all the provinces taken together, were to be placed in possession of an amount of growing revenues which should bear the same proportion to the provincial expenditure as the Imperial share of growing revenues bore to the Imperial expenditure. The Government of India, as the final authority in India responsible for its finance and administration, retained the power to alter the settlements, but would use it only in the most exceptional circumstances. The new departure, as Sir Edward Baker said with permissible pride in describing it, was fraught with important and far-reaching consequences. Of these consequences one of the most important, as we can now see, was the impossibility of standing still, the certainty of further development. In a minute which Sir Edward Law recorded at the time, he wrote:—

'I am in full sympathy with the principle of encouraging the financial independence of local Governments. The arrangements now made will tend in the right direction; we are perhaps taking as big a step as is for the moment prudent, but I am convinced that we are still a long way from having attained all our desirable results. The whole question will, I anticipate, come up again in a few years, and we may fairly hope that when it does, another considerable advance will be made towards the desired goal.'

"The prophecy has come true; and it is the further step which my predecessor foresaw that we are now taking.

" 51. A critic of our financial history would find some grounds for questioning the permanency of the status which was conferred on our settlements seven years ago. The new series of *quasi*-permanent settlements was concluded, except for Eastern Bengal and Assam, in 1907; but almost before the work was finished, a complete revision was found necessary for the United Provinces and a substantial readjustment took place in Madras. Large subsidies had to be made to several provinces; in some cases, it is true, as a sequel of famine, but in others with no such justification. Burma has suffered considerable, though I hope temporary, inconvenience under its new settlement: Bengal has come to the verge of bankruptcy: and even from some of the more fortunate provinces hints have not been wanting that greater Imperial generosity is expected. It would sometimes seem as if permanency were a misnomer, and the contractual liability imposed by the settlements had been forgotten. My own view is that, although the settlement obligations might at times have been more rigorously enforced, this period of trial and transmission has been of great value to us. It has enabled us to test the different settlements thoroughly to find out their weak points, and to estimate the conditions requisite for genuine permanence. When the time came therefore for us to take up the whole question on a review of the Decentralization Commission's report, we were in a position, especially after full consultation with the local Governments, to lay before the Secretary of State, with some confidence, our conclusions as to the defects in the existing settlement system and their appropriate remedies. The Secretary of State has now accepted our recommendations, and I am thus able to place before the Council the general scheme of the new arrangements.

" 52. The financial settlement with each of the eight major provinces will in future be permanent. Widespread famine, whose periodical visits still defeat all our calculations, will have to be met, when necessary, by special arrangements for the succour of a distressed province from Imperial funds; and on the other hand the Government of India may at times be compelled to call on the provinces for assistance in case of a great war or in a grave financial crisis. Apart from these wholly special emergencies, however, the settlements will be fixed rigid and permanent. How far they will thereby differ from the existing arrangements, may best be described by showing what we mean the permanent settlements to imply in our dealings with provincial finances and budgets.

" In the first place, we intend that a province shall not in future budget for a deficit in its current revenue and expenditure, unless it satisfies us that the excess expenditure is due to a wholly exceptional and non-recurring cause and also, if the deficit involves a reduction of the provincial balance below the prescribed minimum, that suitable arrangements will be made for the restoration of the minimum. It will not therefore be permissible for a local Government in future to run through its balances, build up a heavy overdraft on the general balances of India, and then have to be set on its feet again by Imperial benefactions. If for any special and temporary reason a local Government has exhausted its own balances and receives permission to overdraw, it will have to take a short loan from the Imperial exchequer and pay interest on it. If in the last resort a province finds it impossible to keep its growing needs within the resources provided by its settlement, it may have to consider the propriety of raising special provincial taxation. I am far from suggesting that further taxation is a desirable thing; but it may be better for India as a whole that a province should tax itself than that it should live on its neighbours.

" 53. These are the more restrictive consequences which a permanent financial settlement will carry with it. But the advantages will not all be on one side. The settlements will not debar the provinces from sharing in any surplus which the Government of India may be in a position to distribute in a good year. Moreover the Government of India undertake that, when the fixed assignment of a province under its settlement becomes unduly high, it will ordinarily be converted, in whole or in part, into a share of growing revenue as soon as the state of the Imperial finances permits. Finally we shall no longer consider it necessary to exercise

[1ST MARCH 1911.] [Sir G. Fleetwood Wilson.]

the same minute control over the budgetary arrangements of the provinces as has been the practice in the past. Our intervention and corrections will be confined to the total revenue and expenditure in the local Government's estimates, and the figures of the few major heads in which the Imperial exchequer has a share.

" 54. Such then will be the characteristics of our settlements in future, and it is on these lines that the responsibility of each local Government for its own finances will be determined. Before starting the settlement system, however, on its new career, we considered it our imperative duty to overhaul the existing settlements thoroughly. This has been a most laborious task. Some of them have been the subject of complaint; and one or two of them have been working under unquestionable difficulties. A systematic review of them all was demanded, no less in courtesy to the local Governments than by our desire that the new arrangements shall be a success, and by our anxiety to relegate to the past whatever friction and discontent have been generated in our financial relations with the provinces. We have therefore subjected to the closest examination the position of each province and the history and antecedents of its current settlement. Our conclusions may be very briefly stated. In five out of the eight major provinces, the settlements have worked in a manner that indicates no flaws in the general lines upon which they were conceived. In Eastern Bengal and Assam, the settlement is new and almost untried; but we have no misgivings as to its success. In one province, Burma, there has been much inconvenience due to an over-estimate of its resources, which is now being slowly rectified. In the eighth province, Bengal, a settlement which began under the most favourable auspices has had a gloomy and troubled career. In its earlier days, large balances were eaten up by hasty and imperfectly considered increases in recurring expenditure; and when the present Lieutenant-Governor sought to apply the methods of ordinary financial caution, his economies were in a great measure defeated by the effects of high prices and the costly campaign against crime.

" 55. Brief though it necessarily is, this summary indicates that the defects in our present settlements are individual and not universal; and indeed the only generic fault in the system is the unwieldy size that has been attained by the fixed cash assignments in most of the provinces. To rectify this, to relieve those provinces where the financial position is now unsatisfactory, and to base the permanent settlements on a broad and stable foundation, has been the object of the changes and re-adjustments which are fully narrated in the Financial Secretary's explanatory memorandum.

" 56. From a purely financial point of view, the immediate effect of these changes is to convert fixed assignments amounting to the imposing figure of 3½ crores a year into growing revenue. In this way the normal annual growth of its resources in each province is brought much closer to the normal ratio of growth in its expenditure than has been possible in the past. It will now be the task of the Local Governments to see that these all-important ratios are kept in steady equilibrium; for otherwise no settlement devised by the mind of man can save them from ultimate bankruptcy. It is not only by its immediate financial results, however, that the scheme that I have just been describing must be judged. It will also, I trust, be a measure of real decentralization and administrative reform. It will give Local Governments a more abiding interest in managing and directing their own resources; it will greatly reduce the occasions for interference by the Central Government; and it will stimulate provincial independence and self-reliance. To the Government of India also it ought to mean much. It will relieve us from the unforeseen and indeterminate liability to which the Imperial revenues were formerly exposed by the financial difficulties of any individual province. To that extent it frees our hands for the closer regulation of our Imperial expenditure; and it enables us to lay down the lines of a consistent financial policy for the future. It marks a forward stage in the development of a political theory which has been steadily pursued for the last forty years. But it implies something more than theory; for I believe that the new arrangements will be found to be liberal by the provinces and I regard them as necessary in justice to ourselves and to the general taxpayer of India.

“ Way and Means.

“ 57. In last year's Financial Statement I described the constitution of our cash balances and the work that is thrown upon them. I need not repeat it all to-day. It was also explained that, apart from the ordinary domestic treasury business of the year, our chief transactions during 1910-11 were expected to be, that we should raise a loan of $1\frac{1}{2}$ crores in India and remit £15,500,000 to the Secretary of State in payment of Council bills; and that the Secretary of State would renew the whole outstanding £6,000,000 of India bills, raise further temporary debt in London to pay off the Indian Midland Railway's capital stock of £2,250,000; and complete the purchase of that concern by taking over the liability for its debentures. It was estimated that our closing balances would then be approximately 18·70 crores in India and 6½ millions in London.

“ 58. Here also, as in our Revenue account, the actual position has turned out much better than our forecast. We floated our small rupee loan last July at the favourable rate of a fraction over 96. The Secretary of State carried through the purchase of the Indian Midland Railway and raised, partly for that purpose and partly for future use, £4,000,000 in India bonds, under promise to redeem them by annual drawings in eight instalments beginning from 1911-12. He has also reduced his floating sterling debt from 6 to 5 millions. Owing to the general strengthening of our resources, we count on remitting to England, from our treasury balances alone, no less than £23,500,000 in Council bills; and we expect to close the year with roughly 18½ crores in our Indian account and 17 millions in London. So that our position at the beginning of next year will be unusually favourable. The high sterling balances maintained during the year explain the large interest receipts to which I have already referred.

“ 59. On the 1st of next April we estimate that our available cash balances, excluding the liquid gold held on behalf of the Gold Standard Reserve, will be £27,840,800 in India and England together. During the year the chief demands upon them will be as follows. The excess of current expenditure over current revenue, which is the net result of an Imperial surplus of £743,800 and Provincial deficits of £1,456,400, will be £712,600. The capital expenditure under our sanctioned Railway programme for the year will be £9,500,000, while for productive Irrigation it will be £1,266,700. The redemption of Madras Railway and Indian Midland Railway debentures, which fall in during the year, will absorb £1,776,200. The first drawings of the 1910 Bonds will require £500,000, and it is proposed to withdraw £500,000 of India Bills, thus reducing our floating debt to 4½ millions. To meet these requirements, we expect that £1,123,300 will be the available surplus of the net unfunded debt—service funds and savings bank deposits, etc.—in India, and £188,500 will be the net credit under a variety of deposit and remittance heads. The ample cash balances will be drawn upon to the extent of about £7,015,400; and the balance of our requirements, or £5,928,300, will be raised by borrowing, *viz.* :—£1,333,300 or 2 crores which will be the amount of our ordinary rupee loan in India, and £4,595,000 which the Secretary of State will float, partly on his own account and partly through Railway Companies. The closing balances will thus be 18½ crores in India and £8,322,200 in England exclusive of liquid gold held on behalf of the Gold Standard Reserve. The sterling balance is considerably higher than is usually required; but it includes a large part of our excess Opium receipts which will be kept in hand for the redemption of temporary debt at suitable opportunities.

“ 60. During the current year the Secretary of State has ‘earmarked’ £2,545,000 in London against the payment of bills from the Paper Currency Reserve silver in India. He will also invest £600,000 in gold securities on behalf of the Gold Standard Reserve from the proceeds of bills which we shall meet by drawing 90 lakhs from the silver branch of that reserve in India.

“ 61. In 1911-1912 it is the intention of the Secretary of State to draw bills upon our Indian Treasury to the amount of £15,825,000. As usual, he will sell additional bills so far as our resources may permit, if there is an effective

[1ST MARCH 1911.]

[Sir G. Fleetwood Wilson.]

trade demand for them. The foregoing announcements about loans and drawings are subject to the invariable reservations; the Secretary of State and the Government of India having full discretion to vary the amounts mentioned above in any way and to any extent that may be thought advisable.

“ Exchange and Currency.

“ 62. In Exchange matters, the fortunate year is that which has no history; and such has been the case with 1910-11. The rate has been strong and reasonably steady throughout. After the enormous sales of Council bills at the end of last year, and the continued heavy demand through April, it was not unnatural that there should be a certain re-action; and some slackening did take place in May and June. But it was only for a few days that the rate touched gold point, and there was never any anxiety. To the student of our trade statistics, this gratifying stability will require little explanation; for at no time during the year has the balance of trade been otherwise than heavily in our favour. During the first quarter, from April to June 1910, the excess of our exports was strikingly high. The import trade was strong though not abnormal, except perhaps for the heavy arrivals of gold; but it was completely overshadowed by the exceptionally large exports, particularly of rice, seeds, and high-priced cotton. The total balance in our favour for the three months reached the unprecedentedly high figure of 22½ crores. In the second quarter, July to September 1910, the balance steadied down, as it always does at that season. The import of piece-goods increased notably, and large supplies of sugar arrived: but the shipments of gold grew easier; and on the other hand the export of rice, wheat, cotton and seeds continued very steady. In each of the three months the balance was favourable, and for the quarter the excess of exports was 7½ crores. The third quarter of the year, October to December, was a little weaker. Piece-goods continued active, large quantities of sugar came in, and there were heavy imports of gold; while the outward trade sagged a little in jute though it continued moderately firm for rice, cotton, wheat and seeds. The balance for the quarter was 5½ crores in India's favour. The satisfactory promise of the rice crop, and the high prices ruling for cotton and opium, suggest that the present quarter will be about as good as were the three opening months of 1910; and the active demand for Council bills at the moment points in the same direction. If this expectation is realised, the year will have a remarkable record. Even in the first three quarters, as we have seen, the exports have exceeded the imports in value by 35½ crores, a figure which has never been approached in the same period before; and the result naturally has been a strong and favourable exchange.

“ 63. It cannot have escaped the attention of those who are interested in such matters that, although the balance of trade in our favour between April and December 1910 was about 8 crores higher than in the same periods of 1905 and 1906, the amount of Council bills sold was considerably smaller. In spite of the many and obvious reservations with which it must be applied, the connection between the Secretary of State's drawings and the balance of India's private trade is a law of obvious generality. When therefore we find the balance to be 35½ crores in our favour during a period in which the Council have sold bills for only 25½ crores there is clearly some indication of a change in the ordinary routine of our external finance. There has no doubt been slackness in the money market owing in part to the year's requirements having been somewhat freely discounted by the unusually heavy remittances last March. But other causes must have been at work, and if the movement is not a merely temporary phenomenon its development may be full of interest.

“ 64. Another remarkable feature of our trade requirements this year has been the striking economy in the use of our rupees. In previous years when our exports were being financed by heavy Council drawings and imports of sovereigns, the absorption of rupees was correspondingly high. In the last three years of normal exchange, for example, *viz.*, 1905, 1906 and 1909, the net loss of rupees from our Currency Reserve between April and December was 10 crores, 13 crores and 9 crores respectively. Between April and December 1910, so far from a large absorption, there has actually been a small net return of rupees from circulation. This entire reversal of the usual order of things has left us in an infinitely stronger silver position than the

[Sir G. Flectwood Wilson.] [1ST MARCH 1911.]

ordinary student of our financial system could ever have anticipated; and I fear that it has been a grievous disappointment to those interests in the market which calculated on the Government of India being speedily compelled to resume the coinage of rupees on an extensive scale.

"65. Closely associated with this unexpected strength in our currency reserve are two other notable features in the year's finance; and with a few remarks on them I shall bring my speech to a close. The first is the relatively small import of sovereigns as compared with the gold bullion which has been coming into the country. During the first nine months of the year the total imports of gold in all forms was close on £10 millions in value, out of which less than £3 millions were in coin. Under conditions which we had come to regard as normal, virtually the whole of these £3 millions would have been presented at our Currency offices and treasuries, and exchanged for rupees. As a fact, the greater share of it does not appear to have come to us either directly or indirectly; and it is believed to have passed straight into consumption. Combining this with the heavy absorption of gold bullion, I think we may assume that a change, slow it may be but of no small economic moment, is coming over the savings of the people. It is unsafe to speculate how far the coined gold which we import is working into active circulation; but that a large quantity of hitherto inert silver currency has been brought into use during the last year or so, seems incontestable, and to that extent the necessity for further additions to our coinage from new silver has been averted.

"66. The other point to which I wish to allude briefly is one that lends itself to more definite treatment. I refer to the gratifying increase in the use of our currency notes. I will give the net total of our paper circulation, for the last five years, after eliminating the holdings in our Reserve treasuries and in the balances at the head offices of the Presidency Banks:—

<i>Net Circulation in crores.</i>	1906-1907.	1907-1908.	1908-1909.	1909-1910.	1910-1911 (Ten months)
Average	35.92	36.47	34.84	38.98	40.35
Maximum	38.39	38.14	36.85	42.06	41.96
Minimum	33.08	34.91	32.88	36.07	38.52

"The steady upward march of these figures, barely checked by the serious depression of 1908, inspires me with considerable hope for the better organization of our currency and, may I say, of indigenous capital generally: Our new universal notes have, I believe, contributed materially to the growing popularity of our paper currency; some minor defects in their form, which have been brought to our notice, will shortly be removed; and the further extension of their use is being carefully considered. Meanwhile, the growth in the true circulation is so steady and assured that we now think it would be prudent to increase the fiduciary share in it, or in other words to enlarge that portion of the Currency Reserve which is held invested and not in actual coin. I hope therefore to introduce a Bill next week, which, if it becomes law, will enable us to raise the amount of securities included in the Reserve from 12 to 14 crores.

" Conclusion.

"67. In many respects the past financial year has been more akin to a normal year than any since I have been in India. We have been blessed with a bounteous harvest, peace has not been broken, trade has shown appreciable recuperation, financial returns have been good and, better than all, the dark cloud of internal trouble has lifted. We have much to be thankful for and we may reasonably anticipate in the coming year a continuance of divine favour.

"The one cause for anxiety is the heavy loss of income which at no distant date we shall have to face through the loss of our opium revenue. I have no desire to dwell on the bitter controversy which in the past has raged around the opium traffic. We have accepted and we are loyally carrying out a policy which subordinates financial to ethical considerations. The Indian people will be called upon to make sacrifices in the interest of humanity. They are a sensitive and a sympathetic race inspired by lofty ideals and I dare prophesy that they will not shrink from bearing their share of the burden since it will contribute to the uplifting of a sister nation."

[1ST MARCH 1911.]

[Sir G. Fleetwood Wilson; Mr. Robertson; Mr. Subba Rao.]

INDIAN TARIFF (AMENDMENT) BILL.

The Hon'ble SIR GUY FLEETWOOD WILSON: "In accordance with what I said on the Budget, I beg leave to introduce a Bill to amend the Indian Tariff Act, 1894."

The motion was put and agreed to.

The Hon'ble SIR GUY FLEETWOOD WILSON: "My Lord, I beg to introduce the Bill and also to move that the Bill be published in English in the *Gazette of India*."

The motion was put and agreed to.

PATENTS AND DESIGNS BILL.

The Hon'ble MR. ROBERTSON: "My Lord, I beg to move that the Report of the Select Committee on the Bill to amend the law relating to the protection of Inventions and Designs be taken into consideration. The object of the Bill has been on a previous occasion fully stated before the Council, and when presenting the Report of the Select Committee I made reference to the principal alterations made in the Bill by the Committee. No further suggestions of any kind have been received for the amendment of the Bill and it may now be taken into consideration."

The Hon'ble MR. SUBBA RAO: "My Lord, it is a matter of congratulation that the Bill has been brought into line with section 27 of the English Statute relating to patents, and I may be permitted to say that the entire credit for bringing it into line with the English Statute is due to the Hon'ble Mr. Robertson who is in charge of the Bill. All the more so, my Lord, as at the meeting of the 3rd January last, when the Bill was referred to the Select Committee, the Hon'ble Member held out no hope that the Bill would be amended in the direction indicated.

"My Lord, the question was not without difficulty. When section 27 of the English Statute was enacted, it was passed not without opposition. There was a body of opinion that predicted that if such a clause were introduced it would retard the industrial development of the country—it foretold all kinds of evil to British prosperity. The lead was taken by the Association of Patent Agents in England, and since the passing of the Act that Association has been strenuous in its endeavours to get the section modified or repealed. It urged that before revocation were granted the applicant, that is, the person who applies for the revocation of the patent, should prove that, 'he had applied for a license to manufacture in the country and had been refused, or that unreasonable terms had been proposed.' Recently, at a meeting of the Congress of the International Association for the protection of Industrial Property held at Nancy in October 1909, a resolution was passed to the effect that 'forfeiture should not be pronounced when the patentee can prove that he has sent to the manufacturers likely to be interested in the patent offers of a license on reasonable terms which they have not accepted.' Such are the endeavours which are being made even now to have section 27 of the English Statute amended.

"On the other hand, there was a large body of influential opinion for the enactment of such a clause. A deputation waited on Mr. Lloyd George, with representatives of more than a hundred Chambers of Commerce in the United Kingdom, and a large number of Members of Parliament, representatives of various industrial associations and of the operative classes. All these waited upon Mr. Lloyd George and urged that this compulsory working clause should be introduced in the English Statute, as has been done in other countries. After weighing all the arguments—*pro* and *con*—Mr. Lloyd George came to the conclusion that the clause would encourage British invention and promote British industry and that it would prevent the Patent laws from being used for the suppression of British industrial development.

"My Lord, it is only a very short time since the Statute was passed and still it is conceded by the opponents of the measure that in consequence of this section there have been several industries introduced into the United Kingdom by foreigners owning British patents and starting manufactures

[*Mr. Subba Rao ; Mr. Madge ; Mr. Robertson ; Mr. Jenkins ; Lieutenant Malik Umar Hayat Khan.*] [1ST MARCH 1911.]

there. In the long address recently delivered by Mr. Inray as the President of the Patent Agents' Association, he pointed out that 'in Australia and India, two of the most important British Colonies, they are actually introducing similar provisions to those contained in the Act of 1907, which will affect British manufacturers more than foreign manufacturers, because British subjects apply for more patents in the Colonies than do foreign subjects.' This gives us some clue to the nature of the opposition raised to section 27 of the English Statute. Taking all these conflicting opinions into consideration, the present section—section 23—has been very carefully drafted, and the safeguards laid down in the Bill before a patent is revoked are these:—

'that the applicant is prepared and is in a position to manufacture or carry on the patented article or process in British India;

and that the patentee refuses to grant a license on reasonable terms.'

"In other words the conditions laid down go to meet the views of those who are opposed to section 27 of the English Statute. I heartily congratulate, therefore, the Hon'ble Member in charge of the Bill for introducing this section in the present Bill.

"I must confess, my Lord, that I am not equally fortunate in regard to the other suggestion that I have made, *viz.*, that the Governor General in Council should be relieved of the duties that are sought to be imposed upon him under the Bill. However, as the patent business in this country is still in its infancy, not much hardship would likely be caused by the duties being undertaken by the Governor General in Council, as is proposed in the Bill. But I daresay that as the business grows larger it will be found more convenient and just that the duties proposed to be laid on the Governor General in Council should be transferred to the law officers or to the High Court, as is done in England.

"With these remarks, my Lord, I heartily support the measure that is proposed to be passed into law today."

The Hon'ble MR. MADGE: "As one of those who advocated the introduction of the revocation clause, I would not merely thank the Hon'ble Member for having done so, but also congratulate him on the excellent precautions that have been taken in section 23 to meet all the possible abuses that might have crept in in consequence of that section."

The motion was put and agreed to.

The Hon'ble MR. ROBERTSON moved that the Bill, as amended, be passed.

The motion was put and agreed to.

CRIMINAL TRIBES BILL.

The Hon'ble MR. JENKINS: "My Lord, I move that the Report of the Select Committee on the Bill to amend the law relating to the registration, surveillance and control of Criminal Tribes be taken into consideration. When I presented the Report of the Select Committee I explained all the alterations that had been made, and I have nothing further to say on the subject."

The Hon'ble LIEUTENANT MALIK UMAR HAYAT KHAN: "My Lord, having served on the Select Committee of this Bill, I want to offer a few remarks. There are so many criminal tribes which I know of and also their movements that I venture to say with some confidence that this Bill will be a great improvement on the previous one.

"Many of my suggestions along with those of others, as will be seen from the Report of the Select Committee, have been already embodied in the Bill as it now stands. I intended to move an amendment relating to members of secret societies and of linked 'gangs' of cattle-lifters. My object in thinking of moving such an amendment was to bring under the provisions of this Bill two classes which are far more dangerous and mischievous than any other that could possibly be imagined under the Criminal Tribes Act.

"As the anti-British propaganda is now on foot, there are many societies which have been formed with the common object of committing violence or murder, as unfortunately happened only the other day, or of wandering in

[1st MARCH 1911.]

[Lieutenant Malik Umar Hayat Khan.]

military lines or elsewhere in the country to preach sedition. As these have got a common object, they can easily be termed 'gangs,' and as the offences are non-bailable, their members can easily be brought under the provisions of sections 2 and 3 of the Bill.

"I intended to move the addition of a separate sub-section only with a view to make it clearer and more forcible; but as it is already covered by the Bill, I have not put forward the amendment.

"As to the linked 'gangs' of cattle-lifters, though the members composing them do not make up a 'gang' in a single district, all of them taken collectively in the different districts do make up a 'gang' under this Bill. They are so organised that they can send livestock, for instance, from Bikanir State to Dera Ismail Khan, or *vice versa*, a distance of hundreds of miles. This makes it impossible for the real owners and the authorities to cope satisfactorily with such criminals. The way in which the system is run is called *Russa system*. Supposing there are four districts side by side, each, say, sixty miles broad. Then there need be only three men in each district linked together and living apart from one another at a distance of 20 miles to carry cattle to 200 miles from the place from which they are originally lifted. Things which fall into one man's hands are taken by him to a distance of 20 miles to the second man, the second man takes them to the third, and the third man farther on to another district, and so on. This acts automatically like the relays for a mail carriage. The cattle-lifters do it so effectively that the owners have given up all faith in the police and do not report cattle-thefts to the police-stations; but rather go to the same cattle-lifters to ask for the stolen property, who generally, by taking considerable sums of money, return it to them. Now, my Lord, these three persons in a district, living 20 miles apart from one another, may not be termed a 'gang'; but if all the persons so linked in the different districts are taken together, they are surely a 'gang' under the provisions of this Bill. Thus such men also are members of criminal tribes under sections 2 and 3 of the Bill. I intended to separate them from the rest in order to make the matter perfectly clear. But as it is already there and especially because I have been assured by the Legislative Department that members of secret societies and of 'gangs' of cattle-lifters can be efficiently dealt with under the Bill, I have refrained from putting forward any amendment. And I have made these remarks with a view to invite the particular attention of Magistrates to this matter and in order that it may remain on the record.

"Some of the Magistrates who administer the law cannot, owing to stress of work, always go through the Objects and Reasons along with the speeches on a Bill so as to be able to understand the real object of that law, and are thus now and then apt to make mistakes. If, therefore, a point is made quite clear by a speech, it will never do any harm, but on the contrary, is certain to do good.

"The one thing that I am particularly glad to notice is that though this Bill is not directly intended for one of the purposes, yet it will do an immense amount of good in that particular direction. What I mean to say is that when these tribes are restricted to a particular area and cannot earn their living in the criminal ways they have hitherto been following, they will be obliged either to become regular labourers or to join the ranks of agriculturists and help them in their work. Of both of these things we are greatly in need.

"With regard to the young boys belonging to criminal tribes, as I have already urged in the Select Committee, all these boys, to whatever reformatory, etc., etc., they are sent, should be brought up, till they attain their majority, in the respective religions in which they have been born. I have no doubt that this will be carefully observed.

"Many discretionary powers, which now vest in the Governor General in Council, could have well been left to Local Governments. The present system, I am afraid, will entail some waste of time of the highest authority.

"I should have also liked, my Lord, to add to section 24 (b) the words 'any other non-bailable offence' after the word 'robbery' in order to give

[*Lieutenant Malik Umar Hayat Khan ; Mr. Jenkins ;* [1ST MARCH 1911.]
Mr. Gokhale.]

a wider scope to the section, knowing that there are many offences worse than robbery. But, as I gave no notice of this amendment, it only rests with the Hon'ble Member in charge to add this if he thinks it will be an improvement. I asked, my Lord, while in Select Committee, to change the words 'Queen's coin' into 'King's coin' or to use both the expressions. It is an ordinary matter ; but, if there is nothing illegal about my suggestion, I would still urge that the alteration proposed by me should be made.

"In conclusion, I would urge that in exercise of their powers under this law Magistrates should be sufficiently lenient towards landholders or headmen who sometimes fail to report about the members of criminal tribes and their movements. It is very easy for these people to disguise themselves or escape observation, and much harm will not be done in showing leniency if it is seen that the failure to report has not been intentional.

"With these few remarks, my Lord, I beg to say that this Bill be passed, even if my few suggestions are not accepted."

The motion was put and agreed to.

The Hon'ble MR. JENKINS moved that the Bill, as amended, be passed.

The Hon'ble MR. GOKHALE : "My Lord, I had no intention of speaking to this motion, but certain remarks that have been made by the Hon'ble Lieutenant Umar Hayat Khan cannot be allowed to pass unnoticed, and that is why I rise to offer a few observations. I am not quite sure that I have correctly understood the Hon'ble Member, but if I have, I think that he has made statements for which there is really no justification in the clauses of the Bill which we are considering. I think the Hon'ble Member said that this Criminal Tribes Bill would also cover the case of political preachers who create unrest, members of secret societies, and so forth. Now, this very question was raised in Select Committee by the Hon'ble Member. He then proposed that the Bill should be made applicable to sanyassis, members of secret societies and such others, and there was a discussion, and he was told that the clauses of the Bill were intended only for members of criminal tribes, that sanyassis were not members of such tribes, that even members of secret societies could not be described as members of criminal tribes and that therefore the Bill could not apply to those cases. Having been told so, and the Select Committee having held that view, I am surprised that the Hon'ble Member should stand up in this Council and put the interpretation that he has put on this Bill. Of course, no one is bound to take the Hon'ble Member's law seriously, but if his statement is allowed to pass uncorrected it would create a wrong impression in the mind of the public and produce mischief ; and I therefore have thought it necessary to make these few observations."

The Hon'ble MR. JENKINS : "My Lord, what the Hon'ble Mr. Gokhale said is perfectly correct. The question of the possible application or misapplication of an Act of this kind to secret societies was discussed in Select Committee, and, apart altogether from the propriety of such action, there is this difficulty. Before any persons can be registered as belonging to a criminal tribe, it is necessary to define them. You must have some definitions which will apply to every person whom you propose to class as a member of that criminal tribe. When societies are formed consisting of people of many different classes, with many different religions, it is impossible to reduce all of them to any common denominator, and for that reason it is quite impossible, even if we wished to provide for such a thing, that an Act of this nature should apply to secret societies. The same remark applies to the case of cattle-lifters which the Hon'ble Member has mentioned. In so far as they belong to distinct tribes, as they very often do both in the Punjab and in Sind, they are when necessary treated as criminal tribes ; but when you have an association of cattle-lifters drawn from a large number of sources, a sort of Robin Hood gang, then of course it is quite impossible to deal with them under this Act. I think it is necessary to make this statement in order to avoid any misapprehension."

The motion was put and agreed to.

The Hon'ble MR. JENKINS moved that the Bill, as amended, be passed.

The motion was put and agreed to.

[1ST MARCH 1911.] [Mr. Butler ; Sir T. R. Wynnne ; Mr. Clark.]

INDIAN PORTS (AMENDMENT) BILL.

The Hon'ble MR. BUTLER :—"My Lord, I beg leave to move that the Report of the Select Committee on the Bill to amend the Indian Ports Act, 1908, be taken into consideration.

"The Report of the Select Committee is in the hands of Hon'ble Members. The provisions of the Bill have at no time been the subject of criticism, and only two small verbal corrections were made in Select Committee. They were of such a trifling character that it was not thought necessary to republish the Bill, and since the Select Committee have concluded its deliberations no further suggestions have been made. I have therefore nothing more to say."

The motion was put and agreed to.

The Hon'ble MR. BUTLER moved that the Bill, as amended, be passed.

The motion was put and agreed to.

INDIAN TRAMWAYS (AMENDMENT) BILL.

The Hon'ble SIR T. R. WYNNNE :—"My Lord, I beg to move that the Report of the Select Committee on the Bill to amend the Indian Tramways Act of 1886 be taken into consideration.

"The Bill is a very short one and merely provides that the provisions of the Tramways Act of 1886 be made applicable to monorails as well as to tramways worked by electricity."

The motion was put and agreed to.

The Hon'ble SIR T. R. WYNNNE moved that the Bill, as amended, be passed.

The motion was put and agreed to.

INDIAN FACTORIES BILL.

The Hon'ble MR. CLARK : "My Lord, I rise with your permission to make a brief statement in connection with the Factories Bill. The Hon'ble Mr. Birkmyre handed in yesterday certain amendments to the Bill which he proposes to move when it comes on for its final consideration in Council towards the end of the present month. In view of the importance of those amendments and the weight attaching to any proposals put forward by the Hon'ble Mr. Birkmyre, who, as Your Lordship is aware, is in a special degree the representative of the jute industry on this Council, it seems desirable that attention should be at once called to these amendments in order that before the final stage of the Bill is taken ample opportunity may be given for their consideration and criticism, not only by Hon'ble Members but also in the country at large. The text of the proposed amendments will be printed and circulated with as little delay as possible, but the importance of making them generally known, I think, justifies my taking up the time of Council for a few minutes.

"It will be remembered that certain Members of the Select Committee appointed to consider the Bill, including some of those Hon'ble Members who specially represent in this Council the interests of the great textile industries, attached to their signatures to the Report a minute expressing their dissent from the clauses in the Bill relating to the restriction of the hours of work of adult male operatives in textile factories. The Hon'ble Mr. Birkmyre was among those who signed the minute of dissent and the amendments which he now puts forward contain, I presume, alternative suggestions on the part of the jute, and possibly of the other textile, industries. These suggestions are as follows :—In the Bill as it stands the hours between which a textile factory is allowed to work under clause 29 are 5-30 A.M. to 7 P.M. These hours, which are also the prescribed hours between which women and children are allowed to work, were adopted in accordance with the recommendation of the Factory Commission. The Hon'ble Mr. Birkmyre proposes that these hours should be altered to 6 o'clock in the morning and 7 o'clock in the evening, including a corresponding alteration in the hours of women and children.

[*Mr. Clark; Mr. Birkmyre.*] [1st MARCH 1911.]

Clause 21 of the Bill, it will be remembered, prescribes a compulsory half-an-hour's stoppage of all work after every six hours' working. Consequently the effect of these amendments, if I understand the proposal correctly, would be as follows:—Work would begin at 6 A.M.; there would be a stoppage at noon for the compulsory interval of half-an-hour; work would recommence at 12-30 and stop at 6-30 P.M. for the second compulsory interval of half-an-hour, which would bring the day up to 7 o'clock, after which work is not allowed. Or mills might prefer to give a full hour's interval at 12 o'clock, as some do now, or two half-hour stoppages in the course of the day, and would then be able to work up to 7 P.M. instead of stopping at 6-30. The effect of these amendments therefore would be to establish a 13-hours factory day instead of the 13½-hours factory day prescribed in the Bill as it now stands. From these 13 hours, two half hours will have to be deducted under the provisions of clause 21, leaving a working day of 12 hours. The Hon'ble Mr. Birkmyre then proposes to move the omission of clauses 28 and 31, which contain the specific limitation of the hours of adult labour in textile factories.

"The Hon'ble Member also proposes an amendment to clause 32 of the Bill which provides that no child shall be employed in any textile factory for more than six hours in any one day. The Hon'ble Member proposes that the six hours should be increased to 6½. Considerable objection was taken in Select Committee to the limitation of children's hours of labour to six. It was urged that the children's six-hours day would prove highly inconvenient in jute mills where the work is carried on by shifts and where the machinery will be running continuously for the whole 13½ hours during which, under the provisions of the Bill, women and children may be employed. The representatives of the industry pointed out that two sets of children working six hours each would cover only 12 hours instead of the full 13½ hours during which the mill would be running, thus necessitating the employment of a third shift to cover the remaining hour and a half. I presume that it is with a view to remove this grievance that the Hon'ble Mr. Birkmyre proposes to increase the children's hours of labour to 6½ hours, since two shifts of 6½ hours would fit in with the factory day of 13 hours which he proposes under the amendments already described.

"I hope I have made these proposals clear. If I understand them correctly, briefly summarised, they amount to this: that clauses 28 and 31 providing for the direct and specific limitation to 12 hours of the working hours of adults in textile factories should be omitted, and that clause 29 should be amended so as to limit the factory day to 13 hours, instead of 13½ hours, beginning half an hour later than is prescribed in the Bill as it now stands. It is intended, I gather, that the compulsory half hour stoppage after every six hours working would then secure that not more than 12 hours should be worked in the day. At the same time it is proposed, presumably in order to fit in with the scheme of 13 hours in those mills that are worked by shifts, that the hours of labour of children, which would also of course begin half an hour later than is now prescribed in the Bill, should be extended from 6 to 6½ hours in the day. There are also certain consequential alterations which need not be mentioned here.

"It is of course impossible for the Government of India to express any opinion at the moment upon these amendments. It is unfortunate perhaps that they should have been put forward at so late a stage instead of having been submitted for consideration by the Select Committee, but they have clearly been framed in a spirit of moderation and with a genuine desire for effecting a settlement of this difficult and contentious question. Government will lose no time in obtaining the opinions of Local Governments on the subject, and they will undertake that the whole matter shall be most carefully examined before the final stage of the Bill is reached."

The Hon'ble MR. BIRKMYRE: "My Lord, with your permission I would like to say a few words chiefly with a view to explaining the late introduction of the amendments to the Factories Bill of which I have just given notice and the purport of which has been so lucidly explained by the Hon'ble Mr. Clark.

[1ST MARCH 1911.] [Mr. Birkmyre ; Mr. Butler.]

“ Obviously the first thing which will strike Hon'ble Members is why those amendments were not brought forward for discussion when the Bill was before the Select Committee.

“ As is well known, the most contentious point in the Bill was the question of arbitrary direct limitation of the working hours of adult males in textile factories.

“ Sharing the fate of many difficult problems, the discussion of this point was postponed till the last. Needless to say many suggestions were put forward of all of which, while admitting the fact that 12 hours was a long enough day for any worker, endeavoured to overcome the objectionable legislative interference with the rights of individuals. All such suggestions proved unworkable on discussion and the solution as embodied in the amendments now handed in occurred to me too late to enable the Select Committee to consider it. As the Hon'ble Mr. Clark has said, this point has proved a difficult and contentious one, and the knowledge of how anxious the Select Committee were to arrive at a suitable compromise must be my excuse for bringing the matter up at this late stage. The Hon'ble Mr. Clark has fully explained how the adoption of those amendments will bring about an automatic limitation of 12 hours work for adult males in textile factories. The Hon'ble Member has also explained how the adoption of a maximum 6½-hour day for children will enable those mills which wish to take full advantage of a 13-hour working day to employ only two shifts of children. This would be the only practical and effective method of working children and I would also point out that it would greatly facilitate inspection. My proposals being in the nature of a compromise can only be considered as a whole and if accepted, the advantage to all labour, especially to women and children, is emphasised in the later hour of beginning work. This is a point very strongly brought out by the Factory Commission and later urged by independent sources, and is worthy of great consideration. The disadvantage to the industry which I have the honour to represent and which is the only textile industry in India working with the shift system, to any great extent, will be the curtailment of the working day by half an hour. Against this however is set off the deletion of the fixed limitation to which we have so strongly objected and the extra half an hour for children to which reference has already been made.

“ I trust, My Lord, the amendments will not only receive the support of all those interested in textile factories, but also the favourable consideration and support of Government when the Bill comes up for final discussion.”

BIRTHS, DEATHS AND MARRIAGES REGISTRATION (AMENDMENT) BILL.

The Hon'ble MR. BUTLER: “ My Lord, I beg to move for leave to introduce a Bill further to amend the Births, Deaths and Marriages Registration Act, 1886. The object of this small Bill is to facilitate registration by making it less irksome. At present the law requires personal attendance to report at the registry office, but it is now proposed to dispense with personal attendance and to allow notice of births and deaths to be given in writing. The opportunity has also been taken to delegate to Local Governments certain rule-making powers at present vested in the Government of India.”

The motion was put and agreed to.

The Hon'ble MR. BUTLER introduced the Bill, and moved that the Bill together with the Statement of Objects and Reasons relating thereto be published in English in the Gazette of India and in the local official Gazettes.

The motion was put and agreed to.

INDIAN UNIVERSITIES (AMENDMENT) BILL.

The Hon'ble MR. BUTLER: “ I move for leave to introduce the Bill further to amend the Indian Universities Act, 1904. This also is a small and non-contentious Bill. At the present moment, in the Allahabad University 10 Fellows can be elected either by the Senate or by the registered graduates. At

[*Mr. Butler ; Pandit Madan Mohan Malaviya ;* [1ST MARCH 1911.]
Mr. Carlyle.]

present they are actually elected by the Senate. The law does not allow them to be elected partly by the Senate and partly by registered graduates. The Bill has been framed with a view to permit this. It will then be at the discretion of the Chancellor to direct that they shall be elected either by the Senate or by the registered graduates, or partly by the Senate and partly by the registered graduates. I do not anticipate that there will be any opposition to this measure, so I will not detain the Council further."

The Hon'ble PANDIT MADAN MOHAN MALAVIYA : "My Lord, when the Universities Act was passed, the legislature provided that 10 Fellows should be elected by the Senate or by registered graduates. In the three Provinces in which Universities had been established at an earlier period than at Allahabad, *i.e.*, in Calcutta, Bombay and Madras, registered graduates had the privilege of electing 10 Fellows of the University conferred on them by the Act. In the case of the Universities of the Punjab and Allahabad, it was provided that 10 Fellows might be elected by the Senate or by registered graduates when the Chancellor of the said Universities extended the privilege to such graduates. My Lord, the privilege was extended some time ago to the graduates of the Punjab, and the registered graduates of the Punjab elect 10 Fellows of the Senate of the University. So that of the five Universities in existence in India at present four now allow 10 Fellows to be elected by registered graduates. The graduates residing within the jurisdiction of the Allahabad University have not had the good fortune yet to have this privilege extended to them. It is no doubt in the power of the Chancellor of that University to allow 10 Fellows to be elected there also by registered graduates as has been done in the case of the Punjab. But, my Lord, in spite of several representations made by the Provincial Conferences and other bodies, it has not been the good fortune of graduates in the United Provinces to be allowed to exercise the privilege which their fellow-graduates in other Provinces do.

"The proposal which has been brought forward now seems undoubtedly to be unexceptionable, because it proposes to give us something where at present we have nothing of that privilege. That is to say, if it is permitted that the Chancellor might allow 10 of the Fellows to be elected partly by the Senate and partly by registered graduates, the graduates may have a chance of electing some of these Fellows at least. My Lord, I venture to think that I represent the views of many graduates in the United Provinces when I say that they would have preferred to wait a little longer to enable the Chancellor to be satisfied that the graduates of the United Provinces should be allowed to exercise this privilege, and to allow 10 Fellows to be elected by them, rather than to have a change made in the existing law in order to enable the Chancellor to allow less than 10 to be elected by them. They have waited for many years and they would have been content to wait a little longer in the hope that probably after a short time the privilege would be extended to them.

"I do not know, my Lord, what further to say about the Bill. It no doubt improves the chance of graduates being allowed to exercise a privilege which they do not at present exercise, but under all the circumstances of the case I cannot say that I welcome the Bill."

The motion was put and agreed to.

The Hon'ble MR. BUTLER introduced the Bill, and moved that the Bill together with the Statement of Objects and Reasons relating thereto be published in English in the Gazette of India and in the United Provinces Gazette.

The motion was put and agreed to.

CO-OPERATIVE SOCIETIES BILL.

The Hon'ble MR. CARLYLE : "My Lord, I beg to move for leave to introduce a Bill to amend the law relating to Co-operative Credit Societies. When Sir Denzil Ibbetson introduced the Co-operative Credit Societies Bill in October 1903, he remarked : 'I believe that it would be hard to exaggerate either the importance or the difficulty of the experiment upon which we are about to embark. I feel by no means certain of success. And if we do achieve success,

[1ST MARCH 1911.]

[Mr. Carlyle.]

I do not expect to find in it a panacea for all the difficulties of the Indian cultivator. But I am convinced that if we can succeed in inducing him to combine with his fellows to utilise their collective credit for the benefit of each, we shall have done a great deal to lessen those difficulties and to improve his condition. At any rate, I hold it to be the bounden duty of Government to give the experiment a fair trial, and to do all that lies in its power to make it successful. But it must be remembered that success or failure lies in other hands than ours. We can do nothing of ourselves. We can offer encouragement, advice, legal facilities, and executive and financial assistance. It is for the people to decide whether they will avail themselves of our offer.' The offer has been made to the people, and by the people it has been accepted. While the present Act was under discussion in Council many fears were expressed. There was, said one Indian Member, the want of that one essential quality, namely, co-operation, which has been a prevailing defect of the Indian character from a long time and the cause of many evils. Another Member held that insistence on the principle of unlimited liability was likely to keep away from the new societies those very classes whose help and co-operation would be indispensable. This Member also held that insufficient provision was made for financial resources, and that the absence of some summary procedure to recover the debts due to societies, was likely to interfere with their success. Notwithstanding all these doubts and fears, co-operation has established its footing in India. While the movement is still in its infancy, yet it is a robust and vigorous infancy which gives great promise for the future. It has been found that the root of the matter does exist in India, and that Indians will co-operate, that unlimited liability is not a bugbear, that societies are succeeding in attracting capital, and that they have not found the absence of a summary procedure an insuperable difficulty in the way of collecting their debts.

"According to the last figures available, there are now 8,456 urban and rural societies with a membership of 226,958 persons, and with a working capital of Rs. 1,03,27,748; of which, I am glad to say, only Rs. 7,21,775 comes from Government. This is the result of 7 years' working. In Germany there were only 1,729 Co-operative Credit Societies working in 1890, 23 years after the first Prussian Co-operative Law was passed. In Austria the co-operative movement commenced in 1878. After 17 years there was only one Raffeisen Bank for 131,000 inhabitants. Here, excluding Native States, we have already in 7 years got approximately one rural Co-operative Society to just over 70,000 people. In Italy the first rural bank was founded in 1883, and it took 24 years to bring the number up to 1,461. Seven years after the movement had commenced, there were only 44 banks. Making every allowance for differences in membership of the societies and for the fact that India has benefited by the pioneer work, specially, of Germany and Italy, and that the pioneer work has been done here by the State and not by individuals fighting against the State, yet the figures I have given testify to an extraordinarily rapid advance.

"It may be asked why, if the movement has been so successful under the existing Act, not remain content with it? My answer is that it is largely owing to the very success of the movement that a new Act is required. The success of co-operative credit societies has paved the way for co-operative societies formed for other purposes, and it is difficult to fit them into the provisions of an Act which was not intended for them. In saying this I cast no reflection on the framers of the present Act. It was deliberately resolved to limit the Act to credit societies, and the decision was a wise one, while the scheme was in the experimental stage. But now that the co-operative movement is well established, it is clear that provision must be made for co-operation not merely to borrow, but also to purchase and produce. Moreover it is essential to provide, as I will show later on, for the union of societies in larger bodies so as to secure a large measure of non-official inspection and control and to facilitate the raising of funds. Seven years' experience has brought to light many minor defects in the Act. The question of the amendment of the Act was very carefully considered before the Legislative Department undertook the drafting of this Bill.

Two annual conferences have considered what changes are needed, and Local Governments have been consulted on a rough draft of a Bill framed at the Conference of 1909.

"I will to-day only mention those points in the Bill which are of special importance. I have already touched on the need of providing for Co-operative other than merely Credit Societies, and I need say no more regarding this. Another important change relates to the classification of societies. Under the existing Act the classification of societies depends on whether or no the members of the societies are mainly agriculturists. The main division is into rural and urban societies. In a rural society not less than four-fifths of the members must be agriculturists. In an urban society not less than four-fifths of the members must be non-agriculturists; and in a rural society, save with the special consent of the Local Government, the liability of the members is unlimited. This classification was objected to at the time by many critics, notably by Mr. Wolff, and experience has shown that the critics were right. Sir Denzil Ibbetson, when introducing the Bill, pointed out that in the case of rural societies, unlimited liability was best suited to the agricultural classes to whom such societies are confined, and no doubt it is generally the case that unlimited liability is best for a society of small agriculturists, as it ensures caution in admission to membership and strict control over the manner in which loans are spent and the purposes to which they are devoted. All these considerations, however, apply with equal force in many other cases; take for instance a small society of weavers working together in one place whether in the town or in the country. Again, a rural society may consist of a number of well-to-do people who could derive great advantage from co-operating but who are not prepared to undertake unlimited liability for one another's debts. The true distinction appears to be between limited and unlimited societies. In many cases urban societies should be unlimited. In some cases there is no reason why rural societies should not be formed of limited liability.

"There is likely to be more difference of opinion regarding the provisions of section 28 of the Bill permitting of the distribution of profits on certain conditions to members of societies of unlimited liability. The distribution of profits is permitted even under the present Act, but the stringency of the provisions has been much relaxed. It will, I think, generally be recognised that the inclusion of provisions for the division of profits to the members of unlimited co-operative societies tends to bring in influences dangerous to the true co-operative spirit. We must, however, accept facts, and not insist on pushing too far our co-operative idealism. Especially in the Punjab and in Burma it has been found that the possibility of obtaining shares in a society with the prospect of ultimately participating in the profits has induced many who would not otherwise have done so to join the movement.

"The last change in the law I propose to notice—and it is one of very great importance—is that which provides for the possibility of grouping all societies into unions. I will very briefly indicate the great importance of this matter. It is not at all unlikely that it may appear to many who are not acquainted with the subject that it is for the Government to provide for the inspection of societies, and that Government might well be more liberal in its assistance in the shape of loans. In my view it is of the utmost importance to the healthy and successful development of the movement that Government interference and help should be reduced to a minimum. We have, on the whole, been very fortunate so far in securing for the development of the movement officers who have thoroughly sympathised with and who have a thorough grasp of the principles of the whole movement. But if co-operative societies develop in the future as fast as they have done in the past, and if Government control continues to be as close as it is at present, sooner or later the whole business of inspection must become departmentalised. In dealing with co-operative societies a mere knowledge of rules is useless. Mere mechanical inspection and control would destroy and not build up the co-operative spirit. It is possible to get a few officers with the necessary gifts and knowledge, but if the number of officers to be appointed were large, such special selection would ultimately become impossible; and anything in the nature of Government control by officers appointed *ex officio*, and not specially selected,

[1ST MARCH 1911.] [Mr. Carlyle ; Babu Bhupendranath Basu.]

is almost bound in the long run to be injurious. On the other hand, if co-operative societies join together to form unions, each of these unions should be able to provide from among their members some men with the necessary knowledge and enthusiasm to guide those who require help. The business of the unions will be not merely to obtain funds to finance the societies belonging to them, but to see that the societies are conducted on right lines and are not endangering the stability of the whole union. Unions, such as I have described, are also essential to bring co-operative societies into touch with the money market. In many cases, the village societies attract loans locally. But more than this is required, and it is of great importance, for several reasons, that the village societies should be in touch through their unions with a larger money market. Among other reasons it is necessary to equalise the demand and supply of loanable capital at different seasons. Probably some may say, 'Why should not Government itself advance the money?' The money is safe, and it can be lent at rates which would make the transaction one from which Government would actually profit. I may at once say that personally I have no doubt that Government could lend, and lend without loss, on a very large scale. But leaving aside the fact that Government cannot take out of the hands of private persons the financing of the agriculture and petty trade of the country, were it to embark on such loans on a large scale, the advances would necessarily be made on more or less hard and fast rules. On the other hand, if societies are obliged like any one else to borrow in the open market, their creditors will exercise a very powerful, though frequently indirect, influence on the business methods of the societies and on the objects to which loans are devoted.

"I do not propose to-day to go any further into the minor details of the Bill. They will, I have no doubt, along with more important points, be carefully scrutinised at a later stage in Select Committee with the help of any criticisms we may receive after the Bill has been published."

The motion was put and agreed to.

The Hon'ble MR. CARLYLE introduced the Bill and moved that the Bill, together with the Statement of Objects and Reasons relating thereto, be published in the *Gazette of India* in English, and in the local official Gazettes in English and in such other languages as the Local Governments think fit.

The motion was put and agreed to.

SPECIAL MARRIAGE (AMENDMENT) BILL.

The Hon'ble BABU BHUPENDRANATH BASU moved for leave to introduce a Bill to amend the Special Marriage Act, 1872. He said:—

"May it please Your Lordship—In introducing this Bill which stands in my name I shall take the liberty to place before the Council very briefly the history of the law which at present governs marriages between persons who are not married according to the orthodox rites of the religion in which they were born. I shall deal principally with the question of Hindu marriages, with which I must say at the outset I am primarily concerned: it is well known that marriage is a sacrament with the Hindus and among the higher castes of Hindu society is performed according to rituals which have in all essentials come down from the Vedic times: their very age apart from their source invests the marriage tie with a peculiar sanctity in the eyes of the Hindus. After the Vedic ages, coming down through circling centuries, these marriage rites have taken the hue, though not deeply, of the religious beliefs of the time through which they have passed, and we have now the observances of the Pauranic period intermingling with the simple rites practised by the ancient Rishis, the ancestors of the Hindu race.

"Hinduism, like other great religions of the world, has had its dissenters from time to time: the Jainas, the Buddhists, the Sikhs have had their own marriage rites, and minor sects have also adopted variations recognised in their own particular communities; but difficulties arose with the stereotyping of prevailing Hindu practices during the British period: Law Courts gave rigidity to existing

customs, and Hinduism to some extent lost its innate vitality and Hindu practices ceased to yield a quick response to changes necessitated by a change in the environments of Hindu life.

“Early in the Nineteenth century Raja Ram Mohan Roy revived in India the doctrine of the Unity of God and appealed to the sacred books of the Hindus themselves, to the Vedas and the Upanishads, for the realisation and confirmation of this high ideal of religious belief. He founded what is now known as the Brahmo Samaj of India in the year 1830, and his great personality soon attracted to it many earnest and thoughtful men from among the Hindus; for some time the members of the new sect, who called themselves Brahmos, worshippers only of Brahma or the Supreme Being, conformed to the social and religious observances of the Hindus, omitting more or less what to them seemed repugnant to the ideals of their faith. With the increase in their numbers and under the driving force of the genius of Keshub Chunder Sen, the Brahmos evolved out of the ancient rituals of Hinduism ceremonials to suit their special needs: not only did they abandon a substantial part of the old ritual, but they went further and, disregarding the limitations of caste, introduced intermarriage in their own community. Naturally great misgivings arose as to the validity of these marriages. For many centuries the practice of intermarriage between members of different castes had ceased among the Hindus. The Brahmos obtained the opinion of a distinguished lawyer, then practising in the Calcutta High Court, Mr. Cowie, the then Advocate General, who gave it as his opinion that the marriages contracted by the Brahmos would not be looked upon as valid in a Court of law. In this state of things, the Brahmo community approached the Government of India for a marriage law which would validate their marriages, and in 1868, Sir Henry Maine, the greatest jurist who has ever held office as a Law Member of the Government of India, concurring with the opinion of Mr. Cowie, introduced a Bill which was very simple in its character. As the Christian community of India had already their own marriage registration law (14 & 15 Victoria, Chapter XL), under which they could be married without the rites of any of the Christian Churches, Sir Henry Maine excluded the Christians from his scheme, and confined it to those who objected ‘to be married in accordance with the rites of the Hindu, Muhammadan, Buddhist, Parsi or Jewish religions,’ and he laid down a few simple conditions for the validity of a marriage under his measure: these conditions were: (1) presence of the Marriage Registrar; (2) age of the husband should be above 18; (3) age of the wife above 14, and if below 18, consent of her guardian necessary; (4) parties not to be within the prohibited degrees of their own respective communities. Things in India move slowly, and by the time the opinions of Local Governments had been collected and the Bill was ripe for enactment into law, Sir Henry Maine had left the scene of his labours, and his successor, out of deference to the opposition that the Bill had evoked in certain quarters, modified the measure to some extent and introduced a limitation which I now seek to remove: this limitation is as follows, *viz.*, that the provisions of the law should only extend to those who did not profess the Christian, Jewish, Hindu, Muhammadan, Parsi, Buddhist, Sikh or Jaina religions, and a form of declaration was introduced which had to be signed by the parties contracting marriage, which made the declarant say that he or she did not profess any of the religions above-mentioned. The present law, Act III of 1872, stands with this limitation. Now, my Lord, this negation of all existing and known religions of India who seek to contract these marriages is felt to be a hardship. The Brahmos naturally object to make the sweeping declaration: many of them believe that the religion as professed by them is only a purer form of the Hindu faith, and they derive their inspiration from the sacred writings of the Hindus, the Vedas and the Upanishads. We Hindus have no quarrel with them: our religion is not confined to professions: we do not object to sects, and so long as any section of the Hindu community does not seek to break away from it, the Hindus, subject to limitations which they naturally impose for the protection of the orthodox faith, do not deny to such section the right to live as an integral part of the Hindu society. The Vaishnavas of Bengal have their own

[1ST MARCH 1911.] [Babu Bhupendranath Basu.]

peculiar practices and ceremonies and disregard not only the limitations of caste, but also of creed. The Muhammadans have been known in the past to embrace the Vaishnava faith. Many of them in times past have displayed a violent hostility to certain Hindu divinities: but the Vaishnavas have always been tolerated by the Hindus and treated as a part of themselves; their great teacher Gouranga is looked upon as one of the holiest of saints, and by a large and very devout section of the people as an incarnation of God himself. Hindus learnt and taught the lesson of religious toleration when the rest of the world was red with strife. 'I manifest myself to all who come to me whatever may be the path they tread' is the admonition that Srikrishna gave to his favourite disciple centuries ago, and this has largely influenced Hindu thought and opinion in matters of religious belief. But while Hindu opinion is tolerant of other faiths it is naturally sensitive to any departure from its own established code of practices; this attitude has been its great safeguard in the past, and in this view an objection may be taken to my amendment, that if carried into law it will facilitate intermarriage and lead to an eventual disruption of Hindu society. It cannot be denied that intermarriages between different Varnas were prevalent in ancient India and are recognised in Smritis and Sanhitas, which make provision for succession to inheritance by sons of wives of different degrees regulated according to the rank of their mothers: even this rule of differentiation seems to have been an innovation for the ancient lawgiver. Baudhayana lays it down generally that 'in case of competition of a son born from a wife of equal class, and of one born from a wife of a lower class, the son of the wife of lower class may take the share of the eldest, in case he be possessed of good qualities.' Manu, the great law-giver of the Hindus, sanctions the marriage of a Brahmin with women of lower degrees though he reprobates the marriage of a Brahmin with a Sudra woman, a reprobation which shows that the practice existed. Many of the non-Brahmin castes of India, some of them occupying a high position in Hindu society, are the result of mixed unions. The great sage Vyasa, the compiler of the Vedas, was the son of a fisherwoman and was himself the father of three sons, two from Kshatriya brides and one from the bed of a Sudra woman. Vijnaneswara, the great commentator of Yajnavalka, whose treatise the Mitakshara is recognised as of very high authority throughout India, says in a passage quoted in a judgment of the Madras High Court (I. L. R. 12 Madras): 'A Brahmin begets upon a Sudra, a Nishada, she the Nishadi marrying a Brahmin produces a girl, who again marries a Brahmin; in this manner, the marriage of the 6th daughter produces a Brahmin. Again a Brahmin produces upon a Vaishya an Ambastha, who marrying a Brahmin bears a daughter, and these connections going on for five generations produce a Brahmin,' so that in olden times a Brahmin could be gradually evolved. Jimuta Vahana, the recognised authority on the law of inheritance in Bengal, speaks in the *Dayabhaga* of the union of a Brahmin with a Sudra woman as a venial offence and lays down, basing his opinion upon Vrihaspati and Baudhayana, the principle that the son of a Sudra wife shall have the same rights as the son of a Brahmin wife, except as to lands given to the father as a pious donation. But whatever may have been the practice in the past, for many centuries now intermarriage between different castes, except in some very rare cases sanctioned by local custom and confined to two or three castes, has been unknown, and this exclusion has gone so far as to prohibit intermarriage between different sub-sections of the same caste. There is a strong consensus of opinion in a considerable section of the Hindu community that restrictions upon intermarriage between different sub-sections of the same caste, if not between different castes, should cease. Cases of such intermarriage have taken place in the Kayastha community of Bengal, and there is a growing desire to extend the practice between sub-sections of that community inhabiting different parts of India, and in some instances between members of different castes. The parties contracting such marriages do not desire to break away from Hinduism and the Hindu tradition. They celebrate the marriages according to Hindu rites, which, though same in essentials, differ considerably in practice in different parts of India and among different castes and communities; but the validity of such marriages is not absolutely free from doubt. Mayne in

his treatise on Hindu law says 'Marriages between persons in different sub-sections of the same caste, e.g., of Brahmans or Sudras, have been said to be invalid, unless sanctioned by local custom.' Raghunandan and Kamalakara, two of the latest commentators on Hindu law as prevalent in Bengal, prohibit intermarriage between different tribes upon the authority of a text in one of the minor Puranas.

"The late Mr. Justice Dwarkanath Mitter, than whom a greater exponent of Hindu law has not adorned the bench of the High Court, observed in one of his judgments (*Melaram Nudial v. Thanooram Bamun*, 9 W. R. 552) as follows:—'Domes and Harees are two distinct castes, and the question is whether marriage between a Dome Brahmin and a Haree girl is good and binding. Local custom is the only authority by which such a marriage can be sanctioned, the general Hindu law being against it.' I may mention that the Domes and Harees in Bengal belong to 'the lowest grade of Hindu castes and are regarded as untouchable. The Privy Council, in a Madras case affecting the status of Sudras in Madras, held that illegitimate offspring of the Sudra caste belonged to that caste and a marriage between such offspring and another member of the Sudra caste would not be invalid (13 Moore's Indian Appeals, page 141). In a later case in the Calcutta High Court another eminent Hindu lawyer, the late Sir Romesh Chander Mitter, whose attention had been called to the Privy Council judgment I have just mentioned, held that 'marriage between parties in different subdivisions of the Sudra caste is prohibited unless sanctioned by any special custom, and no presumption in favour of the validity of such a marriage can be made although long cohabitation has existed between the parties.'

"The Calcutta High Court, in a bench composed of two English Judges, in another case in which the reputed husband was a dhobi or washerman and the reputed wife a fisherwoman, both belonging to Assam, held that intermarriages between different sub-sections of the Sudra caste were valid. One would hardly think that in this state of the law, with only a judicial authority by no means unanimous that valid marriage may be contracted between sub-sections of the Sudras in Madras and of the fishermen caste in Assam, amongst both of whom illegitimacy is no bar to inheritance, it would be safe to pronounce that marriages between the sub-sections of the higher castes in India, who do not profess to be Sudras and in many instances follow the practices enjoined upon the 'twice born,' would be valid: and naturally people would hesitate to form unions the validity of which may be called into question at any time. I am aware that there is a growing opinion that such marriages must be held to be valid, but people cannot afford to marry merely upon legal opinions, however high the source may be from which they proceed: no custom has yet grown up to sanction such marriages, for a custom to be valid must be existing from time immemorial. All that I desire is that this bar which custom or want of custom has created in Hindu society should be removed.

"I do not think it is necessary to deal with the question in its aspect upon the Hindu Law of Succession: doubts have been from time to time expressed as regards the effect of a change of religion upon the status of the parties. The Calcutta High Court has lately held (*Kusum Kumari Roy v. Satya Banjan Das*, I. L. R. 80 Calcutta) that a Brahma father can give one of his sons in adoption to Hindu parents. The High Court of Bombay (I. L. R. 25 Bom. 551) has held that a Hindu convert to Mahomedanism can give his Hindu son in adoption to Hindu parents; and the Privy Council in a very recent appeal from the Punjab Chief Court agreed with the conclusion of that Court that a Sikh or a Hindu by becoming a Brahma did not necessarily cease to belong to the community in which he was born: and they further agreed with the Chief Court in thinking that such lapses from orthodox practice (in matters of diet, etc.) could not have the effect of excluding from the category of Hindu in Act V of 1881 one who was born within it, and who never became otherwise separated from the religious communion in which he was born (I. L. R. 81 Cal. 11). Whatever may be the doubts that marriage under the present Act which makes it incumbent upon a party to declare that he does not profess a particular religion, throws

[1ST MARCH 1911.]

[*Babu Bhupendranath Basu ; Maharajahdiraja Bahadur of Burdwan.*]

upon the law of succession and his property arising from the fact that a declaration has to be made that the party belongs to one of the professed religions of India, the amendment of the law which I propose, and which dispenses with this declaration, will have no such effect, for it cannot be contended in the case of Hindus that if they intermarry according to Hindu ritual they shall cease to be Hindus. As regards those who do not desire to marry under a Hindu ritual, their position will not be worse than under the existing Act III of 1872.

"I have not dealt with the other great communities of India. As regards intermarriage the Muhammadan law is extremely liberal, the only condition being that the parties must belong to a religious faith which professes belief in the *Ahle Kitab*. The Muhammadans of India are not affected by the present law and the change I propose makes no difference in their case. As regards the Indian Christians, they have, as I have already stated, their Special Act, 14 & 15th Victoria, Chapter XL. The Parsis have their own law of marriage and divorce (Act XV of 1865) for marriages *inter se*, and if they do not desire to go beyond their own community, the law as it stands or the alteration I suggest will not affect them.

"My amendment is meant specially for the Hindus, and if the representatives of the other communities so desire I shall be content to limit it to Hindus alone: I do not desire to interfere with Hindu customs and practices as at present observed: all I seek is liberty to those who, while observing Hindu customs, believe that there may be room for expansion and growth in consonance with Hindu ideals, that such growth and expansion may be secured not by secession from the Hindu communion but by reversion to what made it so great in times gone by: and in this there is no violence to Hindu thought or feeling, no forcible imposition of alien and strange practices upon Hindu society. The Widow Remarriage Act has legalised the marriage of Hindu widows: orthodox Hindu society is not affected by it: just as it can avoid a convert to a foreign religion, so does it avoid, when it seems necessary, social intercourse with parties contracting marriage under the Hindu Widow Remarriage Act, and so may it, if it likes, put under its ban people who may take the benefit of the legislation that I propose and contract intermarriage according to Hindu rites between sub-sections of the same caste or different castes. Hindu society has resisted violent onslaughts in the past upon its citadel of orthodoxy as understood by itself; it is not likely to be affected until there is a great change in its sentiment and attitude towards intermarriage, and if such a change ever comes, Hindu society will remain Hindu as it is, only orthodoxy will change one of its dogmas: Hindu society was justly indignant because members of its community, however low in the social scale, were at one time destined for a separate classification; let us Hindus not drive out from our body enlightened men who would live the life of the Hindu and marry according to our rites, if in the just exercise of the liberty of conscience they extend their social horizon beyond the circle of their caste or sub-caste on lines at one time recognised by the Hindus themselves and sanctioned by their scriptures. The *Lex Loci Act* (XXI of 1850) has removed the disabilities of Hindu converts to other religions. Before that Act was passed it was felt doubtful as to whether, when a Hindu renounces his religion, he would be entitled to succeed to his father's inheritance; because under the Hindu system of society apostasy was deemed a ground for forfeiture. The *Lex Loci Act* of 1850 remedied that disability. Shall it be said that we are unwilling to remove disabilities from amongst ourselves, that we are unwilling to provide room for healthy expansion and growth? Such an attitude will be suicidal, such an attitude will seal up the genius of the Hindu race within an iron mould from which it can only escape by violence, or where it shall for ever lie cramped and immured. I hope it will not be so. I am sure it shall not be so, and in that hope and in that faith I crave liberty to introduce this Bill in this Council."

The Hon'ble the MAHARAJADHIRAJA BAHADUR OF BURDWAN: "My Lord, it is rather early at this stage to make any comments on the amendment that my Hon'ble friend to my left wishes to move in Act III of 1872. Nor am I unfortunately so well versed in the Hindu Shastris as to

[Maharajadhiraja Bahadur of Burdwan; Lieutenant Malik Umar Hayat Khan.] [1ST MARCH 1911.]

be able to quote like my friend off-hand the different authorities who have advocated liberty about marriages and other social customs of the Hindus. But as a Hindu I regret that such a thing should have been brought here. Have we no Brahmins and Pundits left now-a-days to decide such a question? Is British legislation to decide to alter what our old codes have laid down centuries ago as good and beneficial for us? I may say, my Lord, without any desire to run down any of the lower classes of Hindus who have now been christened as the depressed classes, that what may apply to the *Bagdies* and *Doms* according to the judgment of Justice Dwarka Nath Mitter, which my friend has quoted, cannot apply even in these advanced days of the 20th century to the Brahmins and other higher castes in India. My Lord, Babu Bhupendranath has made a very earnest appeal on behalf of the Brahmos. I may say at the outset that with the high religious ideals of the Brahmos I am at one, because they are not Brahmo ideals but the lofty ideals of the Hindu. Why I have all along objected to Brahmoism is not for the religious faith that its members profess, but because by their peculiar social customs the Brahmos have disassociated themselves from the Hindus. Had Raja Ram Mohan Roy been living today and brought an amendment that Brahmos should be classified as Hindus, probably there would not have been any opposition, for the simple reason that Raja Ram Mohan Roy never ceased to be a Hindu, for even when his dead body was taken to the funeral pyre the holy thread was found on it. The objection has arisen to the principles followed by leaders like Babu Keshub Chandra Sen and others who followed him; for they left the original line demarcated by Raja Ram Mohan Roy to save the Hindus from becoming Christians and adopted principles which could not be acceptable to Hindus. For these reasons, my Lord, I think that before this Council takes this Bill into consideration, it should seriously examine as to whether or not what appears on the surface as a simple amendment may mean shoving a dynamite cartridge into Hindu society.

"My Lord, it may easily have far-reaching effects. On the other hand, as my friend has said, the real Hindus, the real orthodox Hindus, will remain where they are. My Lord, at the present moment in this country, especially in my Province, there are many men who take a very catholic view of things, and as far as burning questions of the day like the advisability of widow-remarriage or of raising the marriageable age of girls are concerned, or about upholding and following the principle of worshipping the one God-head that the ancient Hindus laid down, I am at one with them. But, my Lord, I am not at the present moment, without giving the matter my fullest consideration, able to accept the amendment my friend has put forward in Council today. I shall, therefore, reserve my further comments on the Bill till it is brought up for consideration and discussion."

The Hon'ble **LIEUTENANT MALIK UMAR HAYAT KHAN** said: "My Lord, I want to say only a few words at the introduction of this Bill. By this Bill it is meant to legalise special marriages. As far as I can think, it will be something like the Anand Marriage Bill, which caused great alarm and divided the Sikhs of the old and the new schools into two camps, the effects of which to some extent still exist. I have said this by way of suggestion that as far as possible such controversial questions should be avoided. I will be the last person to attack religions like others, as it may cause heart-burning, and I will carefully avoid it.

"As far as I know all Hindu and Muhammadan marriages are already covered by their own custom and laws, and if the sect in question belongs to one of them their own declaration to be such would be sufficient. In this way it will be only a social matter. The only other reason why a new legal Act is required can be the springing up of a new sect. If that is the case, then no doubt it will be necessary to legalise their marriages. If one looks at the Anand Marriage Act carefully one comes to find that it is an Act but at the same time has not the use of an Act. It does not bind down any community unless both the parties profess to be governed by it. Generally there is no controversy. But if there be any, there is no difficulty for one party to declare that they are not governed by it. And thus the matter ends, as that party gets out of the scope of the law. I should have liked to know how many cases, since the

1st MARCH 1911.]

[*Lieutenant Malik Umar Hayat Khan ; Raja of Dighapatia ; Nawab Abdul Majid.*]

passing of the Anand Marriage Bill, have been decided under it. I may be wrong, but I can say with some confidence that perhaps none.

"If such a Bill is only going to excite classes and start controversy, I think it will be only waste of time to pass it into law. When any country or any sect is on the verge of reform, some are far ahead and others are far behind the mass of the people. Their points of view are different from one another, their point of agreement being something like the meeting place of the colours of the rainbow when it is difficult to decide where one begins and the other ends. Thus one definite law could not equally satisfy all. It could only be effective if in each district there was kept a register for recording the names of all persons who professed to belong to such a sect. Only then could all the disputes arising between them be easily settled under such a law. Unless such a thing is done, I do not think that the passing of it will prove useful. I would therefore suggest that this Bill should be withdrawn at this stage so as to avoid all future friction and trouble. If it is not done we can later on have many chances of discussion, and I think if it was ever passed into law it would be in such a shape that only if both the parties wanted to apply it to themselves, they could do so, but not otherwise.

"At the end I would point out that if the laws of one religion do not govern the followers of another, they should no more be enumerated among the members of the first."

The Hon'ble RAJA OF DIGHPATIA: "I have great pleasure in supporting the principles of the Bill just introduced in the Council by my Hon'ble friend, Babu Bhupendranath Basu. I believe that India does not stand today where it did in 1872 and that our ideas in every phase of life, including domestic and matrimonial, have undergone considerable modification and changes. Now-a-days we find an ever-increasing class of men in this country, particularly educated men, with advanced ideas, anxious to marry according to their lights. When they contract such marriages, the law unfortunately compels them to declare that they no more belong to the religion of their forefathers or, for the matter of that, to any religion at all. Really I do not see why a man should be obliged to forsake or abjure his religion only because he cannot marry within his caste. To compel anyone to abjure the faith of his ancestors only because he chooses to marry in an unorthodox fashion—a fashion followed by many in every civilized country in the world—would be really hard on the poor man whatever religion he may belong to, and would not be consistent with the broadened ideas of the present day. No doubt there may be some social difficulties for some time in consequence of such marriages, but these will adjust themselves if the law allows such adjustments. As for the religious question involved, I do not think there is any harm in permitting any one to marry outside the orthodox circle if he is so inclined. The law provides in every civilized country full opportunity to any one to marry whomsoever he likes without making any such declaration as the Indian Act III of 1872 requires. Is it therefore too much to ask, my Lord, to bring our law on this subject into line with that of other civilized countries? My friend the Maharaja of Burdwan, my Lord, has just said that it would be like throwing dynamite into the Hindu society; but I beg to submit that it would be just the other way, because if such amendment be passed many people will remain Hindus who otherwise would not be able to remain Hindus. With these few remarks, I beg to support the Bill introduced by the Hon'ble Babu Bhupendranath Basu."

The Hon'ble NAWAB ABDUL MAJID: "My Lord, as it has been remarked by the Hon'ble the Maharaja of Burdwan, this is not a very simple measure as it looks upon its face. It is a very important measure which will affect both Hindus and Muhammadans alike; in fact, it will affect them a great deal. My Lord, I am not an authority on any question which affects Hindu society or the Hindus themselves, but as a Muhammadan I would say that any interference with the principle of Muhammadan law and with the privileges of the people to whom the Muhammadan law is applicable at present will not be a popular measure among the Muhammadan community. The Act which my friend the Hon'ble Mr. Basu wants to repeal has a saving clause, and the

[*Nawab Abdul Majid ; Mr. Haque ; Mr. Subba Rao.*] [1ST MARCH 1911.]

effect of that saving clause is this, that the law enacted under the Act III of 1872 will not affect the Muhammadans at all. I believe the Members of this Council are aware that the Muhammadan law is applicable at the present time to marriages among Muhammadans. If this Act is passed and that saving clause is repealed, it will in a way repeal the Muhammadan law itself, and the result will be that the Muhammadan law which applies to marriages among the Muhammadans will not be applicable to the Muhammadans, but a simple declaration under the Act, which my friend wishes to enact, will be considered quite sufficient. Other complications may arise which may be very serious and which I think ought to be brought before the Council at the present time when we have had an opportunity of studying the Act which my friend has introduced today. But for the present I will give an illustration. Supposing, for instance, a man who is a Muhammadan marries a Hindu woman under this Act, what would be the result? According to Muhammadan law a marriage between a Muhammadan and a Hindu is invalid at the present time, but under this Act it will be a valid marriage. Then another serious consequence will be, what will be the effect upon succession? Will the children of such a marriage be legitimate, or will they be illegitimate, and whether the children will inherit the estate of their parents or not? My Lord, I say therefore, it will be a serious matter to pass such a measure which affects—I am speaking as a Muhammadan—the Muhammadan community. My Lord, I would say that unless a fair opportunity is given for the discussion of the question and it is known what is the view of the Muhammadan community, my friend ought not to proceed with the Bill in the Council."

The Hon'ble MR. HAQUE:—"My Lord, I confess that my sympathies are entirely with the principle of the Bill introduced by my Hon'ble friend, Babu Bhupendanath Basu; but at the same time I must say that there would be some difficulty so far as the Muhammadans are concerned. Take the instance that has been given by my Hon'ble friend Nawab Abdul Majid that if a Muhammadan marries a Hindu, what would be the consequence, and by what law would the children of such marriage be governed? There is that difficulty no doubt; but I should like to remind my friend that the principle of this Bill has been followed by Muhammadans in former times. Who has not heard the name of Jodhe Bai, the wife of Jahangir and the mother of Shahjahan? There have been instances in the time of Akbar the Great and after him, where Muhammadans have married Hindu women and the issue of such marriages have been considered legitimate and have succeeded to the property of their parents. As a matter of fact we have had several Mughal Emperors whose mothers were Hindu ladies, so that the difficulties after all are not so very great as my friend thinks. My Lord, among Muhammadans marriage is no more than a civil contract and religion has nothing to do with it. The Bill is not going to be passed today, and I think, therefore, there ought not to be any opposition to its introduction at present. Time will be given to the Muhammadans and to the whole country to look into the matter, discuss it among themselves, and when the time comes for final discussion, we shall express our mature opinion upon this Bill. So, my Lord, I for my part will certainly support my friend and give my vote to the introduction of this measure."

The Hon'ble MR. SUBBA RAO: "My Lord, I have listened with very great interest to the eloquent exposition made by the Hon'ble Member in charge of the Bill. I have not had the benefit of examining the subject from its different standpoints. It is only within the last one hour that by the courtesy of the Hon'ble Member I have looked at the text of the Bill. The Bill as framed by my Hon'ble friend proposes to take away the limitation that is imposed by the Special Marriage Act of 1872, the limitation being that the person who wishes to contract a marriage under the Act should not belong to any of the professed religions of the country. That is, he has to make a declaration under the Act that he is not a Hindu, Muhammadan, Christian, Parsi, Jain, etc. My Hon'ble friend says that the Brahmans as a class are placed at a very great disadvantage under the Act, because, though they profess to be Hindus by religion, they are obliged to declare that they are not Hindus. If so, it discloses a very serious state of things and

[1ST MARCH 1911.]

[Mr. Subba Rao ; Mr. Dadabhoj.]

some remedy ought to be found to remove this difficulty. But that is one thing, and the Bill as framed appears to me to be quite a different thing. It is not exclusively confined to the Brahmos. By removing the restriction embodied in the Act, it embraces all classes of His Majesty's subjects within its purview. According to the Bill, Christians, Muhammadans, Parsis, Hindus, in fact all classes of people in this country, might hereafter marry under this special enactment, without conforming to the rites prescribed by their religion, and yet they would continue to be members of their religious communities. Let us therefore understand the full scope of this measure. Briefly put, it enables any professing any religion whatsoever to contract a marriage under the Act in spite of the injunctions of his religion. For instance, a Hindu may marry a Muhammadan, a Christian may marry a Hindu, a Muhammadan may marry a Parsi, a Brahmin may marry a Pariah, a Pariah may marry a Sudra, anyone may marry anyone else, and he is entitled to have his marriage registered under the Act and the issue of such a marriage becomes legitimate.

"I do not know whether all the various aspects of this measure have been considered by the Hon'ble Member in charge of the Bill. Some of them are touched upon by some of the speakers who have spoken on the subject. What is the law of succession governing the family if for instance a Hindu and a Muhammadan contract a marriage under the Act? What is the law of inheritance that should apply to the descendants of a Hindu and a Christian contracting a marriage under the Act? These and other questions which appear to me most important have not been discussed by my Hon'ble friend in asking leave of this Council. The Hon'ble the Maharaja of Burdwan has characterized the measure as revolutionary. I am afraid the Bill as it is framed has far-reaching consequences and vitally affects Hindu society as it is. I am in full sympathy with a limited measure to give facilities to Brahmos in the matter of their marriages, but the Bill as now drafted would provoke a great deal of discussion and discontent. As I have said, I have not had an opportunity of considering the different aspects of the measure, and I do not wish, therefore, to express any opinion on the Bill at this stage. But I may say, my Lord, that we should understand clearly the scope and object of this measure before the Bill is taken up for consideration, and that we should be satisfied that it is one which this Council can properly take up without causing deep discontent amongst large classes of His Majesty's subjects—discontent which every statesman would try to avoid as far as possible."

The Hon'ble MR. DADABHOJ : "My Lord, my only excuse in interposing in this debate is that I am the only Parsi Member of Your Excellency's Council. If I am in a position to judge the sense of my community, I do not think they require any change in their existing marriage law, and I only refer to this matter because the Hon'ble Mr. Basu as well as my friend Mr. Subba Rao have made references to my community. But it appears to me that a discussion at this stage of the Bill is entirely inopportune and wholly unprofitable. All that my Hon'ble friend Babu Bhupendranath Basu has asked for is for leave to introduce this Bill. There may be two sides to the question, and he is entitled to be heard. He has mentioned that the present limitations 'seal up the genius of the Hindu race.' If that be so, let the public have a full opportunity of making a pronouncement on it. The Bill will be discussed in the newspapers, it will be discussed by various communities, it will be discussed by lawyers, it will be discussed by Hindu jurists, and the matter will receive very careful and adequate consideration. I think, therefore, that the Bill should not be stifled at this stage, and that every opportunity should be allowed to the Hon'ble Mover of the Bill to take the sense of the public on it. As for my community, I have already mentioned that, as far as I am aware, they do not desire any change in the marriage law. Moreover, the Bill would be in conflict with the Parsi Marriage Act of 1865 in its various aspects. I shall deal with many of the arguments advanced by my Hon'ble friend Babu Bhupendranath Basu at a later stage; but at present I submit the Council should not hesitate to permit him to introduce his Bill."

The Hon'ble MR. JENKINS: "I would follow the example of the Hon'ble Mover of the Bill and glance briefly at the history of this Act which it is proposed to amend. The Bill which finally resulted in the Act of 1872 was introduced by Sir Henry Maine in 1868. Under the guidance of Sir Fitzjames Stephen it was brought up again in Council in 1872 and was passed in the form of the present Act. Now the Bill which Sir Henry Maine introduced gave rise to a vast amount of agitation and discussion. It was very strongly opposed and ultimately had to be withdrawn. Yet the Bill which Sir Henry Maine brought forward did not go by any means as far as the amendments which the Hon'ble Babu Bhupendranath Basu has proposed, because marriage under the Bill as proposed by him was confined to natives of British India 'not professing the Christian religion and objecting to be married in accordance with the rites of the Hindu, Muhammadan, Buddhist, Parsi, or Jewish religion.' Any person marrying under that Bill would have had to declare an objection to be married under those religions. As the Hon'ble Mr. Subba Rao has pointed out, the Hon'ble Babu Bhupendranath Basu's Bill goes a very great deal further, and it makes marriage, subject to certain restrictions as to affinity and so forth, free to everybody. That of course is a very serious step to take. When Sir Fitzjames Stephen took charge of the Bill he altered it very considerably, and in dealing with the Bill as it was propounded by his predecessor, he made certain remarks which I will make no apology for quoting, as I think they present the case in a form which is extremely lucid, and in words much better than any I can command. He said:—

'It appears to me that the Bill introduced by my Hon'ble friend would, by direct legislation, change very deeply the Native law upon marriage. It applies to "Natives of British India not professing the Christian religion, and objecting to be married in accordance with the rites of the Hindu, Muhammadan, Buddhist, Parsi or Jewish religion." All such marriages are declared to be valid, if they are celebrated according to a certain form provided by the Act, and upon certain conditions. These marriages would, moreover, be monogamous. The Bill, in short, would introduce the European conception of marriage into the Hindu and Muhammadan communities, and give to it, by law, a place amongst Hindu and Muhammadan institutions. I do not think it can be denied that this would be a change, whether for better or for worse. You may change by addition as well as by other forms of alteration.'

"He went on to say:—

'There is, I think, a distinction in this matter which the Bill as introduced overlooks. It is the distinction between treating Hindu law as a law binding only on those who submit to it of their own will, and treating it as a law binding on those who do submit to it only in so far as they choose to do so. It is surely one thing to say to Hindus 'you are at liberty to change your law and religion if you think proper, and you shall suffer no loss by so doing'; and quite another thing to say to them 'you are at liberty to play fast and loose with your law and religion; you shall, if you please, be at one and the same time a Hindu and not a Hindu.' By recognising the existence of the Hindu religion as a personal law on this matter of marriage, I think that we have contracted an obligation to enforce its provisions in their entirety upon those who choose to live under them, just as we have, by establishing the general principles of religious freedom, contracted a further obligation to protect anyone who chooses to leave the Hindu religion against injury for having done so, and to provide him with institutions recognised by law and suitable to his peculiar position.'

"That of course refers to the famous *Lex Loci* Act of 1850 which excited so much discussion. He then went on to say:—

'I think that it is hardly possible to hold other language on the subject than this "be a Hindu or not as you please; but be one thing or the other, and do not ask us to undertake the impossible task of constructing some compromise between Hinduism and non-Hinduism, which will enable you to evade the necessity of knowing your own mind.'"

"My Lord, I have listened with great attention to the speech of the Hon'ble Mover of the Bill, and it seems to me that the essence of his speech was that it was necessary to make some provision by which the sect called the Brahmos should be able to call themselves Hindus, when really the orthodox Hindus would not allow that they were justified in assuming that title. If that were all, the same result could be gained a great deal more easily without interfering with other communities by passing a Bill saying

*SPECIAL MARRIAGE; PRESS; ADJOURNMENT OF 273
COUNCIL.*

[1ST MARCH 1911.]

[*Mr. Jenkins; Babu Bhupendranath Basu; the
President.*]

that Brahmos are entitled to call themselves Hindus. After all, the people who decide these matters are the orthodox parties. It is not for the dissidents who break away from a religion or community to say whether they should still retain the name or whether they are still the same people. It is those who remain and those who hold to the old rites and the old customs who decide whether the dissidents are true members of the community or not.

"I have said so much not with a view at the present time to offering any opposition to this Bill. I wish merely to indicate what very great difficulties there are in the way and how very necessary it is that, before we proceed further, the Hon'ble Mover of the Bill should be able to assure us that he has behind him the full and almost undivided support of all the communities who are affected by it. It is a fixed principle of the Government of India not to interfere in any way whatever with the personal laws and customs of the different peoples of India unless they have strong and conclusive evidence that the change is desired by the people who are affected, and that is the policy to which I hope we shall continue to adhere.

"My Lord, the Government have decided not to oppose the motion for leave to introduce this Bill; but they reserve to themselves full liberty to oppose it or deal with it in any manner they think fit at a further stage."

The motion was put and agreed to.

The Hon'ble BABU BHUPENDRA NATH BASU introduced the Bill and moved that the Bill, together with the Statement of Objects and Reasons relating thereto, be published in the Gazette of India in English and in the local official Gazettes in English and in such other languages as the Local Governments think fit.

The motion was put and agreed to.

INDIAN PRESS (AMENDMENT) BILL.

The Hon'ble BABU BHUPENDRANATH BASU:—"My Lord, with regard to the next motion that stands against my name, I had intended to bring forward an amendment of the existing Press Act upon the lines which have more or less been adopted throughout India by the Government itself. I only desired that what has been the practice the Government has observed in regard to these matters should be embodied in the statute, so that the public might have an assurance that the practice would be strictly followed and enforced in every instance; and I had hoped, and I still hope, that, if necessary, there would be no opposition to the introduction of a Bill on these lines. But since coming into this Council chamber, I have received communications from friends whose advice and opinion are entitled, so far as I am concerned, to the greatest weight, that it would be undesirable at the present moment to bring forward the motion that stands in my name. Out of deference to their opinion, I crave Your Excellency's permission to withdraw the Bill, reserving the liberty, if it should be necessary, hereafter to bring it forward, subject always of course to Your Excellency's permission."

Leave was granted.

ADJOURNMENT OF COUNCIL.

His Excellency THE PRESIDENT: "The Council will now adjourn till Tuesday, the 7th March, when the Financial Statement will be discussed."

J. M. MAOPHERSON,

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

Calcutta; }
The 8th March 1911. }